

JAN 23 2015

A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 201H-202, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsections (d) and (e) to read:

4 "(d) The fund shall be used to provide loans or grants for
5 the development, pre-development, construction, acquisition,
6 preservation, and substantial rehabilitation of rental housing
7 units[~~-~~] and, when authorized by the legislature, of spaces for
8 public uses within mixed-use residential developments in which
9 the residential component consists of rental housing units.

10 Permitted uses of the fund may include but are not limited to
11 planning, design, land acquisition, costs of options, agreements
12 of sale, downpayments, equity financing, capacity building of
13 nonprofit housing developers, or other housing development
14 services or activities as provided in rules adopted by the
15 corporation pursuant to chapter 91. The rules may provide for a
16 means of recapturing loans or grants made from the fund if a
17 rental housing project financed under the fund is refinanced or



1 sold at a later date. The rules may also provide that moneys
2 from the fund shall be leveraged with other financial resources
3 to the extent possible.

4 (e) [~~Moneys~~] Unless otherwise authorized by the
5 legislature, moneys available in the fund shall be used for the
6 purpose of providing, in whole or in part, loans or grants for
7 rental housing projects in the following order of priority:

8 (1) Projects or units in projects that are allocated
9 low-income housing credits pursuant to the state
10 housing credit ceiling under section 42(h) of the
11 Internal Revenue Code of 1986, as amended, or projects
12 or units in projects that are funded by programs of
13 the United States Department of Housing and Urban
14 Development and United States Department of
15 Agriculture Rural Development wherein:

16 (A) At least [~~fifty~~] 50 per cent of the available
17 units are for persons and families with incomes
18 at or below [~~eighty~~] 80 per cent of the median
19 family income of which at least [~~five~~] 5 per cent
20 of the available units are for persons and



1 families with incomes at or below [~~thirty~~] 30 per
2 cent of the median family income; and

3 (B) The remaining units are for persons and families
4 with incomes at or below [~~one hundred~~] 100 per
5 cent of the median family income;

6 provided that the corporation may establish rules to
7 ensure full occupancy of fund projects; and

8 (2) Mixed-income rental projects or units in a
9 mixed-income rental project wherein all of the
10 available units are for persons and families with
11 incomes at or below [~~one hundred forty~~] 140 per cent
12 of the median family income."

13 2. By amending subsection (i) to read:

14 "(i) [~~For the period commencing July 1, 2005, through~~
15 ~~June 30, 2009, the fund may be used to provide grants for rental~~
16 ~~units set aside for persons and families with incomes at or~~
17 ~~below thirty per cent of the median family income in any project~~
18 ~~financed in whole or in part by the fund in proportion of those~~
19 ~~units to the total number of units in the project. At the~~
20 ~~conclusion of the period described in this subsection, the~~
21 ~~corporation shall report to the legislature on the number and~~



1 ~~use of grants provided and whether the grants were an effective~~
2 ~~use of the funds for purposes of developing rental housing for~~
3 ~~families at or below thirty per cent of the median family~~
4 ~~income.] A separate subaccount shall be established within the~~
5 ~~fund, known as the mixed-use residential development subaccount.~~
6 ~~Except as otherwise provided, all moneys in the subaccount shall~~
7 ~~be used exclusively to provide loans or grants for the~~
8 ~~development, pre-development, construction, acquisition,~~
9 ~~preservation, and substantial rehabilitation of spaces for~~
10 ~~public uses within mixed-use residential developments in which~~
11 ~~the residential component consists of rental housing units~~
12 ~~authorized by the legislature.~~

13 As used in this subsection, "spaces for public uses" means
14 spaces for use by the public or other uses that serve a public
15 purpose, including but not limited to spaces for community
16 meetings, employment training, social services, education, and
17 juvenile services centers."

18 SECTION 2. Section 201H-204, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Activities eligible for assistance from the fund
21 shall include but not be limited to:



- 1 (1) New construction, rehabilitation, or preservation of
- 2 low-income rental housing units that meet the criteria
- 3 for eligibility described in subsection (c);
- 4 (2) The leveraging of moneys with the use of fund assets;
- 5 (3) Pre-development activity grants or loans to nonprofit
- 6 organizations; [~~and~~]
- 7 (4) Acquisition of housing units for the purpose of
- 8 preservation as low-income or very low-income
- 9 housing[~~-~~]; and
- 10 (5) New construction, rehabilitation, or preservation of
- 11 spaces for public uses, as defined in section
- 12 201H-202(i), in mixed-use residential developments, as
- 13 authorized by the legislature."

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2015-2016 and
17 the same sum or so much thereof as may be necessary for fiscal
18 year 2016-2017 for deposit into the mixed-use residential
19 development subaccount of the rental housing trust fund,
20 established under section 201H-202(i), Hawaii Revised Statutes.



1 SECTION 4. All acts passed by the legislature during the
2 regular session of 2015, whether enacted before or after the
3 effective date of this Act, shall be amended to conform to this
4 Act unless such acts specifically provide that this Act is being
5 amended.

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2015.
9

INTRODUCED BY: *Franne Chun Oakland*

[Signature]
[Signature]



Report Title:

Rental Housing Trust Fund; Mixed-use Rental Projects;
Appropriation

Description:

Authorizes the rental housing trust fund (RHTF) to be used for spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units. Establishes a separate mixed-use residential development subaccount within the RHTF to make loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units. Clarifies that assistance from the RHTF may be made for new construction, rehabilitation, or preservation of spaces for public uses in mixed-use residential developments. Makes appropriation from general fund for deposit into the mixed use residential development account.

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