
A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 PART I

2 SECTION 1. Part II of this Act directs the Hawaii public
3 housing authority to establish trust accounts to provide
4 matching funds to tenants who rent dwelling units and to require
5 that trust account moneys be spent by the tenant on purchases
6 relating to housing.

7 Part III of this Act provides that the tenancy in a state
8 low-income housing project shall terminate, upon the termination
9 of the tenancy of the last household member, who was an original
10 household member at the time the initial lease or rental
11 agreement was executed, subject to certain exceptions.

12 Part IV of this Act authorizes the issuance of general
13 obligation bonds and appropriates funds for capital improvement
14 projects at state low-income housing projects and for the
15 establishment of trust accounts pursuant to part II of this Act.



PART II

SECTION 2. Chapter 356D, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

"§356D- Trust accounts; renovation of rental units. (a)

Trust accounts shall be established within the authority to enable the authority to provide matching funds to tenants who rent a dwelling unit.

(b) If at any time there are more applicants for units than available units, the authority shall maintain a waiting list of eligible applicants for dwelling units. When a unit becomes vacant, the authority shall determine who shall fill the vacancy from the waiting list; provided that the eligible applicant agrees to the conditions set forth in this section.

(c) The authority shall require an eligible applicant who rents the dwelling unit to:

(1) Establish and maintain a trust account to be managed by the authority; and

(2) Be a participant in the Family Self-Sufficiency Program as provided in 42 United States Code section 1437u.



1 (d) The tenant shall pay per cent of the tenant's
2 income to the authority as payment for rent. The authority
3 shall take the difference between the:

- 4 (1) Tenant's payment; and
- 5 (2) Minimum rent set by the authority for state-aided
- 6 public housing project units on the date the tenant
- 7 first occupies the unit,
- 8 and deposit the moneys into the tenant's trust account.

9 For the purposes of this subsection, the minimum rent for
10 the tenant shall remain the same during the entire period the
11 tenant occupies the unit.

12 (e) Upon the date the tenant voluntarily vacates the unit,
13 the authority shall match, on a dollar-for-dollar basis, the
14 amount deposited by the authority on behalf of the tenant
15 pursuant to subsection (d) and shall deposit the matching amount
16 into the trust account in the name of the tenant. All interest
17 accrued on the balance in the trust account shall be included in
18 the trust account. Within three months after the date of
19 tenancy termination, the authority shall release to the tenant
20 the moneys contained in the tenant's trust account and shall



1 require the tenant to spend all the moneys on purchases related
2 to housing.

3 (f) Upon the date the tenant voluntarily vacates the unit,
4 the authority shall issue a housing choice voucher to the tenant
5 to be used towards the purchase or to assist in paying the
6 mortgage of a housing unit.

7 (g) After the end of the tenth year from the date of
8 initial purchase or execution of an agreement of sale, the
9 former tenant may sell the housing unit and sell or assign the
10 real property free from any price restrictions; provided that
11 the former tenant shall be required to pay the authority the sum
12 of the authority's share of the net appreciation of the value of
13 the real property as determined by the authority.

14 (h) No tenant subject to this section who is evicted from
15 the tenant's unit for cause by the authority shall be eligible
16 to receive any matching funds pursuant to subsection (e).

17 (i) If a former tenant who has received moneys pursuant to
18 subsection (e) wishes to reapply for a dwelling unit, the former
19 tenant shall first repay the entire amount of the trust fund
20 moneys paid pursuant to subsection (e) and meet any other
21 requirements imposed by the authority.



1 dependent parents, if any. The deceased veteran's
2 widow or widower shall be given first preference.

3 Parents of veterans shall not use the veteran status
4 of their adult child as a basis for preference; and

5 (3) Subject to any limitations set by federal law or
6 regulation, the authority shall not select as a
7 tenant, and may terminate the tenancy of, any person
8 if the person or any household member owns or acquires
9 a home within the State.

10 (b) Upon the termination of the tenancy of the last
11 household member who was an original household member at the
12 time of the initial lease or rental agreement for a dwelling
13 unit in a state low-income housing project, the tenancy of all
14 remaining tenants in the dwelling unit shall also terminate;
15 provided that, where the original head or co-head of the
16 household is survived by a minor who was subsequently added to
17 the household by birth, adoption, or court order, the household
18 may retain the lease or rental agreement and remain in the unit
19 until the youngest minor reaches the age of twenty-one, or
20 reaches the age of twenty-three if the youngest minor is a full-



1 time student of a business school, technical school, college,
2 community college, or university.

3 [~~(b)~~] (c) The authority shall adopt rules pursuant to
4 chapter 91 to carry out the purposes of this section."

5 SECTION 4. This part shall apply to all tenants who reside
6 in dwelling units in state low-income housing projects under a
7 lease or rental agreement, as of the effective date of this Act
8 or later.

9 PART IV

10 SECTION 5. The director of finance is authorized to issue
11 general obligation bonds in the sum of \$ or so much
12 thereof as may be necessary and the same sum or so much thereof
13 as may be necessary is appropriated for fiscal year 2017-2018
14 for the purpose of funding repair and maintenance for state low-
15 income housing under chapter 356D, part III, Hawaii Revised
16 Statutes.

17 The sum appropriated shall be expended by the Hawaii public
18 housing authority for the purposes of this Act.

19 SECTION 6. The appropriation made for the capital
20 improvement project authorized by section 5 of this Act shall
21 not lapse at the end of the fiscal biennium for which the



1 appropriation is made; provided that all moneys from the
2 appropriation unencumbered as of June 30, 2020, shall lapse as
3 of that date.

4 SECTION 7. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2017-2018 for the
7 Hawaii public housing authority to provide funds for repair and
8 maintenance on state low-income housing projects.

9 The sum appropriated shall be expended by the Hawaii public
10 housing authority for the purposes of this Act.

11 SECTION 8. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2017-2018 for the
14 Hawaii public housing authority; provided that:

15 (1) \$ is used to fund the matching funds to be
16 placed in the trust accounts established under this
17 Act; and

18 (2) \$ is used to establish positions to
19 manage the funds of the trust accounts established
20 under this Act.



Report Title:

Public Housing; Rentals; General Obligation Bonds;
Appropriations

Description:

Requires the Hawaii Public Housing Authority to establish trust accounts to provide matching funds to tenants who rent dwelling units. Specifies tenancy termination requirements. Authorizes the issuance of general obligations bonds for capital improvement projects at state low-income housing projects. Appropriates funds. (HB868 HD1)

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