
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the State has an
2 affordable housing crisis, with a near-term need for forty-four
3 thousand units that are affordable to households making eighty
4 per cent or less of the area median income. The need for
5 affordable rental units is especially acute for households with
6 low income. Approximately ninety-three to ninety-five per cent
7 of rental unit tenants have a household income of less than one
8 hundred forty per cent of the area median income in Hawaii. The
9 lack of supply leads to higher rents for households of all
10 income levels, leaving tenants with less disposable income,
11 ultimately increasing the personal stress of tenants, reducing
12 tenants' quality of life, and exacerbating the population
13 overcrowding and homelessness problems. Without sufficient
14 affordable rental housing, the future social, community, and
15 economic consequences for Hawaii will be dire.

16 The legislature took extraordinary steps to infuse badly
17 needed money into the State's rental housing revolving fund



1 through Act 39, Session Laws of Hawaii 2018, which appropriated
2 \$200,000,000 in general revenues for the 2017-2018 fiscal year
3 to help meet the State's affordable housing need. The
4 governor's proposed executive budget for the 2019-2021 fiscal
5 biennium recommends carrying forward that appropriation for the
6 next two years but reduces the appropriation to \$100,000,000 for
7 each year of the biennium. While these actions are a
8 significant step toward fulfilling the housing demands in
9 Hawaii, more must be done.

10 The legislature additionally finds that a steady stream of
11 funding for the rental housing revolving fund is necessary to
12 sustain the development of affordable rental units. The fund's
13 only existing source of dedicated revenue is \$38,000,000 from
14 conveyance tax revenues. This Act will allow the State to
15 further its work toward the goal of creating nearly twenty-three
16 thousand units of affordable rental housing. A consistent and
17 ongoing infusion of funds into the rental housing revolving fund
18 must be the State's priority.

19 The purpose of this Act is to accelerate the State's
20 response to the affordable housing crisis by authorizing the
21 issuance of general obligation bonds to be appropriated into and



1 out of the rental housing revolving fund for the 2019-2021
2 fiscal biennium.

3 SECTION 2. The director of finance is authorized to issue
4 general obligation bonds in the sum of \$ or so much
5 thereof as may be necessary and the same sum or so much thereof
6 as may be necessary is appropriated for fiscal year 2019-2020 to
7 be deposited into the rental housing revolving fund established
8 pursuant to section 201H-202, Hawaii Revised Statutes.

9 SECTION 3. There is appropriated out of the rental housing
10 revolving fund established pursuant to section 201H-202, Hawaii
11 Revised Statutes, the sum of \$ or so much thereof as may
12 be necessary for fiscal year 2019-2020 and the same sum or so
13 much thereof as may be necessary for fiscal year 2020-2021 for
14 the purposes for which the revolving fund is established.

15 The sums appropriated shall be expended by the Hawaii
16 housing finance and development corporation for the purposes of
17 this Act.

18 SECTION 4. This Act shall take effect on January 1, 2050.



Report Title:

Rental Housing; Rental Housing Revolving Fund; Appropriation

Description:

Authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund.
(HB1312 HD1)

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