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## A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1           SECTION 1. Section 201H-36, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) In accordance with section 237-29, the corporation  
4 may approve and certify for exemption from general excise taxes  
5 any qualified person or firm involved with a newly constructed,  
6 or a moderately or substantially rehabilitated, project that is:

7           (1) Developed under this part;

8           (2) Developed under a government assistance program  
9 approved by the corporation, including but not limited  
10 to the United States Department of Agriculture's  
11 section 502 direct loan program and Federal Housing  
12 Administration's section 235 program;

13           (3) Developed under the sponsorship of a private nonprofit  
14 organization providing home rehabilitation or new  
15 homes for qualified families in need of decent, low-  
16 cost housing;



1           (4) Developed by a qualified person or firm to provide  
2           affordable rental housing where at least fifty per  
3           cent of the available units are for households with  
4           incomes at or below eighty per cent of the area median  
5           family income as determined by the United States  
6           Department of Housing and Urban Development, of which  
7           at least twenty per cent of the available units are  
8           for households with incomes at or below sixty per cent  
9           of the area median family income as determined by the  
10          United States Department of Housing and Urban  
11          Development; or

12          (5) Approved or certified from July 1, 2018, to June 30,  
13          2030, and developed under a contract described in  
14          section 104-2(i)(2) by a qualified person or firm to  
15          provide affordable rental housing through new  
16          construction or substantial rehabilitation; provided  
17          that:

18           (A) The allowable general excise tax and use tax  
19           costs shall apply to contracting only and shall  
20           not exceed \$30,000,000 per year in the aggregate



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1                   for all projects approved and certified by the  
2                   corporation; and

3           (B) All available units are for households with  
4           incomes at or below one hundred forty per cent of  
5           the area median family income as determined by  
6           the United States Department of Housing and Urban  
7           Development, of which at least twenty per cent of  
8           the available units are for households with  
9           incomes at or below eighty per cent of the area  
10          median family income as determined by the United  
11          States Department of Housing and Urban  
12          Development; provided that an owner shall not  
13          refuse to lease a unit solely because the  
14          applicant holds a voucher or certificate of  
15          eligibility under section 8 of the United States  
16          Housing Act of 1937, as amended[-];

17          provided that a project shall be approved pursuant to  
18          this paragraph when any qualified person or firm  
19          involved with a newly constructed, or a moderately or  
20          substantially rehabilitated, project obtains site  
21          control; provided further that for purposes of this



1           paragraph, "site control" means the execution of any  
 2           regulatory agreement between any qualified person or  
 3           firm and any governmental entity for purposes of  
 4           developing a project in accordance with this  
 5           paragraph."

6           SECTION 2. This Act does not affect rights and duties that  
 7 matured, penalties that were incurred, and proceedings that were  
 8 begun before its effective date.

9           SECTION 3. Statutory material to be repealed is bracketed  
 10 and stricken. New statutory material is underscored.

11           SECTION 4. This Act shall take effect upon ~~its~~ approval.

12           INTRODUCED BY:

*Calvin K. H. Bay*  
*Lyn DuLoetz*  


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*[Signature]*  
*Samuel S. King*  
*Stanley B. King*

JAN 22 2020



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**Report Title:**

HHFDC; Affordable Housing; Rental Housing Projects; General Excise Tax Exemption; Site Control

**Description:**

Authorizes the Hawaii Housing Finance and Development Corporation to approve and certify for exemption from general excise taxes certain affordable housing projects once site control is obtained. Defines site control as the execution of any regulatory agreement between any qualified person or firm and any governmental entity for purposes of developing certain affordable housing projects.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

