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# 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 having two agencies  
2 administer low- and moderate-income housing creates  
3 inconsistency and confusion. The Hawaii community development  
4 authority and Hawaii housing finance and development corporation  
5 apply different rules, creating disparities on issues such as  
6 the availability of home equity loans.

7           Accordingly, the purpose of this Act is to eliminate these  
8 disparities by bringing programs for low- and moderate-income  
9 housing under a single program administered by the Hawaii  
10 housing finance and development corporation.

11           SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
12 amended by adding a new section to part II to be appropriately  
13 designated and to read as follows:

14           "§201H-           Reserved and workforce housing units. (a)  
15 Notwithstanding any law to the contrary, the corporation may  
16 administer any new reserved housing and workforce housing units  
17 produced under chapter 206E or 201H; provided that:



1       (1) When a reserved housing or workforce housing unit is  
2       developed under a master plan vested under chapter  
3       206E, the regulated term shall be the same as the  
4       regulated term in the applicable rule adopted pursuant  
5       to chapter 206E; and

6       (2) All shared equity owed to the Hawaii community  
7       development authority upon sale of reserved or  
8       workforce housing units shall be paid to the  
9       corporation.

10       (b) Notwithstanding any law to the contrary, the  
11       corporation may adopt rules pursuant to this chapter to allow  
12       owners of reserved and workforce housing units transferred to  
13       the corporation under section 206E-4.2 to obtain home equity  
14       lines of credit, refinance their units, or pay their shared  
15       equity.

16       (c) The transfer of any unit to the corporation shall not  
17       affect the regulated term on the unit owner's deed.

18       (d) As used in this section, "reserved housing" and  
19       "workforce housing" have the same meanings as defined in section  
20       206E-2."



1 SECTION 3. Section 206E-4.2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[§] §206E-4.2 [§]~~ Reserved and workforce housing units;  
4 transfer to qualified nonprofit housing trust~~[-]~~ or the Hawaii  
5 housing finance and development corporation. (a)

6 Notwithstanding any law to the contrary, the authority may  
7 authorize ~~[a designated qualified nonprofit housing trust]~~ the  
8 Hawaii housing finance and development corporation to administer  
9 the ~~[covenants and rules related to the]~~ reserved housing and  
10 workforce housing programs~~[-]~~ under rules adopted pursuant to  
11 section 201H- . Additionally, the authority may authorize a  
12 designated qualified nonprofit housing trust to administer the  
13 covenants and rules related to the reserved housing and  
14 workforce housing programs and may waive its right to repurchase  
15 a reserved or workforce housing unit during the restriction  
16 period and may transfer that right of repurchase to a qualified  
17 nonprofit housing trust for the purpose of maintaining the  
18 reserved or workforce housing unit as an affordable housing  
19 unit. If the repurchase rights are transferred to a qualified  
20 nonprofit housing trust, the restrictions prescribed in this  
21 chapter or in rules adopted by the authority shall be



1 automatically extinguished and shall not attach in subsequent  
2 transfers of title; provided further that the qualified  
3 nonprofit housing trust shall establish new buyback restrictions  
4 for the purpose of maintaining the unit as affordable for as  
5 long as practicable, or as otherwise required by the authority.

6 (b) A qualified nonprofit housing trust shall report the  
7 status and use of its housing units to the authority by  
8 November 30 of each calendar year.

9 (c) The authority shall inform owners of reserved housing  
10 and workforce housing units that owners may participate in the  
11 program administered by the Hawaii housing finance and  
12 development corporation under section 201H- ."

13 SECTION 4. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

HCDA; HHFDC; Reserved Housing; Workforce Housing

**Description:**

Consolidates the administration of low- and moderate-income housing into a single program by authorizing the Hawaii Housing Finance and Development Corporation to administer new reserved housing and workforce housing units in community development districts. Provides that the Hawaii Housing Finance and Development Corporation may adopt rules to allow owners to obtain home equity lines of credit, refinance their units, or pay their shared equity. Effective 7/1/2050. (SD1)

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

