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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. Section 201H-15, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) The corporation is designated as a state housing  
4 credit agency to carry out section 42(h) (with respect to  
5 limitation on aggregate credit allowable with respect to a  
6 project located in a state) of the Internal Revenue Code of  
7 1986, as amended. As a state housing credit agency, the  
8 corporation shall [~~determine~~]:

9           (1) Determine the eligibility basis for a qualified low-  
10 income building[~~, make~~];

11           (2) Make the allocation of housing credit dollar amounts  
12 within the State[~~, and determine~~]; provided that  
13 priority shall be given to the following:

14           (A) Projects on state- or county-owned land;

15           (B) Projects that are required to be conveyed to the  
16 State or a county at a definite time;



1           (C) Projects owned by an organization obliged to use  
 2           all financial surplus generated by the project to  
 3           construct, manage, or rehabilitate owner- or  
 4           renter-occupied housing;

5           (D) Projects with a perpetual affordability  
 6           commitment; and

7           (E) Projects of applicant developers who:  
 8           (i) Demonstrate a record of early loan  
 9           repayment; or

10           (ii) Request a shorter repayment term; and

11           (3) Determine the portion of the State's housing credit  
 12           ceiling set aside for projects involving qualified  
 13           nonprofit organizations. The corporation shall file  
 14           any certifications and annual reports required by  
 15           section 42 (with respect to low-income housing credit)  
 16           of the Internal Revenue Code of 1986, as amended."

17           SECTION 2. Section 201H-202, Hawaii Revised Statutes, is  
 18 amended by amending subsection (e) to read as follows:

19           "(e) Moneys available in the fund shall be used for the  
 20 purpose of providing, in whole or in part, loans or grants for



1 rental housing projects [~~in the following order of priority~~];  
2 provided that priority shall be given to the following:

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

11 (A) At least fifty per cent of the available units  
12 are for persons and families with incomes at or  
13 below eighty per cent of the median family income  
14 of which at least five per cent of the available  
15 units are for persons and families with incomes  
16 at or below thirty per cent of the median family  
17 income; and

18 (B) The remaining units are for persons and families  
19 with incomes at or below one hundred per cent of  
20 the median family income;



1 provided that the corporation may establish rules to  
2 ensure full occupancy of fund projects; ~~and~~

3 (2) For projects that were awarded low-income housing  
4 credits pursuant to paragraph (1), priority shall be  
5 given in the following order:

6 (A) Projects on state- or county-owned land;

7 (B) Projects that are required to be conveyed to the  
8 State or a county at a definite time;

9 (C) Projects owned by an organization obliged to use  
10 all financial surplus generated by the project to  
11 construct, manage, or rehabilitate renter-  
12 occupied housing;

13 (D) Projects with a perpetual affordability  
14 commitment; and

15 (E) Projects of developers who:

16 (i) Demonstrate a record of early loan  
17 repayment; or

18 (ii) Request a shorter repayment term; and

19 ~~(2)~~ (3) Mixed-income rental projects or units in a mixed-  
20 income rental project wherein all of the available  
21 units are for persons and families with incomes at or



1 below one hundred forty per cent of the median family  
2 income."

3 SECTION 3. With respect to the qualified allocation plan  
4 and the criteria point system developed by the Hawaii housing  
5 and finance development corporation in accordance with  
6 section 42 of the Internal Revenue Code of 1986, as amended, the  
7 corporation shall adopt rules pursuant to chapter 91, Hawaii  
8 Revised Statutes, to:

9 (1) Add a new criteria category that allows for up to:

10 (A) Twenty per cent of the maximum one hundred twenty  
11 points on the application criteria point system  
12 to be allocated to applications for projects  
13 offering to convey ownership of the finished  
14 project to the State, county, or an organization  
15 obliged to use all financial surpluses generated  
16 by the project to construct, manage, or  
17 rehabilitate owner- or renter-occupied housing;  
18 and

19 (B) Ten per cent of the maximum one hundred twenty  
20 points on the application criteria point system  
21 to be allocated to applicants that:



1 (i) Demonstrate a record of project readiness  
2 and early loan repayment into the rental  
3 housing revolving fund of past rental  
4 housing revolving fund loans; or

5 (ii) Request a shorter repayment term; and

6 (2) Allocate up to an additional:

7 (A) Seven points to projects with a perpetual  
8 affordability commitment; and

9 (B) Seven points for the ratio of the developer fees  
10 as a percentage of total project costs.

11 SECTION 4. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

HHFDC; RHRF; Low-Income Housing Tax Credits; Qualified Allocation Plan Criteria Point System

**Description:**

Requires the allocation of Low-Income Housing Tax Credits be issued pursuant to a priority system. Amends the priority for which funds in the Rental Housing Revolving Fund are to be used. Requires the Hawaii Housing Finance and Development Corporation to add new criteria and point allocations to the Qualified Allocation Plan. Effective 7/1/3000. (HD1)

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

