

JAN 17 2024

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) State- or county-owned projects;

15 (B) Projects in which the State or a county is an
16 equity partner;



1 (C) Projects that are required to be conveyed to the
2 State or a county at a definite time;

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

7 (E) Projects with a perpetual affordability
8 commitment; and

9 (F) Projects of applicant developers who:

10 (i) Demonstrate a record of early loan
11 repayment; or

12 (ii) Request a shorter repayment term; and

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

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



- 1 "(e) Moneys available in the fund shall be used for the
2 purpose of providing, in whole or in part, loans or grants for
3 rental housing projects [~~in the following order of priority:~~];
4 provided that priority shall be given to the following:
- 5 (1) State- or county-owned projects;
 - 6 (2) Projects in which the State or a county is an equity
7 partner;
 - 8 (3) Projects that are required to be conveyed to the State
9 or a county at a definite time;
 - 10 (4) Projects owned by an organization obliged to use all
11 financial surplus generated by the project to
12 construct, manage, or rehabilitate renter-occupied
13 housing;
 - 14 (5) Projects with a perpetual affordability commitment;
 - 15 (6) Projects of developers who:
 - 16 (A) Demonstrate a record of early loan repayment; or
 - 17 (B) Request a shorter repayment term;
 - 18 (7) Projects or units in projects that are allocated low-
19 income housing credits pursuant to the state housing
20 credit ceiling under section 42(h) of the Internal
21 Revenue Code of 1986, as amended, or projects or units



1 in projects that are funded by programs of the United
2 States Department of Housing and Urban Development and
3 United States Department of Agriculture Rural
4 Development wherein:

5 (A) At least fifty per cent of the available units
6 are for persons and families with incomes at or
7 below eighty per cent of the median family income
8 of which at least five per cent of the available
9 units are for persons and families with incomes
10 at or below thirty per cent of the median family
11 income; and

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

15 provided that the corporation may establish rules to
16 ensure full occupancy of fund projects; and

17 ~~[-(2)]~~ (8) Mixed-income rental projects or units in a mixed-
18 income rental project wherein all of the available
19 units are for persons and families with incomes at or
20 below one hundred forty per cent of the median family
21 income."



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

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

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

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

19 (i) Demonstrate a record of early loan repayment
20 into the rental housing revolving fund of
21 past rental housing revolving fund loans; or



1 (ii) Request a shorter repayment term; and

2 (2) Allocate:

3 (A) An additional seven points to projects with a
4 perpetual affordability commitment; and

5 (B) Up to seven additional points for the ratio of
6 the developer fees as a percentage of total
7 project costs.

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect upon its approval.

11

INTRODUCED BY: ASG



S.B. NO. 2045

Report Title:

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

Description:

Amends the priority for which moneys in the Rental Housing Revolving Fund are to be used. Requires the Hawaii Housing Finance and Development Corporation to: (1) prioritize the allocation of low-income housing tax credits to certain projects and (2) adopt administrative rules regarding the awarding of: (A) points when evaluating and ranking low-income housing tax credit applications and (B) Rental Housing Revolving Fund moneys to certain 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.

