
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 in the State of Hawaii;

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

7 (E) Projects of applicant developers who:

8 (i) Demonstrate a record of project readiness
9 and early loan 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 that are:

4 (A) On State- or county-owned land;

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

7 (C) Projects owned by an organization obliged to use
8 all financial surplus generated by the project to
9 construct, manage, or rehabilitate renter-
10 occupied housing in the State of Hawaii;

11 (D) Projects with a perpetual affordability
12 commitment;

13 (E) Projects of developers who:

14 (i) Demonstrate a record of project readiness
15 and early loan repayment; or

16 (ii) Request a shorter repayment term;

17 provided that the projects described in subparagraphs (A)
18 through (E) shall have been awarded low-income housing credits
19 pursuant to paragraph (2);

20 ~~[(1)]~~ (2) Projects or units in projects that are allocated
21 low-income housing credits pursuant to the state



1 housing credit ceiling under section 42(h) of the
2 Internal Revenue Code of 1986, as amended, or projects
3 or units in projects that are funded by programs of
4 the United States Department of Housing and Urban
5 Development and United States Department of
6 Agriculture Rural Development wherein:

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

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

17 provided that the corporation may establish rules to
18 ensure project readiness and full occupancy of fund
19 projects; and

20 [+2+] (3) Mixed-income rental projects or units in a mixed-
21 income rental project wherein all of the available



1 units are for persons and families with incomes at or
2 below one hundred forty per cent of the median family
3 income."

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

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

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



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

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

8 (ii) Request a shorter repayment term; and

9 (2) Allocate up to:

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

12 (B) Seven additional points for the ratio of the
13 developer fees as a percentage of total project
14 costs.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

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



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. (SD1)

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