

JAN 15 2025

A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

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

1 SECTION 1. Section 201H-202, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Moneys available in the fund shall be used for the
4 purpose of providing, in whole or in part, loans for rental
5 housing projects demonstrating project readiness, efficiency,
6 and feasibility acceptable to the corporation [~~in the following~~
7 ~~order of priority:~~

8 ~~(1) For projects that were awarded low-income housing~~
9 ~~credits pursuant to paragraph (2), priority shall be~~
10 ~~given to projects with a perpetual affordability~~
11 ~~commitment;~~

12 ~~(2) Projects or units in projects that are allocated low-~~
13 ~~income housing credits pursuant to the state housing~~
14 ~~credit ceiling under section 42(h) of the Internal~~
15 ~~Revenue Code of 1986, as amended, or projects or units~~
16 ~~in projects that are funded by programs of the United~~
17 ~~States Department of Housing and Urban Development and~~



1 ~~United States Department of Agriculture Rural~~
2 ~~Development wherein:~~
3 ~~(A) At least fifty per cent of the available units~~
4 ~~are for persons and families with incomes at or~~
5 ~~below eighty per cent of the median family income~~
6 ~~of which at least five per cent of the available~~
7 ~~units are for persons and families with incomes~~
8 ~~at or below thirty per cent of the median family~~
9 ~~income; and~~
10 ~~(B) The remaining units are for persons and families~~
11 ~~with incomes at or below one hundred per cent of~~
12 ~~the median family income;~~
13 ~~provided that the corporation may establish rules to~~
14 ~~ensure full occupancy of fund projects; and~~
15 ~~(3) Mixed-income rental projects or units in a mixed-~~
16 ~~income rental project wherein all of the available~~
17 ~~units are for persons and families with incomes at or~~
18 ~~below one hundred forty per cent of the median family~~
19 ~~income].~~
20 The corporation shall prioritize any project for which a loan
21 from the fund is to be fully repaid within the shortest



1 projected term that produces the highest number of units per
2 dollar, per year."

3 SECTION 2. Section 201H-204, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:

5 "(c) The corporation shall establish an application
6 process for fund allocation that gives preference to projects
7 ~~[meeting the following criteria that are listed in descending~~
8 ~~order of priority:~~

- 9 ~~(1) Serve the original target group;~~
- 10 ~~(2) Provide at least five per cent of the total number of~~
11 ~~units for persons and families with incomes at or~~
12 ~~below thirty per cent of the median family income;~~
- 13 ~~(3) Provide the maximum number of units for persons or~~
14 ~~families with incomes at or below eighty per cent of~~
15 ~~the median family income;~~
- 16 ~~(4) Are committed to serving the target group over a~~
17 ~~longer period of time;~~
- 18 ~~(5) Increase the integration of income levels of the~~
19 ~~immediate community area;~~



1 ~~(6) Meet the geographic needs of the target group of the~~
2 ~~proposed rental housing project, such as proximity to~~
3 ~~employment centers and services; and~~
4 ~~(7) Have favorable past performance in developing, owning,~~
5 ~~managing, or maintaining affordable rental housing.]~~
6 for which loans from the fund are to be fully repaid within the
7 shortest projected terms that produce the highest number of
8 units per dollar, per year.

9 The corporation may include other criteria as it deems
10 necessary to carry out the purposes of this subpart.

11 If the corporation, after applying the process described in
12 this subsection, finds a nonprofit project equally ranked with a
13 for-profit or government project, the corporation shall give
14 preference to the nonprofit project in allotting fund moneys."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.

18

INTRODUCED BY: 



S.B. NO. 163

Report Title:

HHFDC; RHRF; Allocation; Priorities; Housing; Loans

Description:

Requires the Hawaii Housing Finance and Development Corporation to maximize the amount of housing built that utilizes loans from the Rental Housing Revolving Fund by prioritizing projects with the shortest projected loan repayment terms that produce the highest number of units, per dollar, per year. Repeals all other priorities and preferences for projects utilizing the RHRF.

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