

A Bill for an Act Relating to Housing.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. Act 196, Session Laws of Hawaii 2005 (Act 196), was passed by the legislature to address Hawaii’s affordable housing and homeless crisis. Act 196 provided a number of mechanisms and incentives to increase the supply of low-income rental housing. In addition, the legislature, recognizing that more meaningful solutions to Hawaii’s housing and homeless crisis were needed, established a joint legislative housing and homeless task force to further identify near-term solutions to Hawaii’s affordable housing and homeless problem.

The task force spent many hours researching data and meeting with state and county officials, private developers, and nonprofit organizations on Oahu, the Big Island, Kauai, and Maui and also held public hearings and briefings in each county. The task force relied on the information collected in developing its recommendations.

The purpose of this part is to implement many of the recommendations of the task force.

PART II
THE HOMELESS

SECTION 2. Chapter 201G, Hawaii Revised Statutes, is amended by adding a new section in part IV to be appropriately designated and to read as follows:

“§201G- **Temporary emergency housing.** (a) In addition to any other duties prescribed by law, the administration shall develop, in consultation with the four counties, a procedure for identifying locations that shall be used for temporary emergency shelters for homeless individuals and families. The administration shall actively partner with and monitor the efforts of the counties.

(b) Each county shall be responsible for partnering with nonprofit organizations to locate, designate, and maintain the areas that shall be used for temporary emergency shelters. The designated locations may include private, county, and state lands and federal lands at Kalaeloa.

(c) The administration shall pursue and secure Barbers Point Barracks as temporary housing for homeless families and individuals.

(d) The administration shall submit an annual report to the legislature detailing the activities and outcomes under this section no later than twenty days prior to the convening of each regular session beginning with the 2007 regular session.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the following sums, or so much thereof as may be necessary for fiscal year 2006-2007, to assist the counties in implementing section 201G- (b), Hawaii Revised Statutes, and this Act:

City and county of Honolulu	\$2,000,000
County of Kauai	\$ 400,000
County of Maui	\$ 400,000
County of Hawaii	\$ 400,000
Total	\$3,200,000

The sums appropriated shall be expended by the department of budget and finance for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 to repair and modernize existing federal and state buildings for transitional shelters and emergency shelters, as defined under section 201G-451, Hawaii Revised Statutes.

The sum appropriated shall be expended by the Hawaii public housing administration for the purposes of this section.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Hawaii Helping the Hungry Have Hope (H5) for a pilot program to provide mobile temporary housing for the homeless.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$690,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Kauai Economic Opportunity, Inc. for a homeless emergency shelter and wastewater system for the homeless emergency shelter, transitional housing, and related buildings.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,100,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Ohana Ola O Kahumana for the construction of a community center at the transitional housing program for homeless families with dependent children.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$599,161 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Ohana Family of the Living God for a pilot project for temporary mobile shelters.

The sum appropriated shall be expended by the department of labor and industrial relations for the purposes of this section.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Victory Ohana Prison Fellowship to assist the mentally ill, parolees, and substance abusers who are homeless.

The sum appropriated shall be expended by the department of public safety for the purposes of this section.

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$68,920 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Victory Ohana Prison Fellowship to purchase a computer system to establish a

classroom for educational and job assistance for the mentally ill, parolees, and substance abusers who are homeless.

The sum appropriated shall be expended by the department of public safety for the purposes of this section.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$65,500 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Victory Ohana Prison Fellowship to purchase a solar energy system for the emergency shelter.

The sum appropriated shall be expended by the department of public safety for the purposes of this section.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of \$180,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Catholic Charities for the Maili Land Transitional Housing Program.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 13. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Child and Family Service for the construction of emergency and transitional housing for abused families with dependent children.

The sum appropriated shall be expended by the judiciary for the purposes of this section.

SECTION 14. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii Coalition of Christian Churches for the development of a housing project to include emergency, transitional, and low-income rental housing and related services in Waianae.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 15. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Street Beat, Inc., to provide outreach services to the homeless.

The sum appropriated shall be expended by the department of human services for the purposes of this section.

SECTION 16. There is appropriated out of the general revenues of the State of Hawaii the sum of \$80,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the county of Hawaii department of parks and recreation for transportation for the homeless and disabled.

The sum appropriated shall be expended by the county of Hawaii for the purposes of this section.

SECTION 17. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,000,000 or so much thereof as may be necessary for fiscal

year 2006-2007 to renovate homeless shelters and transitional housing and provide homeless services.

The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this section.

PART III LOW-INCOME AND AFFORDABLE HOUSING

SECTION 18. Section 201G-232, Hawaii Revised Statutes, is amended to read as follows:

“§201G-232 Housing owner defined. As used in this subpart, the term “housing owner” means:

- (1) A private nonprofit corporation or other private nonprofit legal entity, a limited dividend corporation or other limited dividend legal entity, or a cooperative housing corporation, that is a mortgagor under section 202, 207, 213, 221(d)(3), 221(d)(5), or 231 of the National Housing Act, as amended, or that conforms to the standards of those sections but that is not a mortgagor under those sections or any other private mortgagor under the National Housing Act, as amended, for very low income, low-income, or moderate-income family housing, regulated or supervised under federal or state laws or by political subdivisions of the State, or agencies thereof, as to rents, charges, capital structure, rate of return, and methods of operation, from the time of issuance of the building permit for the project; ~~and~~
- (2) Any other owner of a standard housing unit or units deemed qualified by the administration[-]; and
- (3) The administration.”

SECTION 19. Section 201G-233, Hawaii Revised Statutes, is amended to read as follows:

“§201G-233 Qualified tenant defined. As used in this subpart, the term “qualified tenant” means any single person or family, pursuant to criteria and procedures established by the administration, that has been determined to have an income not exceeding the very low income limit as determined by the administration pursuant to rules adopted by the administration; provided that the qualified tenant’s primary place of residence shall be in the State of Hawaii or that the qualified tenant intends to make the State of Hawaii the qualified tenant’s primary place of residence. The terms “qualified tenant” and “tenant” include a member of a cooperative who satisfies the foregoing requirements and who, upon resale of the member’s membership to the cooperative, will not be reimbursed for more than fifty per cent of any equity increment accumulated through payments under this subpart. With respect to members of a cooperative, the terms “rental” and “rental charges” mean the charges under the occupancy agreements between the members and the cooperative. ~~[The term “qualified tenant” shall not include any person receiving money payments for public assistance from the department of human services; provided that the term “public assistance” shall exclude aid provided through the federal Supplemental Security Income Program.]”~~

SECTION 20. Section 201G-432, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

“(i) For the period commencing July 1, 2005, through June 30, ~~[2007,]~~ 2009, the fund may be used to provide grants for rental units set aside for persons

and families with incomes at or below thirty per cent of the median family income in any project financed in whole or in part by the fund in proportion of those units to the total number of units in the project. At the conclusion of the period described in this subsection, the administration shall report to the legislature on the number and use of grants provided and whether the grants were an effective use of the funds for purposes of developing rental housing for families at or below thirty per cent of median family income.’’

SECTION 21. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“**§247-7 Disposition of taxes.** All taxes collected each fiscal year under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent shall be paid into the land conservation fund established pursuant to section 173A-5;
- (2) ~~Thirty~~ **Fifty** per cent shall be paid into the rental housing trust fund established by section 201G-432; and
- (3) Twenty-five per cent shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources in the following priority:
 - (A) To natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;
 - (B) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3; and
 - (C) The youth conservation corps established under chapter 193.’’

SECTION 22. There is appropriated out of the general revenues of the State of Hawaii the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant-in-aid to the Hawaii Habitat for Humanity Association to establish a zero interest revolving loan fund to be used to provide loans to low-income families to build self-help ownership homes on leased¹ from the State and administered in accordance with subpart B of part III of chapter 201G, Hawaii Revised Statutes.

The sum appropriated shall be expended by the Hawaii housing finance and development administration for the purposes of this part.

SECTION 23. There is appropriated out of the general revenues of the State of Hawaii the sum of \$350,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Nanakuli Housing Corporation for Project Hana Hou.

The sum appropriated shall be expended by the Hawaii public housing administration for the purposes of this part.

SECTION 24. There is appropriated out of the general revenues of the State of Hawaii the sum of \$225,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii Homeownership Center to provide homebuyer education and counseling on Oahu, Kauai, and Hawaii.

The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this section.

SECTION 25. There is appropriated out of the general revenues of the State of Hawaii the sum of \$490,000 or so much thereof as may be necessary for fiscal year 2006-2007 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Lokahi Pacific for mixed-use affordable rental housing and economic development project.

The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this section.

PART IV

SECTION 26. In its final report dated January 2006, the joint legislative housing and homeless task force expressed concern that the inventory of affordable housing rental units is at risk of being reduced. Affordable rental housing projects built in part with government subsidies have been offered for sale at market prices in anticipation of the expiration of income and regulatory restrictions encumbering the property. The task force is committed to ensuring that these units remain affordable to persons at lower income levels.

In recent months, media reports have announced several affordable housing projects that may be offered for sale, such as the Kulana Nani apartments in Kaneohe, Oahu, that offer affordable rental housing.

The purpose of this part is to preserve Kulana Nani as an affordable rental housing project.

SECTION 27. The Hawaii housing finance and development administration shall make available, without competitive award, public financing resources to assist a potential buyer of the land currently owned by Kamehameha Schools; provided that one hundred per cent of the housing units on the property shall be retained in perpetuity as affordable housing for households at or below the current income restrictions for rental housing units on the property.

SECTION 28. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2006-2007 for land acquisition of the Kulana Nani property, tax map key 4-6-31:15, owned by Kamehameha Schools.

The sum appropriated shall be expended by the Hawaii housing finance and development administration for the purposes of this part.

PART V

SECTION 29. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 30. This Act shall take effect on July 1, 2006; provided that on June 30, 2007, section 21 shall be repealed and section 247-7, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the approval of this Act.

(Approved May 16, 2006.)

Notes

1. So in original.
2. Edited pursuant to HRS §23G-16.5.