

A Bill for an Act Relating to Affordable Housing.

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

SECTION 1. Chapter 201H, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§201H- Land leases to nonprofit organizations providing affordable housing. (a) Notwithstanding any provision to the contrary, the administration, pursuant to section 201H-4(b), may lease land to any qualified nonprofit organization providing affordable housing, under the following terms and conditions:

- (1) Leases shall be for ninety-nine years at \$1 per year per parcel; and
- (2) The instrument of lease shall include provisions, enforceable by the administration, that the land shall:
 - (A) Be used only for providing affordable housing through long-term, renewable, and transferable leases or other means that are in accordance with rules adopted by the administration under chapter 91; and
 - (B) Revert back to the administration if:
 - (i) The land is used for any purpose other than as provided under subparagraph (A); or
 - (ii) The qualified nonprofit organization ceases operations.

(b) For the purposes of this section:

“Affordable housing” means housing that is affordable to households with incomes at or below one hundred forty per cent of the median family income as determined by the United States Department of Housing and Urban Development.

“Qualified nonprofit organization” means any private entity that is organized and operated:

- (1) In accordance with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
- (2) For the purpose of providing affordable housing through long-term, renewable, and transferable leases.’’

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect on July 1, 2006.

(Approved May 16, 2006.)

Note

1. Edited pursuant to HRS §23G-16.5.