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# A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 **"§356D- Public housing; affordable in perpetuity.**

5 Notwithstanding any law to the contrary, any public housing  
6 project that is constructed or managed with state or county  
7 funds for sale to qualified buyers or provided to qualified  
8 tenants as rentals shall remain affordable in perpetuity,  
9 subject to any restrictions and conditions provided by law that  
10 are not contrary to the purposes of this section. For the  
11 purposes of this section, "affordable" means available for  
12 households with incomes at or below one hundred forty per cent  
13 of the median family income as determined by the United States  
14 Department of Housing and Urban Development."

15 SECTION 2. Section 356D-31, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 **"[+]§356D-31[+] Rentals and tenant selection.** (a) In the  
18 operation or management of federal public housing projects, the



1 authority (acting directly or by an agent or agents) at all  
2 times shall observe the following duties with respect to rentals  
3 and tenant selection:

- 4 (1) It may establish maximum limits of annual net income  
5 for tenant selection in any public housing project,  
6 less such exemptions as may be authorized by federal  
7 regulations pertaining to public housing. The  
8 authority may agree to conditions as to tenant  
9 eligibility or preference required by the federal  
10 government pursuant to federal law in any contract for  
11 financial assistance with the authority;
- 12 (2) It may rent or lease the dwelling units therein only  
13 at rentals within the financial reach of persons who  
14 lack the amount of income that it determines to be  
15 necessary to obtain safe, sanitary, and uncongested  
16 dwelling accommodations within the area of operation  
17 of the authority and to provide an adequate standard  
18 of living; and
- 19 (3) It may rent or lease to a tenant a dwelling consisting  
20 of the number of rooms (but no greater number) that it  
21 deems necessary to provide safe and sanitary



1 accommodations to the proposed occupants thereof,  
2 without overcrowding.

3 (b) Nothing in this part shall be construed as limiting  
4 the power of the authority to:

5 (1) Vest in an obligee the right, in the event of a  
6 default by the authority, to take possession of a  
7 public housing project or cause the appointment of a  
8 receiver thereof, free from all the restrictions  
9 imposed by this part with respect to rentals, tenant  
10 selection, manner of operation, or otherwise; or

11 (2) Vest in obligees the right, in the event of a default  
12 by the authority, to acquire title to a public housing  
13 project or the property mortgaged by the authority,  
14 free from all the restrictions imposed by this part.

15 (c) Notwithstanding any other law to the contrary, the  
16 authority shall ensure that the dwelling units provided under  
17 this part remain affordable in perpetuity; provided that such  
18 enforcement is consistent with federal law. For the purposes of  
19 this section, "affordable" means available for households with  
20 incomes at or below one hundred forty per cent of the median  
21 family income as determined by the United States Department of  
22 Housing and Urban Development."



1 SECTION 3. Section 356D-43, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " [†]§356D-43 [†] **Rentals.** (a) Notwithstanding any other  
4 law to the contrary, the authority shall fix the rates of the  
5 rentals for dwelling units and other facilities in state low-  
6 income housing projects provided for by this subpart, at rates  
7 that will produce revenues that will be sufficient to pay all  
8 expenses of management, operation, and maintenance, including  
9 the cost of insurance, a proportionate share of the  
10 administrative expenses of the authority to be fixed by it, and  
11 the costs of repairs, equipment, and improvements, to the end  
12 that the state low-income housing projects shall be and always  
13 remain self-supporting. The authority, in its discretion, may  
14 fix the rates in amounts as will produce additional revenues (in  
15 addition to the foregoing) sufficient to amortize the cost of  
16 the state low-income housing project or projects, including  
17 equipment, over a period or periods of time that the authority  
18 may deem advisable.

19 (b) Notwithstanding any other law to the contrary, if:

20 (1) Any state low-income housing project or projects have  
21 been specified in any resolution of issuance adopted  
22 pursuant to part I;



1           (2) The income or revenues from any project or projects  
2           have been pledged by the authority to the payment of  
3           any bonds issued under part I; or

4           (3) Any of the property of any state low-income housing  
5           project or projects is security for the bonds,  
6           the authority shall fix the rates of the rentals for dwelling  
7           units and other facilities in the state low-income housing  
8           project or projects so specified or encumbered at increased  
9           rates that will produce the revenues required by subsection (a)  
10          and, in addition, those amounts that may be required by part I,  
11          by any resolution of issuance adopted under part I, and by any  
12          bonds or mortgage or other security issued or given under  
13          part I.

14          (c) Notwithstanding any other law to the contrary, the  
15          authority shall ensure that the dwelling units provided under  
16          this part remain affordable in perpetuity. For the purposes of  
17          this section, "affordable" means available for households with  
18          incomes at or below one hundred forty per cent of the median  
19          family income as determined by the United States Department of  
20          Housing and Urban Development."



1 SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3 SECTION 5. This Act shall take effect on July 1, 2008.



**Report Title:**

Housing; Affordability

**Description:**

Requires public housing projects and affordable housing funded by county or state funds to remain affordable in perpetuity.  
(SD1)

