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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1                                   **PART I. FINDINGS AND PURPOSE**

2           SECTION 1. The legislature finds that the homeless and  
3 affordable housing crises continue to be two of the State's most  
4 significant and challenging social problems.

5           The most recent estimate of the total number of homeless  
6 persons in the State is six thousand twenty-nine on any given  
7 day. In addition, the Hawaii Homeless Point-in-Time Study of  
8 2003 found that over four thousand of these homeless persons are  
9 unsheltered. This is indicative of the limited shelter space  
10 available in the State.

11           Also troubling is the fact that a staggering thirty-seven  
12 per cent of the unsheltered homeless are individuals of Hawaiian  
13 or part-Hawaiian ancestry. Equally troubling is the fact that  
14 on any given day, there are eight hundred thirty-eight homeless  
15 children in the State. None of these numbers reflect the number  
16 of people who are considered hidden homeless or those who are  
17 at-risk of homelessness.

18           Housing, in general, is a critical issue for many residents  
19 in Hawaii, where the cost of homeownership and rentals are



1 increasing. The prospect of making high mortgage payments and  
2 saving enough money for the downpayment and closing costs needed  
3 to buy a home at current market prices is a formidable  
4 challenge. Even higher income families must often seek help  
5 from relatives to overcome this obstacle. More needs to be done  
6 to increase the inventory of, and ensure that residents have  
7 access to, affordable housing, as well.

8 The legislature recognizes that meaningful solutions to  
9 Hawaii's housing and homeless problems must be found.

10 The purpose of this Act is to:

- 11 (1) Provide funding for various homeless shelters and  
12 transitional housing programs and services;
- 13 (2) Require the Hawaii housing finance and development  
14 corporation to create an affordable housing inventory  
15 registry and to report annually to the legislature on  
16 expenditures from the rental housing trust fund;
- 17 (3) Extend the sunset date for the allocation of a  
18 percentage of conveyance tax revenues to the rental  
19 housing trust fund to June 30, 2012;
- 20 (4) Exempt special purpose revenue bonds that are issued  
21 to assist in the development of low- and



1 moderate-income housing projects from the procurement  
2 code; and

3 (5) Provide funding for various affordable and public  
4 housing programs.

5 PART II. THE HOMELESS

6 SECTION 2. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so  
8 much thereof as may be necessary for the fiscal year 2007-2008  
9 for homeless facilities, emergency shelters, and transitional  
10 shelters, as defined by section 356D-121, Hawaii Revised  
11 Statutes.

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

14 SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2007-2008 and  
17 the same sum or so much thereof as may be necessary for fiscal  
18 year 2008-2009 to provider agencies, as defined by section 356D-  
19 121, Hawaii Revised Statutes, who offer outreach or support  
20 services, or both, to unsheltered homeless, at risk homeless,  
21 and those residing in homeless facilities, including emergency  
22 shelters and transitional shelters.



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

3 SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2007-2008 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2008-2009, to provide matching funds for the United States  
8 Department of Housing and Urban Development homeless assistance  
9 program, including shelter plus care and other supportive  
10 housing programs.

11 The sums appropriated shall be expended by the Hawaii  
12 housing finance and development corporation for the purposes of  
13 this Act.

14 PART III. AFFORDABLE AND PUBLIC HOUSING

15 SECTION 5. Section 39A-282, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "[+]§39A-282[+] Department powers in the development of  
18 low- and moderate-income housing. [~~In addition to powers that~~  
19 ~~it may now have, the]~~ (a) The department shall have all powers  
20 necessary or convenient to accomplish the purposes of this part.  
21 The powers of the department shall include [~~but are not limited~~  
22 ~~to the following]~~ :



- 1 (1) Notwithstanding [~~and without compliance with~~] section  
2 103-7 [~~7~~ ~~but~~] and chapter 103D, with the approval of  
3 the governor, to:
- 4 (A) Enter into and carry out a project agreement, or  
5 an amendment or supplement to an existing project  
6 agreement, with a project party; and
- 7 (B) Enter into and carry out any agreement whereby  
8 the obligation of a project party under a project  
9 agreement will be unconditionally guaranteed by a  
10 person other than a project party;
- 11 (2) To issue special purpose revenue bonds pursuant to and  
12 in accordance with this part;
- 13 (3) To lend the proceeds of the special purpose revenue  
14 bonds issued for a project to the project party for  
15 use and application by the project party for the  
16 project;
- 17 (4) As security for the payment of the principal, premium,  
18 if any, and interest of the special purpose revenue  
19 bonds issued for this project, to:
- 20 (A) Pledge, assign, hypothecate, or otherwise  
21 encumber all or any part of the revenues and  
22 receipts derived or to be derived by the



- 1 department under the project agreement for the  
2 project for which the bonds are issued;
- 3 (B) Pledge and assign the interest and rights of the  
4 department under the project agreement or other  
5 agreement with respect to the project or the  
6 special purpose revenue bonds;
- 7 (C) Pledge and assign any bond, debenture, note, or  
8 other evidence of indebtedness received by the  
9 department with respect to the project; or
- 10 (D) Any combination of the foregoing;
- 11 (5) To extend or renew any project agreement or any other  
12 agreement related to the project agreement; provided  
13 that any renewal or extension shall be subject to the  
14 approval of the governor unless made in accordance  
15 with provisions for the extension or renewal contained  
16 in a project agreement or related agreement  
17 theretofore approved by the governor; and
- 18 (6) To do any and all things necessary or convenient to  
19 carry out its purposes and exercise the powers given  
20 and granted in this part.
- 21 (b) When the department finances or refines a project  
22 by the issuance of special purpose revenue bonds as contemplated



1 by this part, the State shall not exercise the power of eminent  
2 domain to acquire a project or any part of the project for lease  
3 or transfer to a project party, nor shall the State operate a  
4 project on behalf of a project party."

5 SECTION 6. Section 201H-6, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "[+]§201H-6[+] Housing advocacy and information system.

8 (a) The corporation, with the assistance of other agencies of  
9 the State and counties with related responsibilities, shall  
10 develop and maintain a housing advocacy and information system  
11 to aid the corporation in meeting the needs and demands of  
12 housing consumers.

13 (b) In establishing and maintaining the housing advocacy  
14 and information system, the corporation shall conduct market  
15 studies, engage in community outreach, and solicit  
16 recommendations from, and statistics and research developed by,  
17 agencies of the United States, the State, the counties, private  
18 research organizations, nonprofit community groups, trade  
19 associations, including those of the construction and real  
20 estate industries, departments, individuals at the University of  
21 Hawaii, and housing consumers.



1 (c) The corporation shall analyze the information received  
2 and make recommendations to the appropriate agencies and  
3 developers.

4 (d) The corporation, through the housing advocacy and  
5 information system, shall act as a clearinghouse for information  
6 relating to housing conditions, needs, supply, demand,  
7 characteristics, developments, trends in federal housing  
8 programs, and housing laws, ordinances, rules, and regulations.

9 (e) The housing advocacy and information system may be  
10 used by housing researchers, planners, administrators, and  
11 developers and shall be coordinated with other housing research  
12 efforts. The corporation shall maintain a current supply of  
13 information, including means to gather new information through  
14 surveys, contracted research, and investigations.

15 (f) The corporation, through the housing advocacy and  
16 information system, shall develop and maintain an affordable  
17 housing inventory registry to identify:

18 (1) Affordable housing projects developed by the  
19 corporation utilizing moneys in the rental housing  
20 trust fund or the dwelling unit revolving fund;

21 (2) State and federal public housing projects identified  
22 by the Hawaii public housing authority;



- 1        (3) United States Department of Housing and Urban
- 2            Development Region 9 federally supported and privately
- 3            managed housing projects; and
- 4        (4) State and county lands that may be developed for
- 5            affordable housing, as defined in section 201H-57(b)."

6        SECTION 7. Act 100, Session Laws of Hawaii 2006, is  
 7 amended by amending section 30 to read as follows:

8        "SECTION 30. This Act shall take effect on July 1, 2006;  
 9 provided that on June 30, [~~2007,~~] 2012, section 21 shall be  
 10 repealed and section 247-7, Hawaii Revised Statutes, shall be  
 11 reenacted in the form in which it read on the day before the  
 12 approval of this Act."

13        SECTION 8. Section 247-7, Hawaii Revised Statutes, is  
 14 amended to read as follows:

15        "**§247-7 Disposition of taxes.** All taxes collected each  
 16 fiscal year under this chapter shall be paid into the state  
 17 treasury to the credit of the general fund of the State, to be  
 18 used and expended for the purposes for which the general fund  
 19 was created and exists by law; provided that of the taxes  
 20 collected each fiscal year:

- 21        (1) Ten per cent shall be paid into the land conservation
- 22            fund established pursuant to section 173A-5;



1 (2) [~~Fifty~~] Sixty-five per cent shall be paid into the  
2 rental housing trust fund established by section  
3 [~~201G-432;~~] 201H-202; and

4 (3) Twenty-five per cent shall be paid into the natural  
5 area reserve fund established by section 195-9;  
6 provided that the funds paid into the natural area  
7 reserve fund shall be annually disbursed by the  
8 department of land and natural resources in the  
9 following priority:

10 (A) To natural area partnership and forest  
11 stewardship programs after joint consultation  
12 with the forest stewardship committee and the  
13 natural area reserves system commission;

14 (B) Projects undertaken in accordance with watershed  
15 management plans pursuant to section 171-58 or  
16 watershed management plans negotiated with  
17 private landowners, and management of the natural  
18 area reserves system pursuant to section 195-3;  
19 and

20 (C) The youth conservation corps established under  
21 chapter 193."



1 SECTION 9. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so  
 3 much thereof as may be necessary for fiscal year 2007-2008 and  
 4 the same sum, or so much thereof as may be necessary for fiscal  
 5 year 2008-2009, to be deposited in the rental housing trust  
 6 fund.

7 SECTION 10. There is appropriated out of the rental  
 8 housing trust fund the sum of \$ or so much thereof as  
 9 may be necessary for fiscal year 2007-2008 and the same sum or  
 10 so much thereof as may be necessary for fiscal year 2008-2009  
 11 for the planning, development, and construction of affordable  
 12 housing in cooperation with private and nonprofit developers.

13 The sums appropriated shall be expended by the Hawaii  
 14 housing finance and development corporation for the purposes of  
 15 this section.

16 SECTION 11. The Hawaii housing finance and development  
 17 corporation shall submit a report to the legislature no later  
 18 than twenty days prior to the convening of the 2008 regular  
 19 session, and shall submit a report to the legislature no later  
 20 than twenty days prior to the convening of each regular session  
 21 thereafter. The report shall include an accounting of the  
 22 expenditures made from the rental housing trust fund and the



1 Hawaii housing finance and development corporation's progress  
2 with its plan to develop for-sale units and rental units.

3 SECTION 12. The director of finance is authorized to issue  
4 general obligation bonds in the sum of \$ or so much  
5 thereof as may be necessary, and the same sum or so much thereof  
6 as may be necessary the proceeds of which are appropriated for  
7 fiscal year 2007-2008 to be deposited in the dwelling unit  
8 revolving fund.

9 SECTION 13. There is appropriated out of the dwelling unit  
10 revolving fund the sum of \$ or so much thereof as may  
11 be necessary for fiscal year 2007-2008 and the same sum or so  
12 much thereof as may be necessary for fiscal year 2008-2009 for  
13 the planning, development, and construction of four thousand  
14 affordable housing units in cooperation with private developers.

15 The sums appropriated shall be expended by the Hawaii  
16 housing finance and development corporation for the purposes of  
17 this section.

18 SECTION 14. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2007-2008 for  
21 the repair and maintenance of existing federal and state public  
22 housing buildings.



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

3 SECTION 15. The director of finance is authorized to issue  
4 general obligation bonds in the sum of \$ or so much  
5 thereof as may be necessary, and the same sum or so much thereof  
6 as may be necessary the proceeds of which are appropriated for  
7 fiscal year 2007-2008 for the purpose of capital improvement  
8 projects.

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

11 SECTION 16. The director of finance is authorized to issue  
12 general obligation bonds in the sum of \$ or so much  
13 thereof as may be necessary, and the same sum or so much thereof  
14 as may be necessary the proceeds of which are appropriated for  
15 fiscal year 2007-2008 for the repair and maintenance of  
16 elevators in existing federal and state public housing  
17 buildings.

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

20 PART IV.

21 SECTION 17. The appropriations made in sections 12, 15,  
22 and 16 of this Act shall not lapse at the end of the fiscal



1 biennium for which the appropriation is made; provided that all  
2 appropriations that are unencumbered as of June 30, 2010, shall  
3 lapse as of that date.

4 SECTION 18. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 19. This Act shall take effect on July 1, 2007;  
7 provided that section 7 of this Act shall take effect on  
8 June 29, 2007.



**Report Title:**

Housing Omnibus Bill

**Description:**

Extends the sunset date for the allocation of conveyance tax revenues to the rental housing trust fund for five years and changes the allocation to sixty-five per cent; requires the Hawaii housing finance and development corporation to create an affordable housing inventory registry and to report annually on expenditures from the rental housing trust fund; exempts special purpose revenue bonds issued to assist in the development of low- and moderate-income housing projects from the procurement code; and appropriates funds for various homeless and housing programs and projects. (SD1)

