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# A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

PART I

SECTION 1. Part II of this Act requires the Hawaii public housing authority to establish trust accounts to provide matching funds to tenants who rent dwelling units.

Part III of this Act provides that the tenancy of all tenants of a dwelling unit in a state low-income housing project shall terminate upon the termination of the tenancy of the last household member who was an original household member at the time the initial lease or rental agreement was executed, subject to certain exceptions.

Part IV of this Act authorizes the issuance of general obligation bonds and appropriates funds for capital improvement projects at state low-income housing projects and for the establishment of trust accounts pursuant to part II of this Act.

PART II

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



1       "§356D-     Trust accounts; renovation of rental units.   (a)

2   Trust accounts shall be established within the authority to  
3   enable the authority to provide matching funds to tenants who  
4   rent a dwelling unit.

5       (b)   If at any time there are more applicants for units  
6   than available units, the authority shall maintain a waiting  
7   list of eligible applicants for dwelling units.  When a unit  
8   becomes vacant, the authority shall determine who shall fill the  
9   vacancy from the waiting list; provided that the eligible  
10   applicant agrees to the conditions set forth in this section.

11       (c)   The authority shall require an eligible applicant who  
12   rents the dwelling unit to:

13       (1)   Establish and maintain a trust account, to be managed  
14       by the authority; and

15       (2)   Be a participant in the Family Self-Sufficiency  
16       Program as provided in title 42 United States Code  
17       section 1437u.

18       (d)   The tenant shall pay       per cent of the tenant's  
19   income to the authority as payment for rent.  The authority  
20   shall take the difference between the:

21       (1)   Tenant's payment; and



1        (2) Minimum rent set by the authority for state-aided  
2           public housing project units on the date the tenant  
3           first occupies the unit,  
4   and deposit the moneys into the tenant's trust account.

5        For the purposes of this subsection, the minimum rent for  
6   the tenant shall remain the same during the entire period that  
7   the tenant occupies the unit.

8        (e) Upon the date the tenant voluntarily vacates the unit,  
9   the authority shall match, on a dollar-for-dollar basis, the  
10   amount deposited by the authority on behalf of the tenant  
11   pursuant to subsection (d) and deposit the matching amount into  
12   the trust account in the name of the tenant. All interest  
13   accrued on the balance in the trust account shall be included in  
14   the trust account. Within three months after the date of  
15   tenancy termination, the authority shall release to the tenant  
16   the moneys contained in the tenant's trust account and require  
17   the tenant to spend all the moneys on purchases related to  
18   housing.

19        (f) No tenant subject to this section who is evicted from  
20   the tenant's unit for cause by the authority shall be eligible  
21   to receive any matching funds pursuant to subsection (e).



(g) If a former tenant who has received moneys pursuant to subsection (e) wishes to reapply for a dwelling unit, the former tenant shall first repay the entire amount of the trust fund moneys paid pursuant to subsection (e) and meet any other requirements imposed by the authority.

(h) The authority may adopt rules pursuant to chapter 91  
to effectuate this section."

## PART III

SECTION 3. Section 356D-42, Hawaii Revised Statutes, is amended to read as follows:

"§356D-42 Housing; tenant selection[-]; tenancy  
termination. (a) The authority shall select tenants upon the  
basis of those in greatest need for the particular housing,  
subject to the following limitations and preferences:

(1) The authority may limit the tenants of any state low-income housing project to classes of persons when required by federal law or regulation as a term or condition of obtaining assistance from the federal government; provided that not less than fifty per cent of available units shall be for applicants without



1 preference and up to fifty per cent of available units  
2 shall be for applicants with preference;

3 (2) Within the priorities established by the authority  
4 recognizing need, veterans with a permanent disability  
5 of ten per cent or more, as certified by the United  
6 States Department of Veterans Affairs, and their  
7 dependent parents, if any. The deceased veteran's  
8 widow or widower shall be given first preference.

9 Parents of veterans shall not use the veteran status  
10 of their adult child as a basis for preference; and

11 (3) Subject to any limitations set by federal law or  
12 regulation, the authority shall not select as a  
13 tenant, and may terminate the tenancy of, any person  
14 if the person or any household member owns or acquires  
15 a home within the State.

16 (b) Upon the termination of the tenancy of the last  
17 household member who was an original household member at the  
18 time of the initial lease or rental agreement for a dwelling  
19 unit in a state low-income housing project, the tenancy of all  
20 remaining tenants in the dwelling unit shall also terminate;  
21 provided that, where the original head or co-head of the



1 household is survived by a minor who was subsequently added to  
2 the household by birth, adoption, or court order to the  
3 authority, the household may retain the lease or rental  
4 agreement and remain in the unit until the youngest minor  
5 reaches the age of twenty-one, or reaches the age of twenty-  
6 three if the youngest minor is a full-time student of a business  
7 school, technical school, college, community college, or  
8 university.

9       ~~[(b)]~~ (c) The authority shall adopt rules pursuant to  
10 chapter 91 to carry out the purposes of this section."

11       SECTION 4. This part shall apply to all tenants who  
12 entered into lease or rental agreements for dwelling units in  
13 state low-income housing projects before July 1, 2016, or after  
14 June 30, 2016.

15                               PART IV

16       SECTION 5. The director of finance is authorized to issue  
17 general obligation bonds in the sum of \$               or so much  
18 thereof as may be necessary and the same sum or so much thereof  
19 as may be necessary is appropriated for fiscal year 2016-2017  
20 for the purpose of funding repair and maintenance for state low-



1 income housing under chapter 356D, part III, Hawaii Revised  
2 Statutes.

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

5 SECTION 6. The appropriation made for the capital  
6 improvement project authorized by section 5 of this Act shall  
7 not lapse at the end of the fiscal biennium for which the  
8 appropriation is made; provided that all moneys from the  
9 appropriation unencumbered as of June 30, 2018, shall lapse as  
10 of that date.

11 SECTION 7. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ or so much  
13 thereof as may be necessary for fiscal year 2016-2017 for the  
14 Hawaii public housing authority to provide funds for repair and  
15 maintenance on state low-income housing projects.

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

18 SECTION 8. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so much  
20 thereof as may be necessary for fiscal year 2016-2017 for the  
21 Hawaii public housing authority: provided that



1           (1)   \$           is used to fund the matching funds to be  
2               placed in the trust accounts established under this  
3           Act; and

4           (2)   \$           is used to establish           positions to manage  
5           the funds of the trust accounts established under this  
6           Act.

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

## 9 PART V

SECTION 9. This Act does not affect rights and duties that  
matured, penalties that were incurred, and proceedings that were  
begun before its effective date.

13           SECTION 10. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

**15** SECTION 11. This Act shall take effect on July 1, 2050.





**Report Title:**

Public Housing; Rentals; GO Bonds; Appropriations

**Description:**

Requires the Hawaii public housing authority to establish trust accounts to provide matching funds for tenants who rent dwelling units. Specifies tenancy termination requirements. Authorizes GO bonds. Appropriates funds. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

