
A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 PART I

2 SECTION 1. Part II of this Act directs the Hawaii public
3 housing authority to establish trust accounts to provide
4 matching funds to tenants who rent dwelling units and require
5 that trust account moneys be spent by the tenant on purchases
6 relating to housing.

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

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



1 PART II

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

5 "§356D- Trust accounts; renovation of rental units. (a)
6 Trust accounts shall be established within the authority to
7 enable the authority to provide matching funds to tenants who
8 rent a dwelling unit.

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

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

17 (1) Establish and maintain a trust account to be managed
18 by the authority; and

19 (2) Be a participant in the Family Self-Sufficiency
20 Program as provided in 42 United States Code section
21 1437u.



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

4 (1) Tenant's payment; and

5 (2) Minimum rent set by the authority for state-aided
6 public housing project units on the date the tenant
7 first occupies the unit,

8 and deposit the moneys into the tenant's trust account.

9 For the purposes of this subsection, the minimum rent for
10 the tenant shall remain the same during the entire period the
11 tenant occupies the unit.

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



1 require the tenant to spend all the moneys on purchases related
2 to housing.

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

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

11 (h) The authority may adopt rules pursuant to chapter 91
12 to carry out this section."

13 PART III

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

16 "**§356D-42 Housing; tenant selection[-]; tenancy**
17 **termination.** (a) The authority shall select tenants upon the
18 basis of those in greatest need for the particular housing,
19 subject to the following limitations and preferences:

20 (1) The authority may limit the tenants of any state low-
21 income housing project to classes of persons when



1 required by federal law or regulation as a term or
2 condition of obtaining assistance from the federal
3 government; provided that not less than fifty per cent
4 of available units shall be for applicants without
5 preference and up to fifty per cent of available units
6 shall be for applicants with preference;

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

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

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

20 (b) Upon the termination of the tenancy of the last
21 household member who was an original household member at the



1 time of the initial lease or rental agreement for a dwelling
2 unit in a state low-income housing project, the tenancy of all
3 remaining tenants in the dwelling unit shall also terminate;
4 provided that, where the original head or co-head of the
5 household is survived by a minor who was subsequently added to
6 the household by birth, adoption, or court order, the household
7 may retain the lease or rental agreement and remain in the unit
8 until the youngest minor reaches the age of twenty-one, or
9 reaches the age of twenty-three if the youngest minor is a full-
10 time student of a business school, technical school, college,
11 community college, or university.

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

14 SECTION 4. This part shall apply to all tenants who reside
15 in dwelling units in state low-income housing projects under a
16 lease or rental agreement, as of the effective date of this Act
17 or later.

18 PART IV

19 SECTION 5. The director of finance is authorized to issue
20 general obligation bonds in the sum of \$ or so much
21 thereof as may be necessary and the same sum or so much thereof



1 as may be necessary is appropriated for fiscal year 2017-2018
2 for the purpose of funding repair and maintenance for state low-
3 income housing under chapter 356D, part III, Hawaii Revised
4 Statutes.

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

7 SECTION 6. The appropriation made for the capital
8 improvement project authorized by section 5 of this Act shall
9 not lapse at the end of the fiscal biennium for which the
10 appropriation is made; provided that all moneys from the
11 appropriation unencumbered as of June 30, 2020, shall lapse as
12 of that date.

13 SECTION 7. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2017-2018 for the
16 Hawaii public housing authority to provide funds for repair and
17 maintenance on state low-income housing projects.

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

20 SECTION 8. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so much



1 thereof as may be necessary for fiscal year 2017-2018 for the
2 Hawaii public housing authority; provided that:

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

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

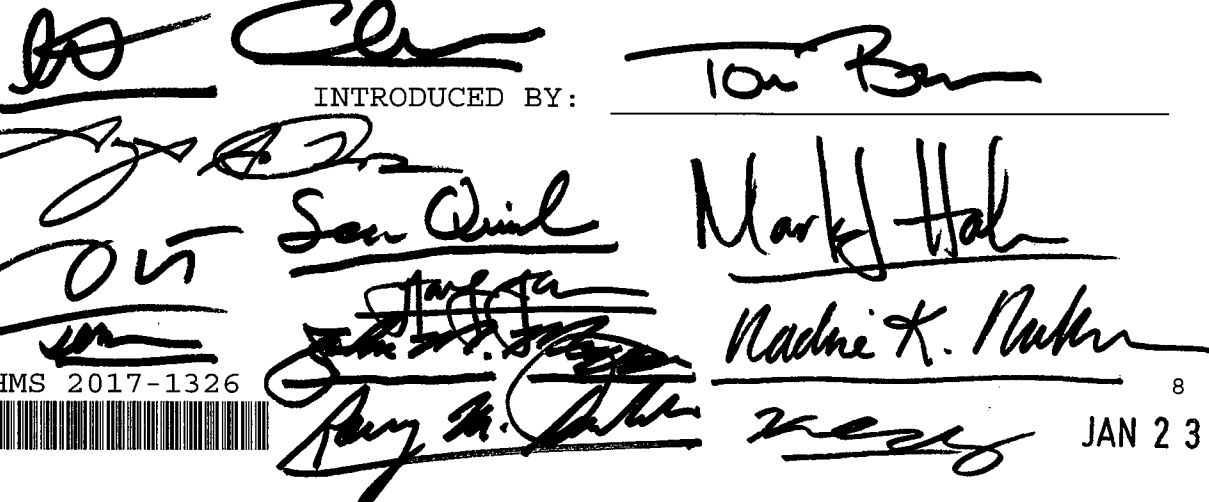
9 The sum appropriated shall be expended by the Hawaii public
10 housing authority for the purposes of this Act.

11 PART V

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

15 SECTION 10. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 11. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: Tom B...
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H.B. NO. 868

Report Title:

Public Housing; Rentals; General Obligation Bonds;
Appropriations

Description:

Requires the Hawaii Public Housing Authority to establish trust accounts to provide matching funds to tenants who rent dwelling units. Specifies tenancy termination requirements. Authorizes the issuance of general obligations bonds for capital improvement projects at state low-income housing projects. Appropriates funds.

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