

JAN 18 2019

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# A BILL FOR AN ACT

RELATING TO THE RENTAL ASSISTANCE PROGRAM.

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

1       SECTION 1. The legislature finds that the state rental  
2 assistance program administered by the Hawaii housing finance  
3 and development corporation provides qualified rental project  
4 owners with monthly rental assistance subsidies to assist  
5 eligible tenants to make their rental payments. The shallow,  
6 project-based rental assistance program subsidies have been  
7 effective in helping moderate income households at or below  
8 eighty per cent of the area median income to afford their rent  
9 payments, while providing sufficient rental income to ensure  
10 that the rental project remains economically feasible.

11       Over this program's lifespan, rental assistance subsidies  
12 were provided for 1,437 units in seventeen affordable rental  
13 projects statewide. As older project contracts have expired,  
14 and due to the lack of resources to enter into new project  
15 contracts, only ten projects remain in the program, with a total  
16 of 1,204 assisted units.



1       Accordingly, the purpose of this Act is to increase the  
2       number of low-income households with access to permanent  
3       affordable rental housing by:

4           (1)   Increasing the minimum percentage of affordable units  
5               a rental housing project is required to maintain for  
6               eligible tenants;

7           (2)   Lowering the qualifying maximum income ceiling from  
8               eighty per cent to thirty per cent of the area median  
9               income for a family or individual to be an eligible  
10              tenant under the rental assistance program; and

11          (3)   Appropriating funds to be deposited into the rental  
12               assistance revolving fund to support new rental  
13               assistance program contracts.

14       SECTION 2.   Section 201H-122, Hawaii Revised Statutes, is  
15       amended as follows:

16           1.   By amending the definition of "eligible project" to  
17       read:

18        "\"Eligible project\" means a rental housing project that:

19           (1)   Is financed by the corporation pursuant to subpart B  
20               or D, or that the corporation determines will require  
21               rental assistance to make it financially feasible;



(2) Is subject to a regulatory agreement with the corporation;

(3) Maintains at least [~~twenty~~] thirty per cent of its units for eligible tenants; and

(4) Meets other qualifications as established by rules adopted by the corporation.

Notwithstanding any provision to the contrary, "eligible project" may also include a rental housing project that is financed by the corporation pursuant to subpart A."

2. By amending the definition of "eligible tenant" to read:

"Eligible tenant" means a family or an individual whose income does not exceed [~~eighty~~] thirty per cent of the area median income as determined by the United States Department of Housing and Urban Development."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$                      or so much thereof as may be necessary for fiscal year 2019-2020 and the same sum or so much thereof as may be necessary for fiscal year 2020-2021 to be deposited into the rental assistance



# S.B. NO. 886

1 revolving fund established by section 201H-123, Hawaii Revised  
2 Statutes.

3 SECTION 4. There is appropriated out of the rental  
4 assistance revolving fund the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2019-2020 and the  
6 same sum or so much thereof as may be necessary for fiscal year  
7 2020-2021 to support new rental assistance program contracts.

8 The sums appropriated shall be expended by the Hawaii  
9 housing finance and development corporation for the purposes of  
10 this Act.

11 SECTION 5. This Act is not intended to jeopardize the  
12 receipt of any federal aid nor impair any existing federal  
13 obligation of the State or any agency thereof.

14 SECTION 6. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

  
  


# S.B. NO. 886

**Report Title:**

Affordable Rental Housing; Rental Assistance Program;  
Appropriation

**Description:**

Expands the rental assistance program by increasing the minimum percentage of affordable units a rental housing project is required to maintain for eligible tenants from twenty per cent to thirty per cent. Decreases the qualifying maximum ceiling from eighty per cent to thirty per cent of the area median income for a family or individual to be an eligible tenant under the rental assistance program. Appropriates moneys to support new rental assistance program contracts.

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

