

JAN 18 2019

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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1           SECTION 1. The legislature finds that the State is in an  
2 affordable housing crisis, with a near-term need for forty-four  
3 thousand units that are affordable to households making eighty  
4 per cent or less of the area median income. The need for  
5 affordable rental units is especially acute for households with  
6 low income. Approximately ninety-three to ninety-five per cent  
7 of rental unit tenants have a household income of less than one  
8 hundred forty per cent of the area median income in Hawaii. The  
9 lack of supply leads to higher rents for households of all  
10 income levels, leaving tenants with less disposable income,  
11 ultimately increasing the personal stress of tenants, reducing  
12 tenants' quality of life, and exacerbating the population  
13 overcrowding and homelessness problems. Without sufficient  
14 affordable rental housing, the future social, community, and  
15 economic consequences for Hawaii may be dire.

16           The legislature took extraordinary steps to infuse badly  
17 needed money into the State's rental housing revolving fund in



1 2018 through Act 39, Session Laws of Hawaii 2018, which  
2 appropriated \$200,000,000 in general revenues for the 2017-2018  
3 fiscal year to help meet the State's affordable housing need.  
4 The governor's proposed executive budget for the 2019-2021  
5 fiscal biennium recommends carrying forward that appropriation  
6 for the next two years but reduces the appropriation to  
7 \$100,000,000 for each year of the biennium. While these actions  
8 are a significant step toward fulfilling the housing demands in  
9 Hawaii, more must be done.

10 The legislature additionally finds that a steady stream of  
11 funding for the rental housing revolving fund is necessary to  
12 sustain the development of affordable rental units. The fund's  
13 only existing source of dedicated revenue is effectually a  
14 maximum of \$38,000,000 from conveyance tax revenues. This Act  
15 will allow the State to further its work toward the goal of  
16 creating nearly twenty-three thousand units of affordable rental  
17 housing. A consistent and ongoing infusion of funds into the  
18 rental housing revolving fund must be the State's priority, as  
19 advanced by housing advocates and developers alike.

20 The purpose of this Act is to accelerate the State's  
21 response to the affordable housing crisis by authorizing the



# S.B. NO. 636

1 issuance of general obligation bonds to be appropriated into and  
 2 out of the rental housing revolving fund for the 2019-2021  
 3 fiscal biennium.

4 SECTION 2. The director of finance is authorized to issue  
 5 general obligation bonds in the sum of \$400,000,000 or so much  
 6 thereof as may be necessary and the same sum or so much thereof  
 7 as may be necessary is appropriated for fiscal year 2019-2020 to  
 8 be deposited into the rental housing revolving fund established  
 9 pursuant to section 201H-202, Hawaii Revised Statutes.

10 SECTION 3. There is appropriated out of the rental housing  
 11 revolving fund established pursuant to section 201H-202, Hawaii  
 12 Revised Statutes, the sum of \$200,000,000 or so much thereof as  
 13 may be necessary for fiscal year 2019-2020 and the same sum or  
 14 so much thereof as may be necessary for fiscal year 2020-2021  
 15 for the purposes for which the revolving fund is established.

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

19 SECTION 4. This Act shall take effect on July 1, 2019.

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# S.B. NO. 636

**Report Title:**

Rental Housing; Rental Housing Revolving Fund; Appropriation

**Description:**

Authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund.

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

