
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:



- 1 (1) Accelerate the State's response to the affordable
2 housing crisis by authorizing the issuance of general
3 obligation bonds and appropriating funds into and out
4 of the rental housing revolving fund, dwelling unit
5 revolving fund, and home ownership housing revolving
6 fund for the 2019-2021 fiscal biennium; and
- 7 (2) Allocate a portion of the funds appropriated from the
8 rental housing revolving fund to create permanent
9 supportive housing units for people who are
10 chronically homeless.

11 SECTION 2. 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 is appropriated for fiscal year 2019-2020 to
15 be deposited into the rental housing revolving fund established
16 pursuant to section 201H-202, Hawaii Revised Statutes.

17 SECTION 3. There is appropriated out of the rental housing
18 revolving fund established pursuant to section 201H-202, Hawaii
19 Revised Statutes, the sum of \$ or so much thereof as
20 may be necessary for fiscal year 2019-2020 and the same sum or
21 so much thereof as may be necessary for fiscal year 2020-2021



1 for the purposes for which the revolving fund is established;
2 provided that of the sums appropriated, \$ shall be
3 expended to create permanent supportive housing for chronically
4 homeless individuals.

5 The sums appropriated shall be expended by the Hawaii
6 housing finance and development corporation for the purposes of
7 this Act.

8 SECTION 4. The director of finance is authorized to issue
9 general obligation bonds in the sum of \$ or so much
10 thereof as may be necessary and the same sum or so much thereof
11 as may be necessary is appropriated for fiscal year 2019-2020 to
12 be deposited into the dwelling unit revolving fund established
13 pursuant to section 201H-191, Hawaii Revised Statutes.

14 SECTION 5. There is appropriated out of the dwelling unit
15 revolving fund established pursuant to section 201H-191, Hawaii
16 Revised Statutes, the sum of \$ or so much thereof as
17 may be necessary for fiscal year 2019-2020 and the same sum or
18 so much thereof as may be necessary for fiscal year 2020-2021
19 for the purposes for which the revolving fund is established.



1 The sums appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this Act.

4 SECTION 6. The director of finance is authorized to issue
5 general obligation bonds in the sum of \$ 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 home ownership housing revolving fund
9 established pursuant to Act , Session Laws of Hawaii 2019.

10 SECTION 7. There is appropriated out of the home ownership
11 housing revolving fund the sum of \$ or so much thereof
12 as may be necessary for fiscal year 2019-2020 and the same sum
13 or so much thereof as may be necessary for fiscal year 2020-2021
14 for the purposes for which the revolving fund is established.

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

18 SECTION 8. This Act shall take effect on July 1, 2019;
19 provided that sections 6 and 7 shall take effect on July 1,
20 2019, only if S.B. No. 878 in any form passed by the legislature
21 during the regular session of 2019, becomes an Act.



Report Title:

Rental Housing; Rental Housing Revolving Fund; Dwelling Unit Revolving Fund; Home Ownership Housing Revolving Fund; Permanent Supportive Housing; Appropriation

Description:

Authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund, dwelling unit revolving fund, and, contingent upon the enactment of S.B. No. 878 in any form, the home ownership housing revolving fund. Requires an amount of the funds appropriated out of the rental housing revolving fund be used to create permanent supportive housing units for chronically homeless individuals. (SD1)

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