

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

1           SECTION 1. The legislature finds that the State faces an  
2   unprecedented economic crisis due to the coronavirus disease  
3   2019 (COVID-19) pandemic, which has decimated Hawaii's economy  
4   and caused its gross domestic product to plummet. By some  
5   measures, Hawaii's economy has been hit harder than any other  
6   state in the nation.

7           The legislature also finds that this drastic decline in  
8   economic activity has disproportionately affected the State's  
9   most vulnerable populations. The pandemic forced the shutdown  
10  of many sectors of the State's economy, triggering mass layoffs  
11  and furloughs and causing the State's seasonally adjusted  
12  unemployment to surge from 2.4 per cent in March 2020 to a  
13  historical high of 22.3 per cent in April 2020. Despite efforts  
14  to reopen the economy, Hawaii still had the second-highest  
15  unemployment rate in the nation as of November 2020. With the  
16  COVID-19 pandemic continuing to rage throughout the world, most  
17  countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at  
2 least 2024, the State will continue to feel the economic impacts  
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the  
5 pandemic, renter households in the State already suffered from  
6 deleteriously high housing cost burdens, and that the economic  
7 impacts of the COVID-19 pandemic significantly exacerbated this  
8 situation. Recent data from the university of Hawaii economic  
9 research organization (UHERO) showed that more than eleven  
10 thousand Hawaii tenants have fallen behind on their rent  
11 payments and that forty per cent of rental tenants have lost  
12 their jobs. Modeling from UHERO indicates that up to seventeen  
13 thousand households may face an unsustainable change in their  
14 housing cost burden by the second quarter of 2021, even as the  
15 State's economy slowly recovers. Even in a best-case scenario,  
16 the number of individuals facing homelessness will continue to  
17 rise in the face of the pandemic. UHERO concluded that, from a  
18 policy standpoint, "doing nothing is not a viable option."

19 Accordingly, the legislature finds that it must take  
20 immediate action to mitigate the affordable housing crisis  
21 through legislation.



1 The purpose of this Act is to establish a statutory  
2 deadline by which the Hawaii housing finance and development  
3 corporation must award funds.

4 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
5 amended by amending the title of part IV to read:

6 " ~~[+]PART IV. [+] EXPENDITURES OF REVOLVING FUNDS UNDER THE~~  
7 ~~CORPORATION [EXEMPT FROM APPROPRIATION AND ALLOTMENT]~~ "

8 SECTION 3. Section 201H-211, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "§201H-211 Expenditures of revolving funds under the  
11 corporation exempt from appropriation and allotment~~[-]~~; deadline  
12 to award funds. (a) Except as to administrative expenditures,  
13 and except as otherwise provided by law, expenditures from the  
14 revolving funds administered by the corporation under subparts I  
15 and J of part III, relating to financing programs, or section  
16 201H-80 or 201H-123 may be made by the corporation without  
17 appropriation or allotment by the legislature; provided that no  
18 expenditure shall be made from and no obligation shall be  
19 incurred against any revolving fund in excess of the amount  
20 standing to the credit of the fund or for any purpose for which  
21 the fund may not lawfully be expended.



1        (b) Funds from the revolving funds administered by the  
 2 corporation under subparts I and J of part III, relating to  
 3 financing programs, or section 201H-80 or 201H-123 awarded in  
 4 response to the filing of a consolidated application, shall be  
 5 awarded no later than            days after the deadline to file the  
 6 consolidated application or no later than            days after the  
 7 filing of a duly submitted consolidated application if no  
 8 deadline has been established by the corporation.

9        (c) Nothing in sections 37-31 to 37-41 shall require the  
 10 proceeds of the revolving funds identified in subparts I and J  
 11 of part III, or section 201H-80 or 201H-123 to be reappropriated  
 12 annually."

13        SECTION 4. This Act does not affect rights and duties that  
 14 matured, penalties that were incurred, and proceedings that were  
 15 begun before its effective date.

16        SECTION 5. Statutory material to be repealed is bracketed  
 17 and stricken. New statutory material is underscored.

18        SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY: *[Handwritten Signature]*

**By Request**



# S.B. NO. 1360

**Report Title:**

HHFDC; Affordable Housing; Award Deadline

**Description:**

Requires the Hawaii housing finance and development corporation to award funds no later than an unspecified number of days after the deadline to file a consolidated application or no later than an unspecified number of days after the filing of a duly submitted consolidated application if no deadline has been established by the corporation.

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

