
A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

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

1 SECTION 1. The legislature finds that the development of
2 rental housing for households making between sixty-one and one
3 hundred per cent of the of area median income is not financially
4 feasible. Although funding is set aside each year for the
5 rental housing revolving fund, these funds are used as gap
6 financing in conjunction with federal and state low-income
7 housing tax credit financed projects serving sixty per cent of
8 area median income and below.

9 The legislature further finds that although the rental
10 housing revolving fund allows funding up to one-hundred and
11 forty per cent of area median income, it rarely gets used for
12 families above sixty per cent of area median income, as the
13 demand for the funds in the revolving fund far exceed available
14 funding. Although general excise tax waivers and county
15 subsidies help reduce development costs, new workforce rental
16 housing is very difficult to build without state subsidies.



1 The legislature also finds that strategies are needed to
2 keep local residents in the State. Having affordable rental
3 housing opportunities for working families will reduce domestic
4 outmigration and fill critical labor needs throughout the State.

5 The purpose of this Act is to set aside a certain amount of
6 funds in the rental housing revolving fund for housing projects
7 and units that are targeted to families with incomes between
8 sixty-one and one hundred per cent of median family income.

9 SECTION 2. Section 201H-202, Hawaii Revised Statutes, is
10 amended by amending subsection (e) to read as follows:

11 "(e) Moneys available in the fund shall be used for the
12 purpose of providing, in whole or in part, loans or grants for
13 rental housing projects in the following order of priority:

14 (1) Projects or units in projects that are allocated
15 low-income housing credits pursuant to the state
16 housing credit ceiling under section 42(h) of the
17 Internal Revenue Code of 1986, as amended, or projects
18 or units in projects that are funded by programs of
19 the United States Department of Housing and Urban
20 Development and United States Department of
21 Agriculture Rural Development wherein:



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1 (A) At least fifty per cent of the available units
2 are for persons and families with incomes at or
3 below eighty per cent of the median family income
4 of which at least five per cent of the available
5 units are for persons and families with incomes
6 at or below thirty per cent of the median family
7 income; and
8 (B) The remaining units are for persons and families
9 with incomes at or below one hundred per cent of
10 the median family income;
11 provided that the corporation may establish rules to
12 ensure full occupancy of fund projects; and
13 (2) Mixed-income rental projects or units in a
14 mixed-income rental project wherein all of the
15 available units are for persons and families with
16 incomes at or below one hundred forty per cent of the
17 median family income[-]; provided that the first
18 \$150,000,000 shall be used for projects or units in a
19 mixed-income rental project for persons and families
20 with incomes between sixty-one per cent and one
21 hundred per cent of the median family income."



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1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Alan K. Brown*
JAN 26 2022



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Report Title:

Rental Housing Revolving Fund; Affordable Housing

Description:

Requires a certain amount of funds in the rental housing revolving fund be used to provide loans or grants to mixed-income rental projects or units for persons and families with incomes between sixty-one and one hundred per cent of the median family income.

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