
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 there are
2 approximately fifteen thousand affordable housing units in the
3 State whose affordability restrictions will expire by the year
4 2100. In one prominent example, Kukui Gardens was built in 1970
5 with subsidized federal loans, however, when the affordability
6 restrictions expired, the State was compelled to buy back the
7 project from the owner for \$132.5 million in 2006 to preserve
8 the tenants in place. The owner of Kukui Gardens then used the
9 proceeds of the sale to fund other non-housing-related
10 charitable donations. The legislature further finds that action
11 is needed to ensure that the value generated by
12 taxpayer-financed housing development is recycled to build more
13 housing.

14 Accordingly, the purpose of this Act is to require that, to
15 be eligible for funds from the rental housing revolving fund,
16 applicants shall be either governmental agencies or
17 organizations that are required to use all financial surplus,



1 excluding fees to the organizaitons, to develop additional
2 housing in the State.

3 SECTION 2. Section 201H-203, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[~~+~~]**\$201H-203**[~~+~~] **Eligible applicants for funds.** [~~Eligible~~
6 ~~applicants~~] To be eligible for funds, applicants shall [~~include~~
7 ~~nonprofit and for-profit organizations, limited liability~~
8 ~~companies, partnerships, and government~~] be:

9 (1) Organizations that are required to use all financial
10 surplus, excluding fees to the organizations, to
11 develop additional housing in the State; or

12 (2) Government agencies[~~, who are~~].

13 Eligible applicants shall also be qualified in accordance with
14 rules adopted by the corporation pursuant to chapter 91."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

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



Report Title:

RHRF; Eligible Applicants; Organizations; Profits; Government Agencies

Description:

Requires eligible applicants of the Rental Housing Revolving Fund to be either governmental agencies or organizations that are required to use all financial surplus, excluding fees, to develop additional housing in the State. (SD1)

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