
A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

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

SECTION 1. Chapter 201H, Hawaii Revised Statutes, is amended by adding a new section to part III, subpart J, to be appropriately designated and to read as follows:

"§201H- Transfer of moneys; subaccounts.

Notwithstanding any law to the contrary, the corporation, with the approval of the director of finance, may transfer moneys between the rental housing revolving fund and any subaccount established under this chapter, and between subaccounts established under this chapter, without further legislative authorization, for purposes consistent with this chapter. The corporation may also return unexpended or uncommitted funds from any subaccount established under this chapter to the rental housing revolving fund, to be used for any lawful purpose of the fund."

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



1 "(e) Except as provided in subsection (f), moneys
2 available in the fund shall be used for the purpose of
3 providing, in whole or in part, loans for rental housing
4 projects demonstrating project readiness, efficiency, and
5 feasibility acceptable to the corporation in the following order
6 of priority:

7 (1) Projects or units in projects that are allocated low-
8 income housing credits pursuant to the state housing
9 credit ceiling under section 42(h) of the Internal
10 Revenue Code of 1986, as amended, or projects or units
11 in projects that are funded by programs of the United
12 States Department of Housing and Urban Development and
13 United States Department of Agriculture Rural
14 Development wherein:

15 (A) At least fifty per cent of the available units
16 are for persons and families with incomes at or
17 below eighty per cent of the area median [~~family~~]
18 income of which at least five per cent of the
19 available units are for persons and families with
20 incomes at or below thirty per cent of the area
21 median [~~family~~] income; and



1 (B) The remaining units are for persons and families
2 with incomes at or below one hundred per cent of
3 the area median [~~family~~] income;
4 provided that the corporation may establish rules to
5 ensure full occupancy of fund projects; provided
6 further that for projects that were awarded low-income
7 housing credits pursuant to this paragraph, priority
8 shall be given to projects with a perpetual
9 affordability commitment. For purposes of this
10 paragraph, "perpetual" means the useful life of the
11 project; and

12 (2) Mixed-income rental projects or units in a mixed-income
13 rental project for [~~persons and families~~] households
14 at a range of income levels, but primarily for
15 households with incomes at or below one hundred forty
16 per cent of the area median [~~family~~] income."

17 SECTION 3. Act 159, Session Laws of Hawaii 2025, is
18 amended by amending section 8 to read as follows:

19 "SECTION 8. This Act shall take effect upon its approval[+
20 ~~provided that sections 2 and 3 of this Act shall be repealed on~~
21 ~~June 30, 2030, and sections 201H-202 and 201H-204, Hawaii~~



~~Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act]."~~

SECTION 4. The director of finance is authorized to transfer moneys from the rental housing revolving fund to the mixed-income subaccount of the rental housing revolving fund in an amount not to exceed \$100,000,000 for fiscal year 2026-2027.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000,000 or so much thereof as may be necessary for fiscal year 2026-2027 to be deposited into the mixed-income subaccount of the rental housing revolving fund established under section 201H-202(f), Hawaii Revised Statutes.

SECTION 6. There is appropriated out of the mixed-income subaccount of the rental housing revolving fund established under section 201H-202(f), Hawaii Revised Statutes, the sum of \$100,000,000 or so much thereof as may be necessary for fiscal year 2026-2027 for the purposes of the subaccount.

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



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1 SECTION 7. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 8. This Act shall take effect on July 1, 2026.

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INTRODUCED BY:

ZMC

JAN 20 2026



H.B. NO. 1727

Report Title:

HHFDC; Rental Housing Revolving Fund; Mixed-Income Subaccount;
Transfer of Moneys; Mixed-Income Rental Projects; Appropriation

Description:

Specifies the conditions upon which the Hawaii Housing Finance and Development Corporation may transfer moneys from within the Rental Housing Revolving Fund to a subaccount and between subaccounts of the fund. Clarifies what constitutes a mixed-income rental project for purposes of loans funded through the Mixed-Income Subaccount. Repeals the sunset date for the Mixed-Income Subaccount. Authorizes the Director of Finance to deposit rental housing revolving funds into the Mixed-Income Subaccount. Appropriates funds.

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

