

---

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

4 **"§201H- Transfer of moneys; subaccounts.**

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

15 SECTION 2. Section 201H-202, Hawaii Revised Statutes, is  
16 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



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

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



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

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

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

13 SECTION 6. There is appropriated out of the mixed-income  
14 subaccount of the rental housing revolving fund established  
15 under section 201H-202(f), Hawaii Revised Statutes, the sum of  
16 \$100,000,000 or so much thereof as may be necessary for fiscal  
17 year 2026-2027 for the purposes of the subaccount.

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



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.

4

INTRODUCED BY:

*ZNC*

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.*

