

**ACT 310**

H.B. NO. 2458

A Bill for an Act Relating to a Rental Housing Trust Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the problem of providing adequate, safe, and affordable housing for Hawaii's people continues to plague public policymakers.

While progress is being made in providing for-sale homes, the need for affordable rentals particularly for the very low income groups and special needs groups requires additional support.

The legislature further finds that current support for rentals exists in the form of rental assistance and a limited amount of construction-related tax credits. However, attempts by developers currently have suggested that these sources are still inadequate to allow for development of affordable rental housing.

Based on these and other data, the legislature finds and declares that current economic and social conditions and federal cutbacks have adversely affected the ability of very low income (less than fifty per cent of median family incomes) and lower income (less than eighty per cent of median family incomes) families to obtain safe, decent, and affordable rental housing.

The legislature therefore declares that it is in the public interest to establish a continuously renewable resource known as the rental housing trust fund to assist very-low and lower income families and individuals, including the homeless and special needs groups, in obtaining rental housing.

**SECTION 2.** In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$100,000 or by 0.0039 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the need provided for by this Act.

**SECTION 3.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the housing finance and development corporation to study existing housing trust fund programs in other jurisdictions, and to develop guidelines and necessary proposed legislation for the establishment and operation of a rental housing trust fund in Hawaii.

**SECTION 4.** The study provided by this Act shall identify and investigate all potential sources of revenue for the trust fund, and include recommendations regarding sources which should be utilized. The study shall also specify the precise role of the trust fund so as to maximize its effectiveness within the context of existing programs.

The study shall be submitted to the legislature not less than twenty days prior to the convening of the 1991 regular session.

**SECTION 5.** The sum appropriated shall be expended by the housing finance and development corporation for the purposes of this Act.

**SECTION 6.** This Act shall take effect on July 1, 1990.

(Approved July 3, 1990.)