

ACT 248

S.B. NO. 2826

A Bill for an Act Relating to Rental Assistance.

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

SECTION 1. Section 201E-134, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) When an eligible project is not owned by the corporation, the corporation shall be entitled to share in the appreciation in value of units maintained for eligible tenants within an eligible project realized at the time of refinancing or prepayment of the eligible project loan. The corporation’s share shall be calculated by multiplying the appreciation in value of units maintained for eligible tenants realized upon refinancing or prepayment by the ratio of the owner’s equity to the discounted value of the aggregate rental assistance payments. The discount rate shall be established by rules adopted by the corporation.

The corporation shall exempt projects owned by a county from the shared appreciation requirement set forth in this section if all of the following requirements are met:

(1) The funds derived by the county as a result of appreciation in value

of the units are used for housing projects wherein:

- (A) At least sixty per cent of the project is affordable to families earning one hundred per cent or below of the applicable area median income; and
- (B) At least half of the foregoing sixty per cent is affordable to families earning eighty per cent or below of the applicable area median income; and
- (2) The project from which the appreciation in value is derived remains as affordable as it was prior to the refinancing or prepayment of the eligible project loan.”

SECTION 2. New statutory material is underscored.

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

(Approved June 17, 1992.)