

ACT 30

S.B. NO. 11-S

A Bill for an Act Relating to Housing Revolving Funds.

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

SECTION 1. The purpose of this Act is to authorize the housing finance and development corporation to transfer moneys from the rental assistance revolving fund to the rental housing trust fund. The flexibility to transfer funds will permit more efficient use of available funds to provide affordable housing for the people of the State of Hawaii. It is also the purpose of this Act to transfer funds from the rental assistance revolving fund to develop strategies to address the needs of displaced sugar workers at Waialua and Del Monte pineapple workers living at Poamoho and Kunia in danger of losing their homes. Specifically, this Act addresses the housing needs of displaced sugar workers by providing for the following:

- (1) The development and implementation of strategies to provide affordable housing;
- (2) An emergency loan program that will provide temporary assistance; and
- (3) A grant program to finance the temporary relocation of families.

SECTION 2. The housing finance and development corporation may effectuate a one-time transfer from the rental assistance revolving fund established by section 201E-132, Hawaii Revised Statutes, of \$3,200,000 to the rental housing trust fund established by section 201F-2, Hawaii Revised Statutes; provided that the corporation shall report any transfer under this section to the legislature within ten days of the transfer.

SECTION 3. There is appropriated out of the rental assistance revolving fund created by section 201E-132, Hawaii Revised Statutes, the sum of \$150,000, or so much thereof as may be necessary for fiscal year 1995-1996, to develop and implement strategies that will provide affordable housing for the former employees of Waialua Sugar Company and Del Monte camp at Poamoho and Kunia; provided that this appropriation shall not lapse at the end of the 1995-1996 fiscal year, and any amount that is unencumbered as of June 30, 1997, shall lapse into the rental assistance revolving fund as of that date. The housing finance and development corporation shall develop and implement these strategies, which include the following:

- (1) Using its bond authority to leverage federal and other funds; and
- (2) Assisting in the organizational development and financial feasibility assessment of a project to preserve plantation housing through a mutual housing association established under Act 310, Session Laws of Hawaii 1992.

SECTION 4. There is appropriated out of the rental assistance revolving fund created by section 201E-132, Hawaii Revised Statutes, the sum of \$550,000, or so much thereof as may be necessary for fiscal year 1995-1996, to provide the following for the former employees, retirees, or their surviving spouses displaced by the closure of Waialua Sugar Company:

- (1) Developing and implementing a grant program. The housing finance and development corporation shall develop this grant program, which shall include a special rental subsidy program for the relocation of retirees, former employees, and their surviving spouses who are in transition to other jobs; and

(2) Low-interest loans.

The above appropriation shall not lapse at the end of the 1995–1996 fiscal year, and any amount that is unencumbered as of June 30, 1997, shall lapse into the rental assistance revolving fund as of that date. Loans may be made for up to \$10,000 each to provide for the payment of monthly mortgage loan payments, which may include principal and interest payments, real property taxes, and insurance. The loans shall be limited to one loan per household and the rate of interest on loans made pursuant to this Act shall not exceed three per cent a year. Interest earnings on funds appropriated and loans made pursuant to this Act may be used for administrative and other expenses necessary for administering the loan program. Loans made pursuant to this Act may not require repayment to begin for a period of two years after the loan agreement is executed. Loan proceeds distributed may be made directly to the borrower's note and mortgage holder to ensure timely payment of the borrower's mortgage payment. Guidelines for administering this loan program shall be adopted by the housing finance and development corporation.

SECTION 5. The housing finance and development corporation shall submit to the legislature a status report on actions taken under this Act no later than twenty days prior to the convening of the regular session of 1996.

SECTION 6. The sums appropriated shall be expended by the housing finance and development corporation for the purposes of this Act.

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

SECTION 8. This Act shall take effect on July 1, 1995.

(Approved June 30, 1995.)

Note

1. No bracketed or underscored material.