
A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is
2 amended by adding a new section to part III to be appropriately
3 designated and to read as follows:

4 "§356D- Trust accounts; renovation of rental units. (a)
5 Trust accounts shall be established within the authority to
6 enable the authority to provide matching funds to tenants who
7 rent a dwelling unit subject to section 356D-43(c).

8 (b) The authority shall maintain a waiting list of
9 eligible applicants for dwelling units subject to section 356D-
10 43(c). When a unit becomes vacant but prior to renovating the
11 unit, the authority shall determine who shall fill the vacancy
12 from the waiting list; provided that the eligible applicant
13 agrees to the conditions set forth in this section.

14 (c) The authority, as a condition of renovation and rental
15 of a dwelling unit subject to section 356D-43(c), shall require
16 an eligible applicant who rents the dwelling unit to:



1 (1) Establish and maintain a trust account, to be managed
2 by the authority; and

3 (2) Be a participant in the Family Self-Sufficiency
4 Program as provided in title 42 United States Code
5 section 1437u.

6 If the applicant agrees to the conditions established in
7 this section, the authority may renovate the dwelling unit prior
8 to the applicant moving into the unit.

9 (d) The tenant shall pay per cent of the tenants
10 income to the authority as payment for rent. The authority
11 shall take the difference between the tenant's payment and the
12 rate established pursuant to section 356D-43(c) and deposit the
13 moneys into the tenant's trust account.

14 (e) Upon the expiration of the five-year tenancy
15 limitation established in section 356D-43(c), or upon the date
16 the tenant voluntarily vacates the unit, the authority shall
17 match, on a dollar-for-dollar basis, the amount deposited by the
18 tenant pursuant to subsection (c) and deposit the matching
19 amount into the trust account in the name of the tenant. All
20 interest accrued on the balance in the trust account shall be
21 included in the trust account. Within three months after the



1 date of tenancy termination, the authority shall release to the
2 tenant the moneys contained in the tenant's trust account.

3 (f) No tenant subject to this section who is evicted from
4 the tenant's unit for cause by the authority shall be eligible
5 to receive any matching funds pursuant to subsection (d).

6 (g) If a former tenant who has received moneys pursuant to
7 subsection (d) wishes to reapply for a dwelling unit subject to
8 section 356D-43(c), the former tenant shall first repay the
9 entire amount of the trust fund moneys paid pursuant to
10 subsection (d) and meet any other requirements imposed by the
11 authority.

12 (h) The authority may adopt rules pursuant to chapter 91
13 to effectuate this section."

14 SECTION 2. Section 356D-43, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[+]§356D-43[+] Rentals. (a) Notwithstanding any other
17 law to the contrary, the authority shall fix the rates of the
18 rentals for dwelling units and other facilities in state low-
19 income housing projects provided for by this subpart, at rates
20 that will produce revenues that will be sufficient to pay all
21 expenses of management, operation, and maintenance, including



1 the cost of insurance, a proportionate share of the
2 administrative expenses of the authority to be fixed by it, and
3 the costs of repairs, equipment, and improvements, to the end
4 that the state low-income housing projects shall be and always
5 remain self-supporting. The authority, in its discretion, may
6 fix the rates in amounts as will produce additional revenues (in
7 addition to the foregoing) sufficient to amortize the cost of
8 the state low-income housing project or projects, including
9 equipment, over a period or periods of time that the authority
10 may deem advisable.

- 11 (b) Notwithstanding any other law to the contrary, if:
- 12 (1) Any state low-income housing project or projects have
13 been specified in any resolution of issuance adopted
14 pursuant to part I;
- 15 (2) The income or revenues from any project or projects
16 have been pledged by the authority to the payment of
17 any bonds issued under part I; or
- 18 (3) Any of the property of any state low-income housing
19 project or projects is security for the bonds,
20 the authority shall fix the rates of the rentals for dwelling
21 units and other facilities in the state low-income housing



1 project or projects so specified or encumbered at increased
 2 rates that will produce the revenues required by subsection (a)
 3 and, in addition, those amounts that may be required by part I,
 4 by any resolution of issuance adopted under part I, and by any
 5 bonds or mortgage or other security issued or given under part
 6 I.

7 (c) The authority shall impose a maximum rental period of
 8 five years upon a dwelling unit in a state low-income housing
 9 project that receives state funding for repair and maintenance
 10 or for capital improvement; provided that the authority shall
 11 not impose the maximum rental period to individuals who are
 12 disabled or are sixty-five years of age or older.
 13 Notwithstanding subsection (a), for tenants who agree to the
 14 conditions set forth in section 356D- , the authority shall
 15 fix the rate for the entire rental period at the minimum amount
 16 of rent set by the authority for state-aided family public
 17 housing project units with the same number of bedrooms."

18 SECTION 3. The director of finance is authorized to issue
 19 general obligation bonds in the sum of \$ or so much
 20 thereof as may be necessary and the same sum or so much thereof
 21 as may be necessary is appropriated for fiscal year 2016-2017

1 for the purpose of funding repair and maintenance for state low-
2 income housing under chapter 356D, part III, Hawaii Revised
3 Statutes.

4 SECTION 4. The appropriation made for the capital
5 improvement project authorized by this Act shall not lapse at
6 the end of the fiscal biennium for which the appropriation is
7 made; provided that all moneys from the appropriation
8 unencumbered as of June 30, 2018, shall lapse as of that date.

9 SECTION 5. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2016-2017 for the
12 public housing authority to provide funds for repair and
13 maintenance on state low-income housing projects.

14 The sum appropriated shall be expended by the department of
15 human services for the purposes of this Act.

16 SECTION 6. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so much
18 thereof as may be necessary for fiscal year 2016-2017 for the
19 public housing authority: provided that



1 (1) \$ is used to fund the matching funds to be
2 placed in the trust accounts established under this
3 Act; and

4 (2) \$ is used to establish positions to manage
5 the funds of the trust accounts established under this
6 Act.

7 The sum appropriated shall be expended by the department of
8 human services for the purposes of this Act.

9 SECTION 7. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

Public Housing; Rentals; GO Bonds; Appropriations

Description:

Authorizes the Public Housing Authority to impose maximum rental periods of five years for state low-income housing projects which receive state funds for repair and maintenance or capital improvement, provided that the maximum rental periods do not apply to tenants who are disabled or 65 years of age or older. Requires rates for the five-year rentals to be fixed for entire term of lease. Establishes a trust account for the Authority to provide matching funds for tenants who choose to participate in those five-year rentals. Authorizes GO bonds. Appropriates funds. (HB2638 HD1)

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

