

JAN 17 2014

A BILL FOR AN ACT

RELATING TO LOW-INCOME HOUSING.

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

1 SECTION 1. The legislature finds that the need for low-
2 income housing in the State has reached its peak and that the
3 construction industry, which is one of the primary driving
4 forces in the State's economy, is in dire need of alternative
5 financing mechanisms that would enable them to sustain and
6 complete low-income housing projects. The idea of taxpayers in
7 the construction industry foregoing certain state tax credits in
8 exchange for an interest-free loan would provide an optimal
9 solution for the affordable housing crisis in the State and
10 would also help get the State's economy back on its feet by
11 providing local employment opportunities to those in the
12 construction industry.

13 In response to a recommendation by the construction
14 industry task force in 2009, the legislature enacted the
15 language codified as section 201H-86, Hawaii Revised Statutes,
16 which provides a low-income housing tax credit loan program to
17 allow owners of qualified low-income buildings to receive a no



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1 interest loan from the State in lieu of claiming the low-income
2 housing tax credit.

3 The purpose of this Act is to provide funding for the low-
4 income housing tax credit loan program through general
5 obligation bonds.

6 SECTION 2. The director of finance is authorized to issue
7 general obligation bonds in the sum of \$ or so much
8 thereof as may be necessary and the same sum or so much thereof
9 as may be necessary is appropriated for fiscal year 2014-2015
10 for the purpose of funding low-income housing tax credit loans
11 made pursuant to section 201H-86, Hawaii Revised Statutes.

12 SECTION 3. The appropriation made for the project
13 authorized by this Act shall not lapse at the end of the fiscal
14 biennium for which the appropriation is made; provided that all
15 moneys from the appropriation unencumbered as of June 30, 2016,
16 shall lapse as of that date.

17 SECTION 4. The sum appropriated shall be expended by the
18 Hawaii housing finance and development corporation for the
19 purposes of this Act.

20 SECTION 5. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: Neil N. Williams BR



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Report Title:

Low-Income Housing Tax Credit Loan; GO Bonds; Construction Industry Task Force

Description:

Authorizes the issuance and appropriate of general obligation bonds to fund low-income housing tax credit loans.

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