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# A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING TRUST FUND.

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

1 SECTION 1. Section 201H-201, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Spaces for public uses" means spaces for use by the  
5 public or other uses that serve a public purpose, including but  
6 not limited to spaces for community meetings, employment  
7 training, social services, education, and juvenile services  
8 centers."

9 SECTION 2. Section 201H-202, Hawaii Revised Statutes, is  
10 amended as follows:

11 1. By amending subsections (d) and (e) to read:

12 "(d) The fund shall be used to provide loans or grants for  
13 the development, pre-development, construction, acquisition,  
14 preservation, and substantial rehabilitation of rental housing  
15 units[+] and, when authorized by the legislature, of spaces for  
16 public uses within mixed-use residential developments in which  
17 the residential component consists of rental housing units.

18 Permitted uses of the fund may include but are not limited to



1 planning, design, land acquisition, costs of options, agreements  
2 of sale, downpayments, equity financing, capacity building of  
3 nonprofit housing developers, or other housing development  
4 services or activities as provided in rules adopted by the  
5 corporation pursuant to chapter 91. The rules may provide for a  
6 means of recapturing loans or grants made from the fund if a  
7 rental housing project financed under the fund is refinanced or  
8 sold at a later date. The rules may also provide that moneys  
9 from the fund shall be leveraged with other financial resources  
10 to the extent possible.

11 (e) [~~Moneys~~] Unless otherwise authorized by the  
12 legislature, moneys available in the fund shall be used for the  
13 purpose of providing, in whole or in part, loans or grants for  
14 rental housing projects in the following order of priority:

15 (1) Projects or units in projects that are allocated  
16 low-income housing credits pursuant to the state  
17 housing credit ceiling under section 42(h) of the  
18 Internal Revenue Code of 1986, as amended, or projects  
19 or units in projects that are funded by programs of  
20 the United States Department of Housing and Urban



1           Development and United States Department of  
2           Agriculture Rural Development wherein:  
3           (A)   At least fifty per cent of the available units  
4                are for persons and families with incomes at or  
5                below eighty per cent of the median family income  
6                of which at least five per cent of the available  
7                units are for persons and families with incomes  
8                at or below thirty per cent of the median family  
9                income; and  
10           (B)   The remaining units are for persons and families  
11                with incomes at or below one hundred per cent of  
12                the median family income;  
13           provided that the corporation may establish rules to  
14           ensure full occupancy of fund projects; and  
15           (2)   Mixed-income rental projects or units in a  
16                mixed-income rental project wherein all of the  
17                available units are for persons and families with  
18                incomes at or below one hundred forty per cent of the  
19                median family income."  
20           2.   By amending subsection (i) to read:



1           "(i) [~~For the period commencing July 1, 2005, through~~  
2 ~~June 30, 2009, the fund may be used to provide grants for rental~~  
3 ~~units set aside for persons and families with incomes at or~~  
4 ~~below thirty per cent of the median family income in any project~~  
5 ~~financed in whole or in part by the fund in proportion of those~~  
6 ~~units to the total number of units in the project. At the~~  
7 ~~conclusion of the period described in this subsection, the~~  
8 ~~corporation shall report to the legislature on the number and~~  
9 ~~use of grants provided and whether the grants were an effective~~  
10 ~~use of the funds for purposes of developing rental housing for~~  
11 ~~families at or below thirty per cent of the median family~~  
12 ~~income.] A separate subaccount, to be known as the mixed-use  
13 residential development subaccount, shall be established within  
14 the fund. Except as otherwise provided, all moneys in the  
15 subaccount shall be used exclusively to provide loans or grants  
16 for the development, pre-development, construction, acquisition,  
17 preservation, and substantial rehabilitation of spaces for  
18 public uses within mixed-use residential developments in which  
19 the residential component consists of rental housing units, as  
20 authorized by the legislature."~~



1 SECTION 3. Section 201H-204, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Activities eligible for assistance from the fund  
4 shall include but not be limited to:

5 (1) New construction, rehabilitation, or preservation of  
6 low-income rental housing units that meet the criteria  
7 for eligibility described in subsection (c);

8 (2) The leveraging of moneys with the use of fund assets;

9 (3) Pre-development activity grants or loans to nonprofit  
10 organizations; ~~and~~

11 (4) Acquisition of housing units for the purpose of  
12 preservation as low-income or very low-income  
13 housing[-]; and

14 (5) Development, pre-development, construction,  
15 acquisition, preservation, and substantial  
16 rehabilitation of spaces for public uses within mixed-  
17 use residential developments in which the residential  
18 component consists of rental housing units, as  
19 authorized by the legislature."

20 SECTION 4. All acts passed by the legislature during the  
21 regular session of 2015, whether enacted before or after the



1 effective date of this Act, shall be amended to conform to this  
2 Act unless such acts specifically provide that this Act is being  
3 amended.

4 SECTION 5. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect on July 1, 2015.



**Report Title:**

Rental Housing Trust Fund; Mixed-use Rental Projects

**Description:**

Authorizes the rental housing trust fund to be used for spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units. Establishes a separate mixed-use residential development subaccount within the fund. (SD1)

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