
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that persons with severe
2 persistent mental illness often require specialized residential
3 services. However, the high cost of housing creates a shortage
4 of available homes for these individuals, and often, the
5 severely mentally ill become homeless. The legislature further
6 finds that the development of project-based housing as a bridge
7 to permanent housing is difficult to develop due to high costs.

8 Accordingly, the purpose of this Act is to authorize the
9 use of the rental housing revolving fund and dwelling unit
10 revolving fund moneys for rent subsidies, and to provide for
11 permanent housing, bridge housing, and specialized residential
12 services for persons with serious mental illnesses.

13 SECTION 2. Section 201H-191, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[+]§201H-191[+] Dwelling unit revolving fund. There is
16 created a dwelling unit revolving fund. The funds appropriated
17 for the purpose of the dwelling unit revolving fund and all



1 moneys received or collected by the corporation for the purpose
2 of the revolving fund shall be deposited in the revolving fund.
3 The proceeds in the revolving fund shall be used to reimburse
4 the general fund to pay the interest on general obligation bonds
5 issued for the purposes of the revolving fund, for the necessary
6 expenses in administering housing development programs, and for
7 carrying out the purposes of housing development programs,
8 including but not limited to the expansion of community
9 facilities constructed in conjunction with housing projects,
10 permanent primary or secondary financing, and supplementing
11 building costs, federal guarantees required for operational
12 losses, and all things required by any federal agency in the
13 construction and receipt of federal funds or low-income housing
14 tax credits for housing projects. The proceeds in the revolving
15 fund shall also be used to provide specialized residential
16 services and rent subsidies for residential housing, including
17 multi-family units, apartments, residential houses, or other
18 types of housing for residents who qualify for social security
19 disability benefits and are diagnosed with a life-long, serious
20 mental illness."



1 SECTION 3. Section 201H-202, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Moneys available in the fund shall be used for the
4 purpose of providing, in whole or in part, loans or grants for
5 rental housing projects in the following order of priority:

6 (1) Projects or units in projects that are allocated
7 low-income housing credits pursuant to the state
8 housing credit ceiling under section 42(h) of the
9 Internal Revenue Code of 1986, as amended, or projects
10 or units in projects that are funded by programs of
11 the United States Department of Housing and Urban
12 Development and United States Department of
13 Agriculture Rural Development wherein:

14 (A) At least fifty per cent of the available units
15 are for persons and families with incomes at or
16 below eighty per cent of the median family income
17 of which at least five per cent of the available
18 units are for persons and families with incomes
19 at or below thirty per cent of the median family
20 income; and



1 (B) The remaining units are for persons and families
2 with incomes at or below one hundred per cent of
3 the median family income;

4 provided that the corporation may establish rules to
5 ensure full occupancy of fund projects; [and]

6 (2) Mixed-income rental projects or units in a
7 mixed-income rental project wherein all of the
8 available units are for persons and families with
9 incomes at or below one hundred forty per cent of the
10 median family income[-]; and

11 (3) Residential housing, including multi-family units,
12 apartments, residential houses, or other types of
13 housing, and specialized residential services, for
14 residents who qualify for social security disability
15 benefits and are diagnosed with a life-long, serious
16 mental illness."

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



1 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

[Signature] Cindy Evans
[Signature] Karl Rhoads
[Signature] John W. Meyer
[Signature] Brian Kolynski
[Signature]

JAN 27 2016



H.B. NO. 2659

Report Title:

Revolving Funds; Rent Subsidies, Loans, Grants

Description:

Requires funds in the dwelling unit revolving fund and the rental housing revolving fund to be used to provide rent subsidies, loans, or grants to persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses.

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