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

SECTION 1. The legislature finds that the State is in an affordable housing crisis, with a near-term need for forty-four thousand units that are affordable to households making eighty per cent or less of the area median income. The need for affordable rental units is especially acute for households with low income. Approximately ninety-three to ninety-five per cent of rental unit tenants have a household income of less than one hundred forty per cent of the area median income in Hawaii. The lack of supply leads to higher rents for households of all income levels, leaving tenants with less disposable income, ultimately increasing the personal stress of tenants, reducing tenants' quality of life, and exacerbating the population overcrowding and homelessness problems. Without sufficient affordable rental housing, the future social, community, and economic consequences for Hawaii may be dire.

The legislature took extraordinary steps to infuse badly needed money into the State's rental housing revolving fund in
2018 through Act 39, Session Laws of Hawaii 2018, which appropriated $200,000,000 in general revenues for the 2017-2018 fiscal year to help meet the State's affordable housing need. The governor's proposed executive budget for the 2019-2021 fiscal biennium recommends carrying forward that appropriation for the next two years but reduces the appropriation to $100,000,000 for each year of the biennium. While these actions are a significant step toward fulfilling the housing demands in Hawaii, more must be done.

The legislature additionally finds that a steady stream of funding for the rental housing revolving fund is necessary to sustain the development of affordable rental units. The fund's only existing source of dedicated revenue is effectually a maximum of $38,000,000 from conveyance tax revenues. This Act will allow the State to further its work toward the goal of creating nearly twenty-three thousand units of affordable rental housing. A consistent and ongoing infusion of funds into the rental housing revolving fund must be the State's priority, as advanced by housing advocates and developers alike.

The purpose of this Act is to accelerate the State's response to the affordable housing crisis by authorizing the
issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for the 2019-2021 fiscal biennium.

SECTION 2. The director of finance is authorized to issue general obligation bonds in the sum of $400,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2019-2020 to be deposited into the rental housing revolving fund established pursuant to section 201H-202, Hawaii Revised Statutes.

SECTION 3. There is appropriated out of the rental housing revolving fund established pursuant to section 201H-202, Hawaii Revised Statutes, the sum of $200,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 and the same sum or so much thereof as may be necessary for fiscal year 2020-2021 for the purposes for which the revolving fund is established.

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

SECTION 4. This Act shall take effect on July 1, 2019.
Report Title:
Rental Housing; Rental Housing Revolving Fund; Appropriation

Description:
Authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund.

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