RELATING TO HOUSING.

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

SECTION 1. The legislature finds that having two agencies administer low- and moderate-income housing creates inconsistency and confusion. The Hawaii community development authority and Hawaii housing finance and development corporation apply different rules, creating disparities on issues such as the availability of home equity loans.

Accordingly, the purpose of this Act is to eliminate these disparities by bringing programs for low- and moderate-income housing under a single program administered by the Hawaii housing finance and development corporation.

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

"§201H- Reserved and workforce housing units. (a) Notwithstanding any law to the contrary, the corporation shall administer any new reserved housing and workforce housing units produced under chapter 206E or 201H; provided that:
(1) When a reserved housing or workforce housing unit is developed under a master plan vested under chapter 206E, the regulated term shall be the same as the regulated term in the applicable rule adopted pursuant to chapter 206E; and

(2) All shared equity owed to the Hawaii community development authority upon sale of reserved or workforce housing units shall be paid to the corporation.

(b) Notwithstanding any law to the contrary, the corporation may adopt rules pursuant to this chapter to allow owners of reserved and workforce housing units transferred to the corporation under section 206E-4.2 to obtain home equity lines of credit, refinance their units, or pay their shared equity.

(c) The transfer of any unit to the corporation shall not affect the regulated term on the unit owner's deed.

(d) As used in this section, "reserved housing" and "workforce housing" have the same meanings as defined in section 206E-2."
SECTON 3. Section 206E-4.2, Hawaii Revised Statutes, is amended to read as follows:

"Section 4.2 Reserved and workforce housing units; transfer to qualified nonprofit housing trust or the Hawaii housing finance and development corporation. (a) Notwithstanding any law to the contrary, the authority may authorize the Hawaii housing finance and development corporation to administer the covenants and rules related to the reserved housing and workforce housing programs under rules adopted pursuant to section 201H-. Additionally, the authority may authorize a designated qualified nonprofit housing trust to administer the covenants and rules related to the reserved housing and workforce housing programs and may waive its right to repurchase a reserved or workforce housing unit during the restriction period and may transfer that right of repurchase to a qualified nonprofit housing trust for the purpose of maintaining the reserved or workforce housing unit as an affordable housing unit. If the repurchase rights are transferred to a qualified nonprofit housing trust, the restrictions prescribed in this chapter or in rules adopted by the authority shall be
automatically extinguished and shall not attach in subsequent
transfers of title; provided further that the qualified
nonprofit housing trust shall establish new buyback restrictions
for the purpose of maintaining the unit as affordable for as
long as practicable, or as otherwise required by the authority.

(b) A qualified nonprofit housing trust shall report the
status and use of its housing units to the authority by
November 30 of each calendar year.

(c) The authority shall inform owners of reserved housing
and workforce housing units that owners may participate in the
program administered by the Hawaii housing finance and
development corporation under section 201H-__.

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

SECTION 5. This Act shall take effect upon its approval.
Report Title:
HCDA; HHFDC; Reserved Housing; Workforce Housing

Description:
Consolidates the administration of low- and moderate-income housing into a single program, to be managed by the Hawaii Housing Finance and Development Corporation. Provides that the Hawaii Housing Finance and Development Corporation may adopt rules to allow owners to obtain home equity lines of credit, refinance their units, or pay their shared equity.

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