

JAN 23 2020

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. Section 201H-36, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In accordance with section 237-29, the corporation
4 may approve and certify for exemption from general excise taxes
5 any qualified person or firm involved with a newly constructed,
6 or a moderately or substantially rehabilitated, project that is:

7 (1) Developed under this part;

8 (2) Developed under a government assistance program
9 approved by the corporation, including but not limited
10 to the United States Department of Agriculture's
11 section 502 direct loan program and Federal Housing
12 Administration's section 235 program;

13 (3) Developed under the sponsorship of a private nonprofit
14 organization providing home rehabilitation or new
15 homes for qualified families in need of decent, low-
16 cost housing;



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- 1 (4) Developed by a qualified person or firm to provide
2 affordable rental housing where at least fifty per
3 cent of the available units are for households with
4 incomes at or below eighty per cent of the area median
5 family income as determined by the United States
6 Department of Housing and Urban Development, of which
7 at least twenty per cent of the available units are
8 for households with incomes at or below sixty per cent
9 of the area median family income as determined by the
10 United States Department of Housing and Urban
11 Development; or
- 12 (5) Approved or certified from July 1, 2018, to June 30,
13 2030, and developed under a contract described in
14 section 104-2(i)(2) by a qualified person or firm to
15 provide affordable rental housing through new
16 construction or substantial rehabilitation; provided
17 that:
- 18 (A) The allowable general excise tax and use tax
19 costs shall apply to contracting only and shall
20 not exceed \$30,000,000 per year in the aggregate



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1 for all projects approved and certified by the
2 corporation; and
3 (B) All available units are for households with
4 incomes at or below one hundred forty per cent of
5 the area median family income as determined by
6 the United States Department of Housing and Urban
7 Development, of which at least twenty per cent of
8 the available units are for households with
9 incomes at or below eighty per cent of the area
10 median family income as determined by the United
11 States Department of Housing and Urban
12 Development; provided that an owner shall not
13 refuse to lease a unit solely because the
14 applicant holds a voucher or certificate of
15 eligibility under section 8 of the United States
16 Housing Act of 1937, as amended[-];
17 provided that a project shall be approved pursuant to
18 this paragraph when any qualified person or firm
19 involved with a newly constructed, or a moderately or
20 substantially rehabilitated, project obtains site
21 control; provided further that for purposes of this



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1 paragraph, "site control" means the execution of any
 2 regulatory agreement between any qualified person or
 3 firm and any governmental entity for purposes of
 4 developing a project in accordance with this
 5 paragraph."

6 SECTION 2. This Act does not affect rights and duties that
 7 matured, penalties that were incurred, and proceedings that were
 8 begun before its effective date.

9 SECTION 3. Statutory material to be repealed is bracketed
 10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

12

INTRODUCED BY: _____ *Wm. N. V. J.*
By Request



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Report Title:

HHFDC; Affordable Housing; Rental Housing Projects; General Excise Tax Exemption; Site Control

Description:

Authorizes the Hawaii Housing Finance and Development Corporation to approve and certify for exemption from general excise taxes certain affordable housing projects once site control is obtained. Defines site control as the execution of any regulatory agreement between any qualified person or firm and any governmental entity for purposes of developing certain affordable housing projects.

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