
A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is
2 amended by adding a new section to part III to be appropriately
3 designated and to read as follows:

4 "§356D- Savings accounts; renovation of rental units.

5 (a) Savings accounts are established within the authority to
6 enable the authority to provide matching funds to tenants who
7 rent a dwelling unit subject to section 356D-43(c).

8 (b) The authority shall maintain a waiting list of
9 eligible applicants for dwelling units subject to section 356D-
10 43(c). When a unit becomes vacant but prior to renovating the
11 unit, the authority shall determine who shall fill the vacancy
12 from the waiting list; provided that the eligible applicant
13 agrees to the conditions set forth in this section.

14 (c) The authority, as a condition of renovation and rental
15 of a dwelling unit subject to section 356D-43(c), shall require
16 an eligible applicant who rents the dwelling unit to establish
17 and maintain a savings account at a financial institution that



1 is authorized by law to accept deposits and where the deposits
2 are insured by the Federal Deposit Insurance Corporation or
3 National Credit Union Administration, including but not limited
4 to a bank, savings bank, savings and loan association,
5 depository financial services loan company, credit union, or
6 other financial institution subject to chapter 412. The tenant
7 shall maintain a positive monthly and annual balance in the
8 savings account for the term of the tenant's tenancy in the
9 dwelling unit.

10 If the applicant agrees to the conditions established in
11 this section, the authority may renovate the dwelling unit prior
12 to the applicant moving into the unit. If no applicant agrees
13 to the conditions set forth in this section, the authority shall
14 not renovate the vacant dwelling unit.

15 (d) Upon the expiration of the seven-year tenancy
16 limitation established in section 356D-43(c), or upon the date
17 the tenant voluntarily vacates the unit, the authority shall
18 match, on a dollar-for-dollar basis, the amount deposited by the
19 tenant pursuant to subsection (c) and deposit the matching
20 amount into a trust account in the name of the tenant. All
21 interest accrued on the balance in the trust account shall be



1 included in the trust account. Within three months after the
2 date of tenancy termination, the authority shall release to the
3 tenant the moneys contained in the tenant's trust account in an
4 amount equal to the amount contained in the tenant's savings
5 account.

6 (e) No tenant subject to this section who is evicted from
7 the tenant's unit for cause by the authority shall be eligible
8 to receive any matching funds pursuant to subsection (d).

9 (f) If a former tenant who has received moneys pursuant to
10 subsection (d) wishes to reapply for a dwelling unit subject to
11 section 356D-43(c), the former tenant shall first repay the
12 entire amount of the trust fund moneys paid pursuant to
13 subsection (d) and meet any other requirements imposed by the
14 authority.

15 (g) The authority may adopt rules pursuant to chapter 91
16 to effectuate this section."

17 SECTION 2. Section 356D-43, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "[+]§356D-43[+] Rentals. (a) Notwithstanding any other
20 law to the contrary, the authority shall fix the rates of the
21 rentals for dwelling units and other facilities in state low-



1 income housing projects provided for by this subpart, at rates
2 that will produce revenues that will be sufficient to pay all
3 expenses of management, operation, and maintenance, including
4 the cost of insurance, a proportionate share of the
5 administrative expenses of the authority to be fixed by it, and
6 the costs of repairs, equipment, and improvements, to the end
7 that the state low-income housing projects shall be and always
8 remain self-supporting. The authority, in its discretion, may
9 fix the rates in amounts as will produce additional revenues (in
10 addition to the foregoing) sufficient to amortize the cost of
11 the state low-income housing project or projects, including
12 equipment, over a period or periods of time that the authority
13 may deem advisable.

14 (b) Notwithstanding any other law to the contrary, if:

15 (1) Any state low-income housing project or projects have
16 been specified in any resolution of issuance adopted
17 pursuant to part I;

18 (2) The income or revenues from any project or projects
19 have been pledged by the authority to the payment of
20 any bonds issued under part I; or



1 (3) Any of the property of any state low-income housing
2 project or projects is security for the bonds,
3 the authority shall fix the rates of the rentals for dwelling
4 units and other facilities in the state low-income housing
5 project or projects so specified or encumbered at increased
6 rates that will produce the revenues required by subsection (a)
7 and, in addition, those amounts that may be required by part I,
8 by any resolution of issuance adopted under part I, and by any
9 bonds or mortgage or other security issued or given under part
10 I.

11 (c) The authority shall impose a maximum rental period of
12 seven years upon a dwelling unit in a state low-income housing
13 project that receives state funding for repair and maintenance
14 or for capital improvement. Notwithstanding subsection (a), for
15 tenants who agree to the conditions set forth in section
16 356D- , the authority shall fix the rate for the entire rental
17 period at the minimum amount of rent set by the authority for
18 state-aided family public housing project units with the same
19 number of bedrooms."

20 SECTION 3. The director of finance is authorized to issue
21 general obligation bonds in the sum of \$ or so much



1 thereof as may be necessary and the same sum or so much thereof
2 as may be necessary is appropriated for fiscal year 2016-2017
3 for the purpose of funding repair and maintenance for state low-
4 income housing under chapter 356D, part III, Hawaii Revised
5 Statutes.

6 SECTION 4. The appropriation made for the capital
7 improvement project authorized by this Act shall not lapse at
8 the end of the fiscal biennium for which the appropriation is
9 made; provided that all moneys from the appropriation
10 unencumbered as of June 30, 2018, shall lapse as of that date.

11 SECTION 5. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2016-2017 for the
14 public housing authority to provide funds for repair and
15 maintenance on state low-income housing projects.

16 The sum appropriated shall be expended by the department of
17 human services for the purposes of this Act.

18 SECTION 6. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2016-2017 for the



1 public housing authority to fund the savings accounts
2 established under this Act.

3 The sum appropriated shall be expended by the department of
4 human services for the purposes of this Act.

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

8 SECTION 8. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 9. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

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OK
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JAN 27 2016



H.B. NO. 2638

Report Title:

Public Housing; Rentals; GO Bonds; Appropriations

Description:

Authorizes the Public Housing Authority to impose maximum rental periods of seven years for state low-income housing projects which receive State funds for repair and maintenance or capital improvement. Requires rates for the seven-year rentals to be fixed for entire term of lease. Establishes a savings account for the authority to provide matching funds for tenants who choose to participate in those seven-year rentals. Authorizes GO bonds. Appropriates funds.

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

