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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

June 18, 2018

Ms. Jan Shishido, Acting Director
Department of Housing and Human Concerns
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Shishido:

**SUBJECT: FUNDING SOURCES FOR AFFORDABLE HOUSING
PROJECTS (HHT-31)**

Pursuant to the attached House Bill 2748, House Draft 2, Senate Draft 2, Conference Draft 1 ("HB 2748"), Hawaii's 2018 State Legislature appropriated \$200 million into the rental housing revolving fund ("RHRF"), and \$10 million into the dwelling unit revolving fund ("DURF"). HB 2748 specifies that RHRF and DURF shall be administered by the Hawaii Housing Finance and Development Corporation ("HHFDC").

May I please request the following as it relates to HB 2748:

1. Does the Department have a strategic plan to utilize RHRF and DURF? Please explain.
2. What are the requirements, deadlines, and milestones that the County or affordable housing developers within the County need to meet in order to be eligible for RHRF and DURF?
3. The Department currently monitors all workforce housing agreements within the County. Has the department advertised the use of RHRF and/or DURF to pending workforce housing project developers or project developers that have recently executed a workforce housing agreement with the County?
4. Is there an opportunity to use RHRF and DURF to help develop affordable housing on County-owned parcels? Please identify those parcels and the steps required to utilize RHRF and/or DURF to develop each parcel.

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5. Has the County partnered with HHFDC in the past to utilize RHRF and DURF? Please explain.

May I please request a response **no later than July 2, 2018**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Analyst Saumalu Mataafa at ext. 7665, or Secretary Clarita Balala at ext. 7668).

Sincerely,

A handwritten signature in black ink, appearing to read "Crivello". The signature is written in a cursive style with a large, looping initial "C".

STACY CRIVELLO, Chair
Housing, Human Services, and
Transportation Committee

hht:ltr:031ahc04:ssm

Attachment

cc: Mayor Alan M. Arakawa

HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE, 2018
STATE OF HAWAII

H.B. NO. 2748
H.D. 2
S.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO HOUSING.

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

PART I

SECTION 1. (a) The Hawaii housing finance and development corporation shall conduct a study of the housing waitlists in the State and in each county to:

- (1) Estimate the number of individuals with access and functional needs in Hawaii, including but not limited to frail elderly individuals, individuals with physical or severe mental disabilities, individuals transitioning from incarceration, emancipated foster youth, individuals with an alcohol or drug addiction, individuals with HIV/AIDS, and victims of domestic violence, who are in need of housing;
- (2) Identify the supportive services that individuals with access and functional needs require, and inventory the number of providers of supportive services in each county;
- (3) Develop an information system to forecast and monitor the number of individuals with access and functional needs who are seeking affordable housing; and
- (4) Develop effective strategies to assist individuals with access and functional needs in accessing and retaining affordable housing in independent settings.

The Hawaii housing finance and development corporation shall consult with community stakeholders to identify any other issues that should be included in the study's scope of work.

(b) The Hawaii housing finance and development corporation shall submit a written report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2019.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2018-2019 for the purposes of this part.

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

PART II

SECTION 3. Section 201H-36, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

(1) Developed under this part;

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

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

(4) Developed by a qualified person or firm to provide affordable rental housing where at least fifty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below sixty per cent of the area median family income as determined by the United States Department of Housing and Urban Development; or

(5) [~~Effective~~] Approved or certified from July 1, 2018, to June 30, [2022,] 2030, and developed under a contract described in section 104-2(i)(2) by a qualified person or firm to provide affordable rental housing[;] through new construction or substantial rehabilitation; provided that:

(A) The allowable general excise tax and use tax costs shall apply to contracting only and shall not exceed [~~\$7,000,000~~] \$30,000,000 per year in the aggregate

for all projects approved and certified by the corporation; and

- (B) All available units are for households with incomes at or below one hundred forty per cent of the area median family income as determined by the United States Department of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department of Housing and Urban Development[-]; provided that an owner shall not refuse to lease a unit solely because the applicant holds a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937, as amended."

SECTION 4. Act 54, Session Laws of Hawaii 2017, is amended by amending section 5 to read as follows:

"SECTION 5. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, [~~2022~~] 2030; provided that:

(1) Section 3 of this Act shall apply to taxable years beginning after December 31, 2017[;], but shall not apply to projects certified or approved after June 30, 2030; and

(2) Section 104-2, Hawaii Revised Statutes, and section 201H-36, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day before the effective date of this Act."

PART III

SECTION 5. The Hawaii housing finance and development corporation shall submit a report to the legislature on its activities pursuant to section 201H-36, Hawaii Revised Statutes, and

the amendments made to that section pursuant to section 3 of this Act no later than six months after the effective date of this Act.

PART IV

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 to be deposited into the rental housing revolving fund established pursuant to section 201H-202, Hawaii Revised Statutes.

SECTION 7. 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 2017-2018 for the purposes for which the revolving fund is established.

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

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 to be deposited into the dwelling unit revolving fund established pursuant to section 201H-191, Hawaii Revised Statutes.

SECTION 9. There is appropriated out of the dwelling unit revolving fund established pursuant to section 201H-191, Hawaii Revised Statutes, the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the purposes for which the revolving fund is established.

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

PART V

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

SECTION 11. This Act shall take effect upon its approval; provided that:

(1) Part I shall take effect on July 1, 2018; and

(2) The amendments made in section 3 of this Act to section 201H-36, Hawaii Revised Statutes, shall apply retroactively to taxable years beginning after December 31, 2017.

Report Title:

Rental Housing; General Excise Tax Exemption; Section 8 Housing Choice Vouchers; Rental Housing Revolving Fund; Dwelling Unit Revolving Fund; Appropriations

Description:

Directs the Hawaii Housing Finance and Development Corporation (HHFDC) to study and report on housing for populations with access and functional needs. Extends exemption from general excise tax for development costs of affordable rental housing certified by HHFDC. Increases limits on costs eligible for exemption and clarifies eligibility to qualify for the exemption. Prohibits discrimination against tenants based solely on receipt of Section 8 housing assistance. Appropriates funds to the rental housing revolving fund and the dwelling unit revolving fund in fiscal year 2017-2018.

(HB2748 CD1)

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