A BILL FOR AN ACT

RELATING TO HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

SECTION 1. The legislature finds that the State faces an unprecedented economic crisis due to the coronavirus disease 2019 (COVID-19) pandemic, which has decimated Hawaii's economy and caused its gross domestic product to plummet. By some measures, Hawaii's economy has been hit harder than any other state in the nation.

The legislature also finds that this drastic decline in economic activity has disproportionately affected the State's most vulnerable populations. The pandemic forced the shutdown of many sectors of the State's economy, triggering mass layoffs and furloughs and causing the State's seasonally adjusted unemployment to surge from 2.4 per cent in March 2020 to a historical high of 22.3 per cent in April 2020. Despite efforts to reopen the economy, Hawaii still had the second-highest unemployment rate in the nation as of November 2020. With the COVID-19 pandemic continuing to rage throughout the world, most countries experiencing recession, and visitor arrivals to the
State not expected to recover to pre-pandemic levels until at least 2024, the State will continue to feel the economic impacts of the pandemic for many years to come.

The legislature further finds that, even before the pandemic, renter households in the State already suffered from deleteriously high housing cost burdens, and that the economic impacts of the COVID-19 pandemic significantly exacerbated this situation. Recent data from the university of Hawaii economic research organization (UHERO) showed that more than eleven thousand Hawaii tenants have fallen behind on their rent payments and that forty per cent of rental tenants have lost their jobs. Modeling from UHERO indicates that up to seventeen thousand households may face an unsustainable change in their housing cost burden by the second quarter of 2021, even as the State's economy slowly recovers. Even in a best-case scenario, the number of individuals facing homelessness will continue to rise in the face of the pandemic. UHERO concluded that, from a policy standpoint, "doing nothing is not a viable option."

Accordingly, the legislature finds that it must take immediate action to mitigate the affordable housing crisis through legislation.
The purpose of this Act is to establish a statutory deadline by which the Hawaii housing finance and development corporation must award funds.

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by amending the title of part IV to read:

"PART IV. EXPENDITURES OF REVOLVING FUNDS UNDER THE CORPORATION [EXEMPT FROM APPROPRIATION AND ALLOTMENT]"

SECTION 3. Section 201H-211, Hawaii Revised Statutes, is amended to read as follows:

"§201H-211 Expenditures of revolving funds under the corporation exempt from appropriation and allotment; deadline to award funds. (a) Except as to administrative expenditures, and except as otherwise provided by law, expenditures from the revolving funds administered by the corporation under subparts I and J of part III, relating to financing programs, or section 201H-80 or 201H-123 may be made by the corporation without appropriation or allotment by the legislature; provided that no expenditure shall be made from and no obligation shall be incurred against any revolving fund in excess of the amount standing to the credit of the fund or for any purpose for which the fund may not lawfully be expended.
(b) Funds from the revolving funds administered by the corporation under subparts I and J of part III, relating to financing programs, or section 201H-80 or 201H-123 awarded in response to the filing of a consolidated application, shall be awarded no later than ___ days after the deadline to file the consolidated application or no later than ___ days after the filing of a duly submitted consolidated application if no deadline has been established by the corporation.

(c) Nothing in sections 37-31 to 37-41 shall require the proceeds of the revolving funds identified in subparts I and J of part III, or section 201H-80 or 201H-123 to be reappropriated annually."

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.
Report Title:
HHFDC; Affordable Housing; Award Deadline

Description:
Requires the Hawaii housing finance and development corporation to award funds no later than an unspecified number of days after the deadline to file a consolidated application or no later than an unspecified number of days after the filing of a duly submitted consolidated application if no deadline has been established by the corporation.

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