

103^D CONGRESS
2^D SESSION

S. 2150

To establish a Native Hawaiian housing program.

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 16), 1994

Mr. INOUE (for himself and Mr. AKAKA) introduced the following bill; which
was read twice and referred to the Committee on Indian Affairs

A BILL

To establish a Native Hawaiian housing program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Native Hawaiian Housing Assistance Act of 1994”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Declaration of policy.
- Sec. 4. Purposes.

TITLE I—HOUSING ASSISTANCE

- Sec. 101. General provisions.
- Sec. 102. Loan guarantees for Native Hawaiian housing.

TITLE II—HOME INVESTMENT PARTNERSHIPS

Sec. 201. Native Hawaiian eligibility for the HOME program.

TITLE III—COMMUNITY DEVELOPMENT BLOCK GRANTS

Sec. 301. Native Hawaiian eligibility for CDBG.

Sec. 302. Native Hawaiian allocation.

Sec. 303. Definitions.

TITLE IV—HOUSING STANDARDS

Sec. 401. Housing subdivision development.

Sec. 402. Demonstration project to develop localized housing standards for Native Hawaiian communities.

TITLE V—GENERAL PROVISIONS

Sec. 501. Definitions.

Sec. 502. Legal obligations of the United States.

Sec. 503. Severability.

Sec. 504. Regulations.

Sec. 505. Authorization of appropriations.

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

3 (1) Native Hawaiians are a distinct and unique
4 indigenous people with a historical continuity to the
5 original inhabitants of the Hawaiian archipelago
6 whose society was organized as a Nation and inter-
7 nationally recognized as such prior to the arrival of
8 the first nonindigenous people in 1778.

9 (2) At the time of the arrival of the first
10 nonindigenous people in Hawaii in 1778, the Native
11 Hawaiian people lived in a highly organized, self-suf-
12 ficient subsistence social system based on a com-
13 munal land tenure system with a sophisticated lan-
14 guage, culture, and religion.

15 (3) It is estimated that there were 1,000,000
16 Native Hawaiians inhabiting Hawaii at the time of

1 the arrival of the first nonindigenous people in 1778.
2 Due to the devastating physical, cultural, social,
3 emotional, and spiritual effects of western contact,
4 however, the Native Hawaiian population was nearly
5 decimated. In 1826, the population had decreased to
6 an estimated 142,650 Hawaiians.

7 (4) In 1893, the sovereign, independent, inter-
8 nationally recognized, and indigenous government of
9 Hawaii, the Kingdom of Hawaii, was overthrown by
10 a small group of non-Hawaiians, including United
11 States citizens, who were assisted in their efforts by
12 the United States Minister, a United States naval
13 representative, and armed naval forces of the United
14 States. In 1993, because of the participation of
15 United States agents and citizens in the overthrow
16 of the Kingdom of Hawaii, the Congress, on behalf
17 of the people of the United States, apologized to Na-
18 tive Hawaiians for the overthrow and the deprivation
19 of the rights of Native Hawaiians to self determina-
20 tion in the Joint Resolution entitled “Joint Resolu-
21 tion to acknowledge the 100th anniversary of the
22 January 17, 1893 overthrow of the Kingdom of Ha-
23 waii, and to offer an apology to Native Hawaiians on
24 behalf of the United States for the overthrow of the

1 Kingdom of Hawaii,” approved November 23, 1993
2 (107 Stat. 1510).

3 (5) In 1898, the Joint Resolution entitled
4 “Joint Resolution to provide for annexing the Ha-
5 waiian Islands to the United States”, approved July
6 7, 1898 (30 Stat. 750), ceded absolute title of all
7 public lands held by the Republic of Hawaii, includ-
8 ing the government and crown lands of the former
9 Kingdom of Hawaii, to the United States, but man-
10 dated that revenue generated from these lands be
11 used “solely for the benefit of the inhabitants of the
12 Hawaiian Islands for educational and other public
13 purposes”.

14 (6) By 1919, the Native Hawaiian population
15 had declined to an alarming 22,600 people, and in
16 recognition of this severe decline, the Congress in
17 1921 enacted the Hawaiian Homes Commission Act,
18 1920, which designated approximately 200,000 acres
19 of the ceded public lands for homesteading by Native
20 Hawaiians.

21 (7) Through the enactment of the Hawaiian
22 Homes Commission Act, 1920, the Congress af-
23 firmed the special relationship between the United
24 States and the Native Hawaiians. As then Secretary
25 of the Interior Franklin K. Lane was quoted in the

1 committee report for the Hawaiian Homes Commis-
2 sion Act, 1920: “One thing that impressed me . . .
3 was the fact that the natives of the islands who are
4 our wards, I should say, and for whom in a sense
5 we are trustees, are falling off rapidly in numbers
6 and many are in poverty.

7 (8) In 1959, under the Act entitled “An Act to
8 provide for the admission of the State of Hawaii into
9 the Union”, approved March 18, 1959 (73 Stat. 4),
10 the United States transferred responsibility for the
11 administration of the Hawaiian Home Lands to the
12 State of Hawaii but reaffirmed the special relation-
13 ship which existed between the United States and
14 the Hawaiian people by retaining the exclusive power
15 to enforce the trust, including the power to approve
16 land exchanges and legislative amendments affecting
17 the rights of beneficiaries under such Act.

18 (9) In 1959, under the Act entitled “An Act to
19 provide for the admission of the State of Hawaii into
20 the Union”, approved March 18, 1959 (73 Stat. 4),
21 the United States ceded to the State of Hawaii title
22 to the public lands formerly held by the United
23 States, but mandated that such lands be held by the
24 State “in public trust” and reaffirmed the special
25 relationship which existed between the United States

1 and the Hawaiian people by retaining the legal re-
2 sponsibility to enforce the public trust responsibility
3 for the betterment of the conditions of Native Ha-
4 waiians (as defined in the Hawaiian Homes Commis-
5 sion Act, 1920).

6 (10) The United States assumed special respon-
7 sibilities for Native Hawaiian lands and resources at
8 the time of the annexation of the Territory in 1898,
9 upon adoption of the Hawaiian Homes Commission
10 Act, 1920, in 1921, and upon admission of the State
11 of Hawaii into the Union in 1959, and has retained
12 certain of those responsibilities.

13 (11) In recognition of the special relationship
14 which exists between the United States and the Na-
15 tive Hawaiian people, the United States has ex-
16 tended to Native Hawaiians the same rights and
17 privileges accorded to American Indian, Alaska Na-
18 tive, Eskimo, and Aleut communities under the Na-
19 tive American Programs Act of 1974, the American
20 Indian Religious Freedom Act, the National Mu-
21 seum of the American Indian Act, the Native Amer-
22 ican Graves Protection and Repatriation Act, the
23 National Historic Preservation Act, and the Native
24 American Languages Act.

1 (12) In recognition of the special relationship
2 which exists between the United States and the Na-
3 tive Hawaiian people, the Congress has enacted nu-
4 merous special provisions of law for the benefit of
5 Native Hawaiians in the areas of health, education,
6 and labor, including those found in the Older Ameri-
7 cans Act of 1965, the Developmental Disabilities As-
8 sistance and Bill of Rights Act Amendments of
9 1987, the Veterans' Benefits and Services Act of
10 1988, the Native Hawaiian Health Care Act of
11 1988, and the Native Hawaiian Education Act of
12 1988.

13 (13) The special relationship which exists be-
14 tween the United States and the Native Hawaiian
15 people has also been consistently recognized and af-
16 firmed by the Congress in the area of housing—

17 (A) through the authorization of mortgage
18 loans insured by the Federal Housing Adminis-
19 tration for the purchase, construction, or refi-
20 nancing of homes on Hawaiian Home Lands
21 under the National Housing Act;

22 (B) by mandating Native Hawaiian rep-
23 resentation on the National Commission on
24 American Indian, Alaska Native, and Native

1 Hawaiian Housing (hereafter in this Act re-
2 ferred to as the “Commission”); and

3 (C) by the inclusion of Native Hawaiians
4 in the Native American Veterans’ Home Loan
5 Equity Act of 1993.

6 (14) Despite the enactment of housing pro-
7 grams for Native Hawaiians, the housing needs of
8 Native Hawaiians continue to be severe, and in
9 1991, the Congress acknowledged the seriousness of
10 the Native Hawaiian housing needs through the es-
11 tablishment of the Commission.

12 (15) In 1993, the Commission concluded in its
13 report that the unique circumstances of Native Ha-
14 waiians required that new legislation be enacted to
15 alleviate and address the severe housing needs of the
16 Native Hawaiians. Among the Commission’s findings
17 were that—

18 (A) Native Hawaiians are seriously over-
19 represented in the State’s homeless population;

20 (B) of those applicants on the waiting list
21 for Hawaiian Home Lands, 19.5 percent of the
22 applicants and 17.8 percent of their spouses are
23 unemployed, a substantially higher rate than
24 the general State population;

1 (C) the average Native Hawaiian house-
2 hold size is 4.25 persons, as compared to the
3 statewide average of 2.97 persons; and

4 (D) the median Native Hawaiian family in-
5 come is substantially below the 1988 State av-
6 erage of \$39,600.

7 (16) The Commission further found that Native
8 Hawaiians have the worst housing conditions in the
9 State of Hawaii and the highest percentage of home-
10 lessness, representing over 30 percent of the State's
11 homeless population and that Native Hawaiians, like
12 American Indians and Alaska Natives, suffer lack of
13 access to conventional financing due to the trust sta-
14 tus of their home lands and a frequent inability to
15 meet income requirements.

16 (17) The Commission recommended that the
17 Congress remedy the housing problems facing Native
18 Hawaiians by extending to them the same Federal
19 housing assistance available to American Indians
20 and Alaska Natives under the Low-Income Rental,
21 Mutual Help, Loan Guarantee, and Community De-
22 velopment Block Grant programs of the Department
23 of Housing and Urban Development.

24 (18) Despite the creation of Federal housing
25 programs designed to benefit low- and moderate-in-

1 come families, Native Hawaiian families residing on
2 Hawaiian Homelands have been precluded from ac-
3 cess to these programs because of the exclusive na-
4 ture of the trust lands, thus denying to Native Ha-
5 waiians those same benefits available to all other
6 qualified Americans.

7 (19) In 1993, the United States, in recognition
8 of the housing needs of all Native Hawaiian families,
9 whether residing on the Hawaiian homelands or off,
10 included Native Hawaiians in a study of American
11 Indian and Alaska Native housing needs being con-
12 ducted by the Urban Institute of the Department of
13 Housing and Urban Development.

14 (20) The utilization of ceded lands for the pur-
15 pose of developing housing for Native Hawaiians is
16 consistent with 2 of the 5 purposes set forth in sec-
17 tion 5(f) of “An Act to provide for the admission of
18 the State of Hawaii into the Union”, approved
19 March 18, 1959 (73 Stat. 4). Specifically, such utili-
20 zation is for the betterment of the conditions of Na-
21 tive Hawaiians (as defined in the Hawaiian Homes
22 Commission Act, 1920) and for the development of
23 farm and home ownership on as widespread a basis
24 as possible.

1 **SEC. 3. DECLARATION OF POLICY.**

2 The Congress declares that it is the policy of the
3 United States—

4 (1) to promote the general welfare of the Na-
5 tion by employing its funds and credit, as provided
6 in this Act, to remedy the unsafe and unsanitary
7 housing conditions and the acute shortage of decent,
8 safe, and sanitary dwellings for families of lower in-
9 come and, consistent with the objectives of this Act,
10 to vest in local housing agencies the maximum
11 amount of responsibility in the administration of
12 their housing programs;

13 (2) to remedy the severe housing crisis within
14 the Native Hawaiian community, consistent with the
15 United States' special responsibilities and legal obli-
16 gations to the indigenous people of Hawaii resulting
17 from the unique and historical relationship between
18 the United States and the Native Hawaiian people;
19 and

20 (3) to encourage the maximum participation of
21 Native Hawaiian communities and community-based
22 organizations in the planning and development of
23 housing programs established under this Act.

24 **SEC. 4. PURPOSES.**

25 The purposes of this Act are—

1 (1) to amend the United States Housing Act of
2 1937 by adding a new title to establish and imple-
3 ment a general program of assisted housing for Na-
4 tive Hawaiians;

5 (2) to amend the Housing and Community De-
6 velopment Act of 1992 to establish and implement a
7 loan guarantee program for Native Hawaiians;

8 (3) to amend the Cranston-Gonzalez National
9 Affordable Housing Act to establish Native Hawai-
10 ian eligibility for the HOME program; and

11 (4) to amend the Housing and Community De-
12 velopment Act of 1974 to provide eligibility, alloca-
13 tion, and fund distribution to Native Hawaiians for
14 community development block grants.

15 **TITLE I—HOUSING ASSISTANCE**

16 **SEC. 101. GENERAL PROVISIONS.**

17 The United States Housing Act of 1937 (42 U.S.C.
18 1437 et seq.) is amended by adding at the end the follow-
19 ing new title:

1 **“TITLE IV—ASSISTED HOUSING**
2 **FOR NATIVE HAWAIIANS**

3 **“SEC. 401. GENERAL AUTHORITY TO PROVIDE ASSISTED**
4 **HOUSING FOR NATIVE HAWAIIANS.**

5 “(a) IN GENERAL.—The Secretary shall carry out
6 programs to provide low-income housing on Native Hawai-
7 ian lands in accordance with the provisions of this title.

8 “(b) INAPPLICABILITY OF TITLES I AND II.—No pro-
9 vision of title I or title II shall apply to housing developed
10 or operated pursuant to a contract between the Secretary
11 and a Native Hawaiian Housing Authority under this title,
12 unless the provision or a provision of this title explicitly
13 provides for such applicability.

14 **“SEC. 402. DEFINITIONS.**

15 “For purposes of this title, the following definitions
16 shall apply:

17 “(1) ADJUSTED INCOME.—The term ‘adjusted
18 income’ means the income which remains after ex-
19 cluding—

20 “(A) \$550 for each member of the family
21 residing in the household (other than the head
22 of the household or their spouse) who is under
23 18 years of age or who is 18 years of age or
24 older and is disabled or handicapped or a full-
25 time student;

1 “(B) \$400 for any elderly family;

2 “(C) the amount by which the aggregate of
3 the following expenses of the family exceeds 3
4 percent of annual family income—

5 “(i) medical expenses for any family;

6 and

7 “(ii) reasonable attendant care and
8 auxiliary apparatus expenses for each
9 handicapped member of any family, to the
10 extent necessary to enable any member of
11 such family (including such handicapped
12 member) to be employed;

13 “(D)(i) child care expenses to the extent
14 necessary to enable another member of the fam-
15 ily to be employed or to further such family
16 member’s education; or

17 “(ii) excessive travel expenses, not to ex-
18 ceed \$25 per family per week, for employment
19 or education related travel, except that this
20 clause shall apply only to families assisted by
21 Native Hawaiian Housing Authorities;

22 “(E) 10 percent of the earned income of
23 the family; and

24 “(F) any payment made by a member of
25 the family for the support and maintenance of

1 any child, spouse, or former spouse who does
2 not reside in the household, except that the
3 amount excluded under this subparagraph shall
4 not exceed the lesser of—

5 “(i) the amount that such family
6 member has a legal obligation to pay; or

7 “(ii) \$550 for each individual for
8 whom such payment is made.

9 “(2) COMMUNITY-BASED.—The term ‘commu-
10 nity-based’ means an organization that—

11 “(A) is exempt from taxation under section
12 501(c)(3) of the Internal Revenue Code of
13 1986;

14 “(B) is not a governmental entity; and

15 “(C) is representative of a community or a
16 significant segment of a community or is en-
17 gaged in providing services to the community.

18 “(3) DEPARTMENT OF HAWAIIAN HOME
19 LANDS.—The term ‘Department of Hawaiian Home
20 Lands’ means the department of the State of Hawaii
21 that is responsible for the administration of the Ha-
22 waiian Homes Commission Act, 1920.

23 “(4) FAMILY.—The term ‘family’ means one or
24 more persons maintaining a household, as the Sec-
25 retary shall by regulation provide.

1 “(5) HAWAIIAN HOME LANDS.—The term ‘Ha-
2 waiian Home Lands’ means those lands set aside for
3 homesteading by Native Hawaiians under the Ha-
4 waiian Homes Commission Act, 1920, and any other
5 lands acquired pursuant to such Act.

6 “(6) INCOME.—The term ‘income’ means in-
7 come from all sources of each member of a house-
8 hold, as determined in accordance with criteria pre-
9 scribed by the Secretary.

10 “(7) LOW-INCOME HOUSING.—The term ‘low-
11 income housing’ means decent, safe, and sanitary
12 dwellings assisted under this title.

13 “(8) LOW-INCOME FAMILIES.—The term ‘low-
14 income families’ means families whose incomes do
15 not exceed 80 percent of the median income for the
16 area, as determined by the Secretary with adjust-
17 ments for smaller and larger families, except that
18 the Secretary may establish income ceilings higher
19 or lower than 80 percent of the median for the area
20 on the basis of the Secretary’s findings that such
21 variations are necessary because of prevailing levels
22 of construction costs or unusually high or low family
23 incomes.

24 “(9) NATIVE HAWAIIAN.—The term ‘Native
25 Hawaiian’ means any individual who is a descendant

1 of the aboriginal people who, prior to 1778, occupied
2 and exercised sovereignty in the area that now con-
3 stitutes the State of Hawaii, as evidenced by—

4 “(A) genealogical records;

5 “(B) Kupuna (elders) or Kama’aina (long-
6 term community residents) verification; or

7 “(C) certified birth records.

8 “(10) NATIVE HAWAIIAN HOUSING AUTHOR-
9 ITY.—The term ‘Native Hawaiian Housing Author-
10 ity’ means any public body (or agency or instrumen-
11 tality thereof) established under the laws of the
12 State of Hawaii, that is authorized to engage in or
13 assist in the development or operation of low-income
14 housing for Native Hawaiians.

15 “(11) NATIVE HAWAIIAN LANDS.—The term
16 ‘Native Hawaiian lands’ means the area within
17 which a Native Hawaiian Housing Authority is au-
18 thorized to provide low-income housing. The term
19 may include—

20 “(A) Hawaiian Home Lands;

21 “(B) ceded public lands; and

22 “(C) other lands traditionally occupied by
23 Native Hawaiians.

1 “(12) SECRETARY.—The term ‘Secretary’
2 means the Secretary of Housing and Urban Develop-
3 ment.

4 “(13) PUBLIC HOUSING TERMS.—As used in
5 reference to public housing, the following definitions
6 shall apply:

7 “(A) DEVELOPMENT.—The term ‘develop-
8 ment’ means any or all undertakings necessary
9 for planning, land acquisition, demolition, con-
10 struction, or equipment, in connection with a
11 low-income housing project;

12 “(B) DEVELOPMENT COST.—The term ‘de-
13 velopment cost’ comprises the costs incurred by
14 a public housing agency in development under-
15 takings and their necessary financing (including
16 the payment of carrying charges), and in other-
17 wise carrying out the development of a housing
18 project. Construction activity in connection with
19 a low-income housing project may be confined
20 to the reconstruction, remodeling, or repair of
21 existing buildings.

22 “(C) OPERATION.—

23 “(i) IN GENERAL.—The term ‘oper-
24 ation’ means any or all undertakings ap-
25 propriate for management, operation, serv-

1 ices, maintenance, security (including the
2 cost of security personnel), or financing in
3 connection with a low-income housing
4 project. The term also means the financing
5 of tenant programs and services for fami-
6 lies residing in low-income housing
7 projects, particularly where there is maxi-
8 mum feasible participation of the tenants
9 in the development and operation of such
10 tenant programs and services. To the max-
11 imum extent available and appropriate, ex-
12 isting public and private agencies in the
13 community shall be used for the provision
14 of such tenant services.

15 “(ii) TENANT PROGRAMS AND SERV-
16 ICES.—For purposes of this subparagraph,
17 the term ‘tenant programs and services’ in-
18 cludes—

19 “(I) the development and mainte-
20 nance of tenant organizations that
21 participate in the management of low-
22 income housing projects;

23 “(II) the training of tenants to
24 manage and operate such projects and

1 the utilization of their services in
2 project management and operation;

3 “(III) counseling on household
4 management, housekeeping, budget-
5 ing, money management, child care,
6 and similar matters;

7 “(IV) advice as to resources for
8 job training and placement, education,
9 welfare, health, and other community
10 services;

11 “(V) services that are directly re-
12 lated to meeting tenant needs and
13 providing a wholesome living environ-
14 ment; and

15 “(VI) referral to appropriate
16 agencies in the community when nec-
17 essary for the provision of such serv-
18 ices.

19 **“SEC. 403. GRANTS FOR THE DEVELOPMENT OR ACQUI-
20 TION OF LOWER INCOME HOUSING
21 PROJECTS.**

22 “(a) IN GENERAL.—The Secretary shall make grants
23 to help finance or refinance the development or acquisition
24 of low-income housing projects by Native Hawaiian Hous-
25 ing Authorities.

1 “(A) Twenty percent of the family’s
2 monthly adjusted income.

3 “(B) Ten percent of the family’s monthly
4 income.

5 “(C) If the family is receiving payments
6 for welfare assistance from a public agency, and
7 a part of such payments, adjusted in accord-
8 ance with the family’s actual housing costs, is
9 specifically designated by such agency to meet
10 the family’s housing costs, the portion of such
11 payments which is so designated.

12 “(2) PUBLIC HOUSING PROJECTS.—With re-
13 spect to families residing in housing projects owned
14 and operated by a Native Hawaiian Housing Au-
15 thority, the housing authority may charge monthly
16 rent in an amount determined by the housing au-
17 thority to be appropriate, which amount shall not ex-
18 ceed a maximum amount established by the housing
19 authority and approved by the Secretary.

20 **“SEC. 407. MUTUAL HELP HOMEOWNERSHIP OPPORTUNITY**
21 **PROGRAM FOR NATIVE HAWAIIAN FAMILIES.**

22 “(a) ESTABLISHMENT.—The Secretary shall carry
23 out a mutual help homeownership opportunity program
24 for Native Hawaiian families in accordance with this sec-
25 tion. The program shall be designed to meet the home-

1 ownership needs of Native Hawaiian families, including
2 families whose incomes exceed the levels established for
3 low-income families.

4 “(b) ELIGIBLE FAMILIES.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), assistance under this section shall be lim-
7 ited to Native Hawaiian low-income families.

8 “(2) EXCEPTION.—The Native Hawaiian Hous-
9 ing Authority may provide assistance under this sec-
10 tion to families whose incomes exceed the levels es-
11 tablished for low-income families, if the Native Ha-
12 waiian Housing Authority demonstrates to the satis-
13 faction of the Secretary that there is a need for
14 housing for such families that cannot reasonably be
15 met without such assistance.

16 “(c) MUTUAL HELP AND OCCUPANCY AGREE-
17 MENT.—The Native Hawaiian Housing Authority shall re-
18 quire each family selected for housing under this section
19 to enter into a mutual help and occupancy agreement. The
20 agreement shall provide the following:

21 “(1) FAMILY CONTRIBUTION.—The family shall
22 agree to contribute toward the development cost of
23 a project in the form of land, labor, cash, materials,
24 or equipment.

1 “(2) MONTHLY PAYMENT.—The family shall
2 agree to make a monthly payment to the Native Ha-
3 waiian Housing Authority in an amount equal to the
4 greater of the following:

5 “(A) PERCENTAGE OF ADJUSTED IN-
6 COME.—An amount computed by—

7 “(i) multiplying the monthly adjusted
8 income of the family by a percentage that
9 is not less than 15 percent and not more
10 than 30 percent, as determined by the Na-
11 tive Hawaiian Housing Authority to be ap-
12 propriate; and

13 “(ii) subtracting the estimated month-
14 ly payments of the family for the reason-
15 able use of utilities (excluding telephone
16 service).

17 “(B) ADMINISTRATION CHARGE.—The
18 amount budgeted by the Native Hawaiian
19 Housing Authority for monthly operating ex-
20 penses on the dwelling of the family, excluding
21 any operating cost for which operating assist-
22 ance is provided by the Secretary under section
23 9.

24 “(3) MAINTENANCE AND UTILITIES.—The fam-
25 ily shall be responsible for the maintenance and

1 monthly utility expenses of the dwelling. The Native
2 Hawaiian Housing Authority shall have in effect
3 procedures determined by the Secretary to be suffi-
4 cient for ensuring the timely periodic maintenance of
5 the dwelling by the family.

6 “(4) HOMEOWNERSHIP OPPORTUNITIES.—The
7 Native Hawaiian Housing Authority shall afford the
8 family an opportunity to purchase the dwelling
9 under a lease-purchase mortgage, or loan agreement
10 with the Native Hawaiian Housing Authority or any
11 other qualified entity, if the Native Hawaiian Hous-
12 ing Authority determines (in accordance with objec-
13 tive standards and procedures established by the
14 Secretary after consultation with the Native Hawai-
15 ian Housing Authority) that the family is able to
16 meet the obligations of homeownership.

17 **“SEC. 408. HAWAIIAN HOUSING MODERNIZATION.**

18 “The Secretary may make available and contract to
19 make available financial assistance (in such amounts as
20 are authorized pursuant to section 413 and as may be ap-
21 proved in appropriations Acts) to Native Hawaiian Hous-
22 ing Authorities in accordance with section 14 of this Act.

23 **“SEC. 409. PUBLIC HOUSING MAXIMUM CONTRIBUTION.**

24 “In determining the maximum contribution that may
25 be made by the Secretary to a Native Hawaiian Housing

1 Authority under this title for the development of a housing
2 project (including a mutual help homeownership oppor-
3 tunity project under section 407), the Secretary shall con-
4 sider all relevant factors, including—

5 “(1) the logistical problems associated with
6 projects of remote location, low density, or scattered
7 sites; and

8 “(2) the availability of skilled labor and accept-
9 able materials.

10 **“SEC. 410. CONTRACT PROVISIONS AND REQUIREMENTS.**

11 “(a) IN GENERAL.—The Secretary may include in
12 any contract for loans or for the development, acquisition,
13 or operation of public housing or any other agreement or
14 instrument made pursuant to this title, such covenants,
15 conditions, or provisions as the Secretary may determine
16 to be necessary in order to insure the lower income char-
17 acter of the project involved.

18 “(b) TOTAL DEVELOPMENT COST.—

19 “(1) IN GENERAL.—Any contract described in
20 subsection (a) shall provide that the total develop-
21 ment cost of the project on which the computation
22 of any annual contributions under this title may be
23 based may not exceed—

1 “(A) the amount determined under para-
2 graph (2) (for the appropriate structure type),
3 unless the Secretary provides otherwise; or

4 “(B) 110 percent of the amount deter-
5 mined under paragraph (2), unless the Sec-
6 retary for good cause determines otherwise.

7 “(2) COMPUTATION.—For purposes of para-
8 graph (1), the Secretary shall determine the total
9 development cost of a housing project by multiplying
10 the construction cost guideline for the project (which
11 shall be determined by averaging the current con-
12 struction costs, as listed by not less than 2 nation-
13 ally recognized residential construction cost indices,
14 for publicly bid construction of a good and sound
15 quality) by—

16 “(A) in the case of elevator-type struc-
17 tures, 1.6; and

18 “(B) in the case of nonelevator-type struc-
19 tures, 1.75.

20 **“SEC. 411. GENERAL PROVISIONS.**

21 “(a) DUTIES OF THE SECRETARY.—Notwithstanding
22 any other provision of law, the Secretary, in the perform-
23 ance of, and with respect to, the functions, powers, and
24 duties vested in the Secretary by this title, shall—

1 “(1) prepare annually and submit a budget pro-
2 gram as provided for wholly owned Government cor-
3 porations by chapter 91 of title 31, United States
4 Code; and

5 “(2) maintain an integral set of accounts which
6 shall be audited annually by the General Accounting
7 Office in accordance with the principles and proce-
8 dures applicable to commercial transactions as pro-
9 vided by chapter 91 of title 31, United States Code,
10 and no other audit shall be required.

11 “(b) RECEIPTS AND ASSETS.—All receipts and assets
12 of the Secretary under this title shall be available for the
13 purposes of this title until expended.

14 “(c) POWERS OF FEDERAL RESERVE BANKS.—The
15 Federal Reserve banks are authorized and directed to act
16 as depositories, custodians, and fiscal agents for the Sec-
17 retary in the general exercise of the Secretary’s powers
18 under this title. The Secretary may reimburse any such
19 bank for its services in any manner as may be agreed
20 upon.

21 “(d) RELATED FACILITIES AND SERVICES.—The
22 Secretary shall take such actions as may be necessary to
23 ensure the timely and efficient provision, through agree-
24 ments with the Native Hawaiian Housing Authority or
25 other entities, of any roads, water supply and sewage fa-

1 cilities, and electrical and fuel distribution systems that
2 are required for completion and occupancy of public hous-
3 ing projects assisted under this title, including mutual
4 help homeownership opportunity projects assisted under
5 section 407.

6 “(e) CONTRACT AGENCY.—The Secretary shall grant
7 the Native Hawaiian Housing Authority the authority to
8 contract with any Federal, State, local, or nonprofit entity
9 for the purposes outlined in subsection (d).

10 **“SEC. 412. REGULATIONS.**

11 “(a) ISSUANCE.—The Secretary shall issue such reg-
12 ulations as may be necessary to carry out this title.

13 “(b) CONSULTATION WITH NATIVE HAWAIIAN
14 HOUSING AUTHORITIES.—In formulating proposed regu-
15 lations under this section, the Secretary shall consult with
16 Native Hawaiian Housing Authorities.

17 “(c) EFFECTIVE DATE.—The regulations issued
18 under this section shall become effective before the expira-
19 tion of the 180-day period beginning on the date of enact-
20 ment of the Native Hawaiian Housing Assistance Act of
21 1994.

22 **“SEC. 413. AUTHORIZATION OF APPROPRIATIONS.**

23 “There are authorized to be appropriated such sums
24 as may be necessary to carry out this title.”.

1 **SEC. 102. LOAN GUARANTEES FOR NATIVE HAWAIIAN**
2 **HOUSING.**

3 Subtitle E of title I of the Housing and Community
4 Development Act of 1992 (12 U.S.C. 1715z-13a) is
5 amended by adding at the end the following new section:

6 **“SEC. 187. LOAN GUARANTEES FOR NATIVE HAWAIIAN**
7 **HOUSING.**

8 “(a) **AUTHORITY.**—To provide access to sources of
9 private financing to Native Hawaiian families and a Na-
10 tive Hawaiian Housing Authority that otherwise could not
11 acquire housing financing because of the unique status of
12 the Hawaiian Home Lands, the Secretary may guarantee
13 not more than 100 percent of the unpaid principal and
14 interest due on any loan eligible under subsection (b)
15 made to a Native Hawaiian family or Native Hawaiian
16 Housing Authority.

17 “(b) **ELIGIBLE LOANS.**—Loans guaranteed pursuant
18 to this section shall meet the following requirements:

19 “(1) **ELIGIBLE BORROWERS.**—The loans shall
20 be made only to borrowers who are Native Hawaiian
21 families or a Native Hawaiian Housing Authority.

22 “(2) **ELIGIBLE HOUSING.**—The loans shall be
23 used to construct, acquire, or rehabilitate 1- to 4-
24 family dwellings that are standard housing and are
25 located on Hawaiian Home Lands or Native Hawai-
26 ian lands.

1 “(3) SECURITY.—The loans may be secured by
2 any collateral authorized under existing Federal law
3 or applicable State law.

4 “(4) LENDERS.—The loans shall be made only
5 by a lender approved by and meeting qualifications
6 established by the Secretary, except that loans other-
7 wise insured or guaranteed by an agency of the Fed-
8 eral Government or made by an organization of Na-
9 tive Hawaiians from amounts borrowed from the
10 United States shall not be eligible for guarantee
11 under this section. The following lenders are deemed
12 to be approved under this paragraph:

13 “(A) Any mortgagee approved by the Sec-
14 retary of Housing and Urban Development for
15 participation in the single family mortgage in-
16 surance program under title II of the National
17 Housing Act.

18 “(B) Any lender whose housing loans
19 under chapter 37 of title 38, United States
20 Code, are automatically guaranteed pursuant to
21 section 1802(d) of such title.

22 “(C) Any lender approved by the Secretary
23 of Agriculture to make guaranteed loans for
24 single family housing under the Housing Act of
25 1949.

1 “(D) Any other lender that is supervised,
2 approved, regulated, or insured by any agency
3 of the Federal Government.

4 “(5) TERMS.—The loan shall—

5 “(A) be made for a term not exceeding 30
6 years;

7 “(B) bear interest (exclusive of the guar-
8 antee fee under subsection (d) and service
9 charges, if any) at a rate agreed upon by the
10 borrower and the lender and determined by the
11 Secretary to be reasonable, which may not ex-
12 ceed the rate generally charged in the area (as
13 determined by the Secretary) for home mort-
14 gage loans not guaranteed or insured by any
15 agency or instrumentality of the Federal Gov-
16 ernment;

17 “(C) involve a principal obligation not ex-
18 ceeding—

19 “(i) an amount equal to the sum of—

20 “(I) 97 percent of \$25,000 of the
21 appraised value of the property, as of
22 the date the loan is accepted for guar-
23 antee; and

24 “(II) 95 percent of such value in
25 excess of \$25,000; and

1 “(ii) the amount approved by the Sec-
2 retary under this section; and

3 “(D) involve a payment on account of the
4 property—

5 “(i) in cash or its equivalent; or

6 “(ii) through the value of any im-
7 provements to the property made through
8 the skilled or unskilled labor of the bor-
9 rower;

10 as the Secretary shall provide.

11 “(c) CERTIFICATE OF GUARANTEE.—

12 “(1) APPROVAL PROCESS.—The Secretary shall
13 not approve any loan for guarantee under this sec-
14 tion until the lender submits a completed application
15 for the loan to the Secretary for examination in ac-
16 cordance with this subsection. If the Secretary ap-
17 proves the loan for guarantee, the Secretary shall
18 issue a certificate of guarantee in accordance with
19 this subsection.

20 “(2) STANDARD FOR APPROVAL.—The Sec-
21 retary may approve a loan for guarantee and issue
22 a certificate of guarantee under this subsection only
23 if the Secretary determines there is a reasonable
24 prospect of repayment of the loan.

1 “(3) EFFECT.—A certificate of guarantee is-
2 sued under this subsection shall be conclusive evi-
3 dence of the eligibility of the loan for guarantee and
4 the amount of such guarantee. Such evidence shall
5 be incontestable in the hands of the bearer and the
6 full faith and credit of the United States is pledged
7 to the payment of all amounts agreed to be paid by
8 the Secretary as security for such obligations.

9 “(4) FRAUD AND MISREPRESENTATION.—This
10 subsection may not be construed to preclude the
11 Secretary from establishing defenses against the
12 original lender based on fraud or material misrepre-
13 sentation or to bar the Secretary from establishing
14 by regulations in effect on the date of issuance or
15 disbursement, whichever is earlier, partial defenses
16 to the amount payable on the guarantee.

17 “(d) GUARANTEE FEE.—The Secretary shall fix and
18 collect a guarantee fee for the guarantee of loans under
19 this section, which shall not exceed the amount equal to
20 1 percent of the principal obligation of the loan. The fee
21 shall be paid by the lender at the time of issuance of the
22 guarantee and shall be adequate, in the determination of
23 the Secretary, to cover expenses and probable losses. The
24 Secretary shall deposit any fees collected under this sub-

1 section in the Native Hawaiian Housing Loan Guarantee
2 Fund established under subsection (i).

3 “(e) LIABILITY UNDER GUARANTEE.—The liability
4 under a guarantee provided under this section shall de-
5 crease or increase on a pro rata basis according to any
6 decrease or increase in the amount of the unpaid obliga-
7 tion under the provisions of the loan agreement.

8 “(f) TRANSFER AND ASSUMPTION.—Notwithstand-
9 ing any other provision of law, any loan guaranteed under
10 this section, including the security given for the loan, may
11 be sold or assigned by the lender to any financial institu-
12 tion subject to examination and supervision by an agency
13 of the Federal Government or of any State or the District
14 of Columbia.

15 “(g) DISQUALIFICATION OF LENDERS AND CIVIL
16 MONEY PENALTIES.—

17 “(1) IN GENERAL.—If the Secretary determines
18 that any lender or holder of a guarantee certificate
19 under subsection (c) has failed to maintain adequate
20 accounting records to adequately service loans guar-
21 anteed under this section, to exercise proper credit
22 or underwriting judgment, or has engaged in prac-
23 tices otherwise detrimental to the interest of a bor-
24 rower or the United States, the Secretary may—

1 “(A) refuse, either temporarily or perma-
2 nently, to guarantee any additional loans made
3 by such lender or holder;

4 “(B) bar such lender or holder from ac-
5 quiring additional loans guaranteed under this
6 section; and

7 “(C) require that such lender or holder as-
8 sume not less than 10 percent of any loss on
9 additional loans made or held by the lender or
10 holder that are guaranteed under this section.

11 “(2) CIVIL MONEY PENALTIES FOR INTEN-
12 TIONAL VIOLATIONS.—If the Secretary determines
13 that any lender or holder of a guarantee certificate
14 under this section has intentionally failed to main-
15 tain adequate accounting records, to adequately
16 service loans guaranteed under this section, or to ex-
17 ercise proper credit or underwriting judgment, the
18 Secretary may impose a civil money penalty on such
19 lender or holder in the manner and amount provided
20 under section 536 of the National Housing Act with
21 respect to mortgagees and lenders under such Act.

22 “(3) PAYMENT ON LOANS MADE IN GOOD
23 FAITH.—Notwithstanding paragraphs (1) and (2),
24 the Secretary may not refuse to pay pursuant to a
25 valid guarantee on loans of a lender or holder barred

1 under this subsection if the loans were previously
2 made in good faith.

3 “(h) PAYMENT UNDER GUARANTEE.—

4 “(1) LENDER OPTIONS.—

5 “(A) IN GENERAL.—In the event of default
6 by the borrower on a loan guarantee under this
7 section, the holder of the guarantee certificate
8 shall provide written notice of the default to the
9 Secretary. Upon providing such notice, the
10 holder of the guarantee certificate shall be enti-
11 tled to payment under the guarantee (subject to
12 the provisions of this section) and may proceed
13 to obtain payment in one of the following man-
14 ners:

15 “(i) FORECLOSURE.—The holder of
16 the certificate may initiate foreclosure pro-
17 ceedings in a court of competent jurisdic-
18 tion (after providing written notice of such
19 action to the Secretary) and upon a final
20 order by the court authorizing foreclosure
21 and submission to the Secretary of a claim
22 for payment under the guarantee, the Sec-
23 retary shall pay to the holder of the certifi-
24 cate the pro rata portion of the amount
25 guaranteed (as determined in accordance

1 with subsection (e)) plus reasonable fees
2 and expenses as approved by the Secretary.
3 The Secretary shall be subrogated to the
4 rights of the holder of the guarantee and
5 the holder shall assign the obligation and
6 security to the Secretary.

7 “(ii) NO FORECLOSURE.—Without
8 seeking a judicial foreclosure (or in any
9 case in which a foreclosure proceeding ini-
10 tiated under clause (i) continues for a pe-
11 riod in excess of 1 year), the holder of the
12 guarantee may submit to the Secretary a
13 claim for payment under the guarantee
14 and the Secretary shall only pay to such
15 holder for a loss on any single loan an
16 amount equal to 90 percent of the pro rata
17 portion of the amount guaranteed (as de-
18 termined in accordance with subsection
19 (e)). The Secretary shall be subrogated to
20 the rights of the holder of the guarantee
21 and the holder shall assign the obligation
22 and security to the Secretary.

23 “(B) REQUIREMENTS.—Before any pay-
24 ment under a guarantee is made under sub-
25 paragraph (A), the holder of the guarantee

1 shall exhaust all reasonable possibilities of col-
2 lection. Upon payment, in whole or in part, to
3 the holder, the note or judgment evidencing the
4 debt shall be assigned to the United States and
5 the holder shall have no further claim against
6 the borrower or the United States. The Sec-
7 retary shall then take such action to collect as
8 the Secretary determines appropriate.

9 “(2) ASSIGNMENT BY SECRETARY.—Notwith-
10 standing paragraph (1), upon receiving notice of de-
11 fault on a loan guaranteed under this section from
12 the holder of the guarantee, the Secretary may ac-
13 cept assignment of the loan if the Secretary deter-
14 mines that the assignment is in the best interests of
15 the United States. Upon assignment the Secretary
16 shall pay to the holder of the guarantee the pro rata
17 portion of the amount guaranteed (as determined
18 under subsection (e)). The Secretary shall be sub-
19 rogated to the rights of the holder of the guarantee
20 and the holder shall assign the obligation and secu-
21 rity to the Secretary.

22 “(3) LIMITATIONS ON LIQUIDATION.—In the
23 event of a default by the borrower on a loan guaran-
24 teed under this section involving a security interest
25 in Hawaiian Home Lands or Native Hawaiian lands,

1 the Secretary shall only pursue liquidation after of-
2 fering to transfer the account to the Native Hawai-
3 ian Housing Authority. If the Secretary subse-
4 quently proceeds to liquidate the account, the Sec-
5 retary shall not sell, transfer, or otherwise dispose of
6 or alienate the property except to the Native Hawai-
7 ian Housing Authority.

8 “(i) NATIVE HAWAIIAN HOUSING LOAN GUARANTEE
9 FUND.—

10 “(1) ESTABLISHMENT.—There is established in
11 the Treasury of the United States the Native Ha-
12 waiian Housing Loan Guarantee Fund for the pur-
13 pose of providing loan guarantees under this section.

14 “(2) CREDITS.—The Guarantee Fund shall be
15 credited with—

16 “(A) any amounts, claims, notes, mort-
17 gages, contracts, and property acquired by the
18 Secretary under this section, and any collections
19 and proceeds therefrom;

20 “(B) any amounts appropriated under
21 paragraph (7);

22 “(C) any guarantee fees collected under
23 subsection (d); and

24 “(D) any interest or earnings on amounts
25 invested under paragraph (4).

1 “(3) USE.—Amounts in the Guarantee Fund
2 shall be available, to the extent provided in appro-
3 priation Acts, for—

4 “(A) fulfilling any obligations of the Sec-
5 retary with respect to loans guaranteed under
6 this section, including the costs (as such term
7 is defined in section 502 of the Congressional
8 Budget Act of 1974) of such loans;

9 “(B) paying taxes, insurance, prior liens,
10 expenses necessary to make fiscal adjustment in
11 connection with the application and transmittal
12 of collections, and other expenses and advances
13 to protect the Secretary for loans which are
14 guaranteed under this section or held by the
15 Secretary;

16 “(C) acquiring such security property at
17 foreclosure sales or otherwise;

18 “(D) paying administrative expenses in
19 connection with this section; and

20 “(E) reasonable and necessary costs of re-
21 habilitation and repair to properties that the
22 Secretary holds or owns pursuant to this sec-
23 tion.

24 “(4) INVESTMENT.—Any amounts in the Guar-
25 antee Fund determined by the Secretary to be in ex-

1 cess of amounts currently required to carry out this
2 section may be invested in obligations of the United
3 States.

4 “(5) LIMITATION ON COMMITMENTS TO GUAR-
5 ANTEE LOANS AND MORTGAGES.—

6 “(A) REQUIREMENT OF APPROPRIA-
7 TIONS.—The authority of the Secretary to enter
8 into commitments to guarantee loans under this
9 section shall be effective for any fiscal year only
10 to the extent or in such amounts as are or have
11 been provided in appropriation Acts for such
12 fiscal year.

13 “(B) LIMITATIONS ON COSTS OF GUARAN-
14 TEES.—The authority of the Secretary to enter
15 into commitments to guarantee loans under this
16 section shall be effective for any fiscal year only
17 to the extent that amounts in the Guarantee
18 Fund are or have been made available in appro-
19 priation Acts to cover the costs (as such term
20 is defined in section 502 of the Congressional
21 Budget Act of 1974) of such loan guarantees
22 for such fiscal year.

23 “(C) LIMITATION ON OUTSTANDING AG-
24 GREGATE PRINCIPAL AMOUNT.—Subject to the
25 limitations in subparagraphs (A) and (B), the

1 Secretary may enter into commitments to guar-
2 antee loans under this section in each of fiscal
3 years 1993 and 1994 with an aggregate out-
4 standing principal amount not exceeding such
5 amount as may be provided in appropriation
6 Acts for each such year.

7 “(6) LIABILITIES.—All liabilities and obliga-
8 tions of the assets credited to the Guarantee Fund
9 under paragraph (2)(A) shall be liabilities and obli-
10 gations of the Guarantee Fund.

11 “(7) AUTHORIZATION OF APPROPRIATIONS.—
12 There are authorized to be appropriated to the
13 Guarantee Fund such sums as may be necessary to
14 carry out this section.

15 “(j) REQUIREMENTS FOR STANDARD HOUSING.—
16 The Secretary shall, by regulation, establish housing safe-
17 ty and quality standards for use under this section. Such
18 standards shall provide sufficient flexibility to permit the
19 use of various designs and materials in housing acquired
20 with loans guaranteed under this section. The standards
21 shall require each dwelling unit in any housing so acquired
22 to—

23 “(1) be decent, safe, sanitary, and modest in
24 size and design; and

1 “(2) conform with minimum standards estab-
2 lished under any applicable county, State, or na-
3 tional building code.

4 “(k) DEFINITIONS.—For purposes of this section, the
5 following definitions shall apply:

6 “(1) FAMILY.—The term ‘family’ means one or
7 more persons maintaining a household, as the Sec-
8 retary shall by regulation provide.

9 “(2) GUARANTEE FUND.—The term ‘Guarantee
10 Fund’ means the Native Hawaiian Housing Loan
11 Guarantee Fund established under subsection (i).

12 “(3) HAWAIIAN HOME LANDS.—The term ‘Ha-
13 waiian Home Lands’ means those lands set aside for
14 homesteading by Native Hawaiians under the Ha-
15 waiian Homes Commission Act, 1920.

16 “(4) NATIVE HAWAIIAN.—The term ‘Native
17 Hawaiian’ means any individual who is a descendant
18 of the aboriginal people who, prior to 1778, occupied
19 and exercised sovereignty in the area that now con-
20 stitutes the State of Hawaii, as evidenced by—

21 “(A) genealogical records;

22 “(B) Kupuna (elders) or Kama’aina (long-
23 term community residents) verification; or

24 “(C) certified birth records.

1 “(5) NATIVE HAWAIIAN HOUSING AUTHOR-
 2 ITY.—The term ‘Native Hawaiian Housing Author-
 3 ity’ means any public body (or agency or instrumen-
 4 tality thereof) established under the laws of the
 5 State of Hawaii, that is authorized to engage in or
 6 assist in the development or operation of low-income
 7 housing for Native Hawaiians.

8 “(6) NATIVE HAWAIIAN LANDS.—The term
 9 ‘Native Hawaiian lands’ means the area within
 10 which a Native Hawaiian Housing Authority is au-
 11 thorized to provide low-income housing.

12 “(7) SECRETARY.—The term ‘Secretary’ means
 13 the Secretary of Housing and Urban Development.

14 “(8) STANDARD HOUSING.—The term ‘standard
 15 housing’ means a dwelling unit or housing that com-
 16 plies with the requirements established under sub-
 17 section (j).”.

18 **TITLE II—HOME INVESTMENT** 19 **PARTNERSHIPS**

20 **SEC. 201. NATIVE HAWAIIAN ELIGIBILITY FOR THE HOME** 21 **PROGRAM.**

22 Section 217(a) of the Cranston-Gonzalez National
 23 Affordable Housing Act (42 U.S.C. 12747(a)) is amend-
 24 ed—

1 (1) in paragraph (1), by inserting “, and after
 2 reserving amounts under paragraph (4) for Native
 3 Hawaiian Housing Authorities” after “insular
 4 areas,”; and

5 (2) by adding at the end the following new
 6 paragraph:

7 “(4) NATIVE HAWAIIAN ALLOCATION.—

8 “(A) IN GENERAL.—For each fiscal year,
 9 of the amount approved in an appropriations
 10 Act to carry out this title, the Secretary shall
 11 reserve for grants to Native Hawaiian Housing
 12 Authorities 0.2 percent of the amount appro-
 13 priated under such section.

14 “(B) DEFINITION.—As used in this sec-
 15 tion, the term ‘Native Hawaiian Housing Au-
 16 thority’ has the same meaning as in section 402
 17 of the United States Housing Act of 1937.”.

18 **TITLE III—COMMUNITY**
 19 **DEVELOPMENT BLOCK GRANTS**

20 **SEC. 301. NATIVE HAWAIIAN ELIGIBILITY FOR CDBG.**

21 Section 109(d) of the Housing and Community De-
 22 velopment Act of 1974 (42 U.S.C. 5309(d)) is amended
 23 by inserting “or to a Native Hawaiian Housing Authority”
 24 before the period.

1 **SEC. 302. NATIVE HAWAIIAN ALLOCATION.**

2 Section 106(a) of the Housing and Community De-
3 velopment Act of 1974 (42 U.S.C. 5306(a)) is amended—

4 (1) in paragraph (1), in the first sentence, by
5 inserting “, and shall reserve for grants to a Native
6 Hawaiian Housing Authority 0.2 percent of the
7 amount appropriated under such section” before the
8 period; and

9 (2) in paragraph (2), by inserting “and a Na-
10 tive Hawaiian Housing Authority” after “Indian
11 tribes”.

12 **SEC. 303. DEFINITIONS.**

13 Section 102(a) of the Housing and Community De-
14 velopment Act of 1974 (42 U.S.C. 5302(a)) is amended
15 by adding at the end the following new paragraph:

16 “(24) The terms ‘Hawaiian Home Lands’ and
17 ‘Native Hawaiian Housing Authority’ have the same
18 meanings as in section 402 of the United States
19 Housing Act of 1937.”.

20 **TITLE IV—HOUSING STANDARDS**

21 **SEC. 401. HOUSING SUBDIVISION DEVELOPMENT.**

22 The Secretary may, in the discretion of the Secretary,
23 exempt housing developed by a Native Hawaiian Housing
24 Authority from building codes and standards related to
25 the development and construction of subdivisions.

1 **SEC. 402. DEMONSTRATION PROJECT TO DEVELOP LOCAL-**
 2 **IZED HOUSING STANDARDS FOR NATIVE HA-**
 3 **WAIIAN COMMUNITIES.**

4 The Secretary shall award a grant to a Native Hawai-
 5 ian Housing Authority for the purpose of establishing a
 6 demonstration project to develop localized housing stand-
 7 ards for Native Hawaiian communities, including the con-
 8 sideration of modifications to the National Building Code
 9 and other applicable codes and standards. The purpose of
 10 the demonstration project shall be to develop housing
 11 standards reflective of Native Hawaiian community needs
 12 while simultaneously ensuring the availability of and ac-
 13 cess to private, State, and federally assisted housing, fi-
 14 nance, mortgage, and insurance programs.

15 **TITLE V—GENERAL PROVISIONS**

16 **SEC. 501. DEFINITIONS.**

17 For purposes of this Act, the following definitions
 18 shall apply:

19 (1) NATIVE HAWAIIAN HOUSING AUTHORITY.—

20 The term “Native Hawaiian Housing Authority”
 21 means any public body (or agency or instrumentality
 22 thereof) established under the laws of the State of
 23 Hawaii, that is authorized to engage in or assist in
 24 the development or operation of low-income housing
 25 for Native Hawaiians.

1 (2) NATIVE HAWAIIAN.—The term “Native Ha-
2 waiian” means any individual who is a descendant of
3 the aboriginal people who, prior to 1778, occupied
4 and exercised sovereignty in the area that now con-
5 stitutes the State of Hawaii, as evidenced by—

6 (A) genealogical records;

7 (B) Kupuna (elders) or Kama’aina (long-
8 term community residents) verification; or

9 (C) certified birth records.

10 (3) HAWAIIAN HOME LANDS.—The term “Ha-
11 waiian Home Lands” means those lands set aside
12 for homesteading by Native Hawaiians under the
13 Hawaiian Homes Commission Act, 1920.

14 **SEC. 502. LEGAL OBLIGATIONS OF THE UNITED STATES.**

15 Nothing in this Act shall be construed to diminish
16 or expand the legal obligations of the United States to-
17 ward the beneficiaries of the Hawaiian Homes Commis-
18 sion Act, 1920, or the Act entitled “An Act to provide
19 for the admission of the State of Hawaii into the Union”,
20 approved March 18, 1959 (73 Stat. 4).

21 **SEC. 503. SEVERABILITY.**

22 If any provision of this Act, or the application or any
23 provision of this Act to any person or circumstance, is held
24 invalid, the application of each provision or circumstance

1 and the remainder of this Act shall not be affected there-
2 by.

3 **SEC. 504. REGULATIONS.**

4 (a) ISSUANCE.—Except as otherwise provided in this
5 title, the Secretary shall issue such regulations as may be
6 necessary to carry out this title.

7 (b) CONSULTATION.—In formulating proposed regu-
8 lations under this section, the Secretary shall consult with
9 the Department of Hawaiian Homelands and a Native Ha-
10 waiian Housing Authority.

11 (c) EFFECTIVE DATE.—The regulations issued under
12 this section shall become effective not later than 18
13 months after the date of enactment of this Act.

14 **SEC. 505. AUTHORIZATION OF APPROPRIATIONS.**

15 There are authorized to be appropriated such sums
16 as may be necessary to carry out this Act.

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