
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. Hawaii faces a critical lack of affordable
2 housing for its people. As property values skyrocket and the
3 available housing inventory continues to decline, ordinary
4 working families are hard-pressed, and far too often unable, to
5 afford rapidly rising rents.

6 The purpose of this Act is to alleviate the housing squeeze
7 for Hawaii's workers by meeting up to thirty per cent of the
8 expected rental needs of the state's population that earns up to
9 eighty per cent of the median family income as determined by the
10 United States Department of Housing and Urban Development by:

11 (1) Providing \$1,000,000 in low-interest construction
12 loans administered by the counties; and

13 (2) Funding administrative costs for the counties to
14 facilitate the permitting process,
15 for ohana housing units for fiscal year 2006-2007.

16 Estimates suggest that:

17 (1) With respect to the city and county of Honolulu:



1 (A) Fifteen thousand, five hundred ninety housing
2 units are needed over five years for households
3 earning up to eighty per cent of the area's
4 median family income; and

5 (B) The goal of up to thirty per cent in ohana
6 housing units would be four thousand, six hundred
7 seventy-seven units;

8 (2) With respect to the county of Hawaii:

9 (A) Two thousand, two hundred forty housing units are
10 needed over five years for households earning up
11 to eighty per cent of the area's median family
12 income; and

13 (B) The goal of up to thirty per cent in ohana
14 housing units would be six hundred seventy-two
15 units;

16 (3) With respect to the county of Maui:

17 (A) Two thousand, seven hundred housing units are
18 needed over five years for households earning up
19 to eighty per cent of the area's median family
20 income; and

21 (B) The goal of up to thirty per cent in ohana
22 housing units would be eight hundred ten units;



1 (4) With respect to the county of Kauai:

2 (A) One thousand, three hundred twenty housing units
3 are needed over five years for households earning
4 up to eighty per cent of the area's median family
5 income; and

6 (B) The goal of up to thirty per cent in ohana
7 housing units would be three hundred ninety-six
8 units;

9 and

10 (5) With respect to the state as a whole:

11 (A) Twenty-one thousand, eight hundred ninety housing
12 units are needed over five years for households
13 earning up to eighty per cent of the median
14 family income as determined by the United States
15 Department of Housing and Urban Development; and

16 (B) The goal of up to thirty per cent in ohana
17 housing units would be six thousand, five hundred
18 sixty-seven units.

19 SECTION 2. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$1,000,000 or so much
21 thereof as may be necessary for fiscal year 2006-2007 for low-



1 interest construction loans to be administered by the counties;
2 provided that:

3 (1) The loans be used only for the construction or
4 rehabilitation of housing units under section 46-4(c),
5 Hawaii Revised Statutes; and

6 (2) The counties adopt eligibility rules for the low-
7 interest construction loans, which shall include a
8 restriction that the housing unit under section 46-
9 4(c), Hawaii Revised Statutes, must be rented for at
10 least five years to households earning eighty percent
11 or less of the median family income as determined by
12 the United States Department of Housing and Urban
13 Development.

14 The sum appropriated shall be expended by the Hawaii
15 housing finance and development administration and distributed
16 to the counties on a first-come, first-served basis for the
17 purposes of this section.

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$635,000 or so much
20 thereof as may be necessary for fiscal year 2006-2007 to fund
21 administrative costs for the counties solely to facilitate the
22 permitting process for housing units under section 46-4(c),



1 Hawaii Revised Statutes; provided that the housing units under
2 section 46-4(c), Hawaii Revised Statutes, are reserved as rental
3 housing for at least five years for households earning eighty
4 percent of less of the median family income as determined by the
5 United States Department of Housing and Urban Development.

6 The sum appropriated shall be expended by the Hawaii
7 housing finance and development administration and distributed
8 to the counties on a first-come, first-served basis for the
9 purposes of this section.

10 SECTION 4. This Act shall take effect on July 1, 2006.

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INTRODUCED BY:

Michael P. Kakuhiwa

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JAN 24 2006



HB 2568

Report Title:

Ohana housing units; State incentives for counties

Description:

Provides \$5,000,000 over five years in low-interest construction loans administered by the counties and funds administrative costs for the counties to facilitate the permitting process to legalize ohana housing units for lower-income rental housing.

