

JAN 18 2013

A BILL FOR AN ACT

RELATING TO THE SENIOR RESIDENCE AT PIIKOI, OAHU.

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

1 SECTION 1. The legislature finds that the Hawaii state
2 planning act establishes objectives and policies for housing in
3 Hawaii, including:

4 (1) Providing "[g]reater opportunities for Hawaii's people
5 to secure reasonably priced, safe, sanitary, and
6 livable homes, located in suitable environments that
7 satisfactorily accommodate the needs and desires of
8 families and individuals, through collaboration and
9 cooperation between government and nonprofit and for-
10 profit developers to ensure that more affordable
11 housing is made available to very low-, low-, and
12 moderate-income segments of Hawaii's population"; and

13 (2) "The development and provision of affordable rental
14 housing by the State to meet housing needs of Hawaii's
15 people."

16 The legislature further finds that with the aging of
17 Hawaii's population, the need for affordable rental housing
18 becomes especially acute for senior citizens. Nearly twenty-



1 nine per cent of Hawaii's population is over fifty years of age.
2 Facing challenging economic conditions, the ability to meet
3 monthly housing expenses is a constant and growing concern for
4 senior renters.

5 The legislature further finds that a 2006 study found that
6 "without incentives, tax credits, or financing breaks, a private
7 for-profit developer would have to absorb approximately \$200,000
8 loss per affordable unit ... [with] high-end homes subsidizing
9 the affordable units." The study raised the certainty that
10 "developers cannot be expected to foot the bill entirely for
11 Hawaii's affordable housing crisis." One way the State can
12 provide assistance to senior renters is to subsidize building
13 costs, through lower costs of land, financing, or construction
14 costs.

15 The legislature further finds that the Senior Residence at
16 Piikoi is an example of the confluence of the State's housing
17 objectives and policies. Located in the Ala Moana/Kakaako area
18 of the city and county of Honolulu in the vicinity of a major
19 shopping mall, park and recreational facilities, quality medical
20 care, public bus transportation, and the proposed fixed rail
21 rapid transit system, this project is well situated for seniors.
22 While this ideally located project is planned as a seventy-two-



1 unit affordable rental development for seniors with an income of
2 no more than sixty per cent of the median income level (\$43,260
3 for one person; \$49,440 for two persons), monthly rents are
4 targeted at fifty per cent of median income level. The project
5 consists of a five-story low rise building with seventy-two one-
6 bedroom units, community space and office space, with parking
7 for forty-six vehicles, on .73 acres and is situated on state-
8 owned land leased from the Hawaii housing finance and
9 development corporation. This project will greatly add to the
10 rental housing needs of Hawaii's aging population.

11 The purpose of this Act is to authorize the issuance of
12 general obligation bonds and make an appropriation for the
13 construction of the Senior Residence at Piikoi.

14 SECTION 2. The director of finance is authorized to issue
15 general obligation bonds in the sum of \$10,000,000 or so much
16 thereof as may be necessary and the same sum or so much thereof
17 as may be necessary is appropriated for fiscal year 2013-2014
18 for the construction of the Senior Residence at Piikoi, Oahu, an
19 affordable rental housing project consisting of seventy-two
20 affordable, elderly rental apartments; community space; office
21 space; and on-site parking.



S.B. NO. 728

Report Title:

GO Bonds; Hawaii Community Development Authority; Affordable Rentals; Seniors; Appropriation

Description:

Authorizes the director of finance to issue general obligation bonds for the construction of the Senior Residence at Piikoi, an affordable senior rental housing project on Oahu.

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