
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. The legislature finds that Hawaii's isolated
2 location, more than 2,000 miles away from the nearest continent,
3 means that the State faces some unique challenges related to
4 affordable housing. The lack of available land, low wage
5 positions coupled with the high cost of living, the high cost of
6 construction, and shortage of public funds are only some of the
7 factors that have contributed to one of the lowest rates of home
8 ownership in the country and a strong need for affordable rental
9 housing.

10 The legislature further finds that renters in Hawaii face
11 many challenges. A 2011 Center for Housing Policy report noted
12 that Honolulu was tied for being the least affordable city for
13 renters nationwide. Honolulu was also ranked the third most
14 expensive city for rentals. The need for affordable housing in
15 Hawaii also affects moderate-income families. Individuals
16 falling into this "gap group" of average wage earners face
17 challenges, as they earn too much to qualify for low-income



1 housing programs, yet earn too little to afford market rate
2 housing.

3 The legislature also finds that according to the 2011
4 Hawaii Housing Planning Survey, the number of new housing units
5 that will have to be built between 2012 and 2016 to meet new
6 demand generated by changing demographic and economic conditions
7 might be as high as 50,000. Units that are not built represent
8 the shortage of units needed to fill the total demand for
9 housing units. This shortage, known as "needed units", is the
10 difference between total housing demand and expected supply.
11 The projected number of "needed units" in the State through 2016
12 includes over 6,000 ownership units and 13,000 rental units for
13 households with less than eighty per cent of the area median
14 income. During this same five-year period, about 2,600
15 affordable for-sale units and over 2,100 rental units will be
16 needed to meet the housing requirements of households earning
17 between eighty per cent and one hundred forty per cent of the
18 area median income; these are households that fall into the "gap
19 group" of wage earners.

20 The legislature additionally finds that rising housing
21 costs are also associated with increased homelessness or
22 families at-risk of becoming homeless. According to the 2012



1 Homeless Service Utilization Report developed by the Center on
2 the Family at the University of Hawaii, a total of 13,980
3 individuals statewide experienced homelessness and received
4 shelter or outreach services during the 2012 fiscal year. This
5 figure includes those individuals who are at risk of losing
6 their housing.

7 The legislature finds that Hawaii has a definite, immediate
8 need for affordable housing. Addressing these needs will be a
9 challenge because of the sheer number of units needed to meet
10 demand and the various barriers that can prevent development and
11 preservation of affordable housing. Therefore, the public
12 sector, the private sector, and other interested stakeholders in
13 the community must work together to ensure that Hawaii's
14 residents have access to affordable housing.

15 The purpose of this Act is to support Hawaii's goal of
16 meeting the projected number of needed affordable housing units
17 in the State by appropriating funds to the rental housing trust
18 fund. To ensure the continued development of affordable
19 housing, appropriations to the rental housing trust fund must be
20 made each year through fiscal year 2017-2018.

21 SECTION 2. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$100,000,000 or so



1 much thereof as may be necessary for fiscal year 2014-2015 for
2 the rental housing trust fund for the purpose of building
3 affordable rental housing projects, including projects with
4 micro units, family units, and elder housing units; provided
5 that the housing projects or units shall be leased to persons
6 and families within a range of family incomes that do not exceed
7 one hundred per cent of the area median income, as determined by
8 the United States Department of Housing and Urban Development
9 for the county or standard metropolitan statistical area in
10 which the projects are located; provided further that at least
11 forty per cent of the units within the housing projects shall be
12 reserved for persons and families within a range of family
13 incomes that do not exceed sixty per cent of the area median
14 income, as determined by the United States Department of Housing
15 and Urban Development for the county or standard metropolitan
16 statistical area in which the projects are located.

17 For purposes of this appropriation, "micro unit" means a
18 dwelling unit with a total floor area of not less than two
19 hundred twenty square feet and containing a separate closet,
20 kitchen sink, cooking appliance, refrigeration facilities, and
21 separate bathroom containing a toilet and a bathtub or shower.

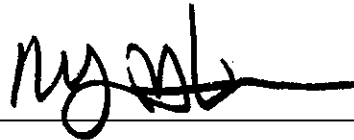


1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this Act.

4 SECTION 3. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

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JAN 22 2014



H.B. NO. 2499

Report Title:

Affordable Housing; Rental Housing Trust Fund; Appropriation

Description:

Appropriates funds for the rental housing trust fund to build affordable rental housing projects, including projects with micro units, family units, and elder housing units.

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