

JAN 17 2014

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# 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: Suzanne Chun Cleveland

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# S.B. NO. 2442

**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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