
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 two thousand miles away from the nearest
3 continent, means that the State faces unique challenges related
4 to affordable housing. The lack of available land, low wage
5 positions coupled with the high cost of living, 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 as 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 Study, as many as fifty thousand new
5 housing units may need to be built between 2012 and 2016 to meet
6 new demand generated by changing demographic and economic
7 conditions. Units that are not built represent the shortage of
8 units needed to fill the total demand for housing units. This
9 shortage, known as needed units, is the difference between total
10 housing demand and expected supply. The projected number of
11 needed units in the State through 2016 includes more than six
12 thousand ownership units and thirteen thousand rental units for
13 households with less than eighty per cent of the area median
14 income. During this same five-year period, about two thousand
15 six hundred affordable for-sale units and more than two thousand
16 one hundred rental units will be needed to meet the housing
17 requirements of households earning between eighty per cent and
18 one hundred forty per cent of the area median income. These
19 households fall within the gap group of wage earners.

20 The legislature additionally finds that rising housing
21 costs are also associated with increased homelessness and
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 and the homeless programs
3 office of the department of human services, a total of 13,980
4 individuals statewide experienced homelessness and received
5 shelter or outreach services during the 2012 fiscal year. This
6 figure includes those individuals who are at risk of losing
7 their housing.

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

16 The legislature recognizes that to ensure the continued
17 development of affordable housing, appropriations to the rental
18 housing trust fund must be made each year through fiscal year
19 2017-2018.

20 The purpose of this Act is to support Hawaii's goal of
21 meeting the projected number of affordable housing units needed



1 in the State by appropriating funds to the rental housing trust
2 fund.

3 SECTION 2. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year to be
6 deposited into the rental housing trust fund for the purpose of
7 building affordable rental housing projects, including projects
8 with micro units, family units, and elder housing units;
9 provided that:

10 (1) The housing projects or units shall be leased to
11 persons and families within a range of family incomes
12 that do not exceed one hundred per cent of the area
13 median income, as determined by the United States
14 Department of Housing and Urban Development for the
15 county or standard metropolitan statistical area in
16 which the projects are located; and

17 (2) At least forty per cent of the units within the
18 housing projects shall be reserved for persons and
19 families within a range of family incomes that do not
20 exceed sixty per cent of the area median income, as
21 determined by the United States Department of Housing
22 and Urban Development for the county or standard



1 metropolitan statistical area in which the projects
2 are located.

3 For purposes of this appropriation, "micro unit" means a
4 dwelling unit with a total floor area of not less than two
5 hundred twenty square feet and not more than three hundred
6 twenty square feet for not more than two occupants and
7 containing a separate closet, kitchen sink, cooking appliance,
8 refrigeration facilities, and separate bathroom containing a
9 toilet and a bathtub or shower. The minimum and maximum total
10 floor area shall increase an additional one hundred square feet
11 for each occupant in excess of two.

12 The sum appropriated shall be expended by the Hawaii
13 housing finance and development corporation for the purposes of
14 this Act.

15 SECTION 3. This Act shall take effect on July 1, 2050.



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. (SB2442 HD1)

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