

JAN 17 2013

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# A BILL FOR AN ACT

RELATING TO 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 establishing an affordable housing task force  
18 and appropriating funds to the rental housing trust fund. To  
19 ensure the continued development of affordable housing,  
20 appropriations to the rental housing trust fund must be made  
21 each year through fiscal year 2017-2018.



1 SECTION 2. (a) There is established the affordable  
2 housing task force to be placed within the Hawaii housing  
3 finance and development corporation for administrative purposes.

4 (b) The affordable housing task force shall be composed of  
5 the following:

- 6 (1) The governor's coordinator on homelessness;
- 7 (2) A representative of the department of human services,  
8 to be designated by the director of human services;
- 9 (3) A representative of the department of health, to be  
10 designated by the director of health;
- 11 (4) A representative of the department of land and natural  
12 resources, to be designated by the chairperson of the  
13 board of land and natural resources;
- 14 (5) A representative of the homeless programs office of  
15 the department of human services, to be designated by  
16 the director of human services;
- 17 (6) A representative of the Hawaii public housing  
18 authority, to be designated by the director of human  
19 services;
- 20 (7) A representative of the Hawaii housing finance and  
21 development corporation, to be designated by the



- 1 director of business, economic development, and  
2 tourism;
- 3 (8) A representative of the Hawaii community development  
4 authority, to be designated by the director of  
5 business, economic development, and tourism;
- 6 (9) A representative of the executive office on aging, to  
7 be designated by the director of health;
- 8 (10) A representative of the office of Hawaiian affairs, to  
9 be designated by the chair of the office of Hawaiian  
10 affairs board of trustees;
- 11 (11) A representative of the department of Hawaiian home  
12 lands, to be designated by the chairperson of the  
13 Hawaiian homes commission;
- 14 (12) A representative of the state historic preservation  
15 division of the department of land and natural  
16 resources, to be designated by the chairperson of the  
17 board of land and natural resources;
- 18 (13) A representative of the office of planning, to be  
19 designated by the director of planning;
- 20 (14) The chairperson of the state land use commission;
- 21 (15) The director or head of each of the following:



1 (A) The city and county of Honolulu department of  
2 planning and permitting;

3 (B) The county of Hawaii planning department;

4 (C) The county of Kauai planning department; and

5 (D) The county of Maui planning department; and

6 (16) Other representatives from community groups  
7 experienced in environmental protection, cultural  
8 protection, and other community-driven values, to be  
9 appointed jointly by the president of the senate and  
10 the speaker of the house of representatives.

11 (c) The Hawaii housing finance and development corporation  
12 shall provide administrative support to the affordable housing  
13 task force.

14 (d) The members of the affordable housing task force shall  
15 elect a chair from among the members and shall adopt rules and  
16 procedures for the internal workings of the task force. Members  
17 shall serve without compensation but shall be reimbursed for  
18 travel expenses necessary to carry out their duties.

19 (e) The task force shall comprehensively review all  
20 proposals for affordable housing projects and shall assist the  
21 counties in streamlining the permit and approval regulatory  
22 process for construction and development-related permits for



1 affordable housing projects. The task force shall actively  
2 discuss and monitor the production of all affordable housing  
3 projects in the State until the date the task force dissolves.

4 (f) The task force shall cease to exist on June 30, 2019.

5 SECTION 3. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$50,000,000 or so  
7 much thereof as may be necessary for fiscal year 2013-2014 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2014-2015 for the rental housing trust fund.

10 The sums appropriated shall be expended by the Hawaii  
11 housing finance and development corporation for the purposes of  
12 this Act.

13 SECTION 4. There is appropriated out of the rental housing  
14 trust fund the sum of \$50,000,000 or so much thereof as may be  
15 necessary for fiscal year 2013-2014 and the same sum or so much  
16 thereof as may be necessary for fiscal year 2014-2015 for the  
17 development of affordable housing.

18 The sums appropriated shall be expended by the Hawaii  
19 housing finance and development corporation for the purposes of  
20 this Act.

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1 SECTION 5. This Act shall take effect on July 1, 2013.

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INTRODUCED BY: Erzanne Chun Oakland

[Signature]

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[Signature]





# S.B. NO. 93

**Report Title:**

Affordable Housing; Affordable Housing Task Force; Rental Housing Trust Fund; Appropriation

**Description:**

Establishes the affordable housing task force to review all proposals for affordable housing projects and assist the counties in streamlining the permit and approval regulatory process for affordable housing projects. Appropriates funds for the rental housing trust fund.

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