THE SENATE TWENTY-NINTH LEGISLATURE, 2017 STATE OF HAWAII S.B. NO. 1142

JAN 2 5 2017

### A BILL FOR AN ACT

RELATING TO HOUSING.

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

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### PART I

2 SECTION 1. The legislature finds that Hawaii's housing 3 market suffers from a persistent shortage of housing, 4 particularly housing that is affordable to Hawaii's workforce 5 and lower income groups. Approximately thirty-six per cent of 6 Hawaii's households are cost-burdened, meaning that these 7 households pay more than thirty per cent of their income on 8 housing costs. About half of these households pay more than 9 fifty per cent of their income on housing. The Hawai'i Housing 10 Planning Study 2016 reports that approximately 24,551 housing 11 units are estimated to be needed statewide from 2016 to 2020. 12 Of this total, approximately 13,500 units, or fifty-five per 13 cent, are needed for households earning eighty per cent and 14 below the area median income (AMI). Typically, these are rental 15 units.



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1 The purpose of this Act is to increase the availability of 2 and access to housing stock in the State, particularly for the 3 State's vulnerable populations. 4 PART II 5 SECTION 2. The rental housing revolving fund, established 6 under section 201H-202, Hawaii Revised Statutes, provides loans 7 or grants for the development, pre-development, construction, 8 acquisition, preservation, and substantial rehabilitation of 9 rental housing units. The revolving fund also provides equity 10 gap low-interest loans or grants to qualified owners and 11 developers constructing affordable housing units. 12 The purpose of this part is to create needed housing by 13 authorizing the issuance of general obligation bonds to finance 14 various capital improvement projects of the Hawaii housing 15 finance and development corporation to address the State's 16 housing shortage. 17 SECTION 3. The director of finance is authorized to issue 18 general obligation bonds in the sum of \$50,000,000 or so much 19 thereof as may be necessary and the same sum or so much thereof 20 as may be necessary is appropriated for fiscal year 2017-2018



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for deposit into the rental housing revolving fund for the
purposes specified in section 201H-202, Hawaii Revised Statutes.
The sum appropriated shall be expended by the Hawaii
housing finance and development corporation for the purposes of
this part.

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#### PART III

7 SECTION 4. The legislature finds that one of the least 8 recognized segments of Hawaii's homeless population are 9 unaccompanied runaways and homeless youth. Between 2000 and 10 2010, thirty per cent of all juvenile arrests in Hawaii were 11 runaway arrests, which averaged 4,493 arrests per year. 12 Services and shelter space are critical to meet the needs of 13 this population, which is the most vulnerable to abuse and 14 exploitation.

15 The legislature further finds that a collaboration between 16 the Hawaii housing finance and development corporation and the 17 judiciary to redevelop an underutilized parcel of state land in 18 the urban core of Honolulu could construct both a juvenile 19 services and shelter center and a one hundred eighty unit 20 affordable family housing project.



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The purpose of this part is to provide funding to expand
and preserve rental housing opportunities and construct a
juvenile services and shelter center for runaway and homeless
youths.

5 SECTION 5. The director of finance is authorized to issue 6 general obligation bonds in the sum of \$15,000,000 or so much 7 thereof as may be necessary and the same sum or so much thereof 8 as may be necessary is appropriated for fiscal year 2017-2018 9 for the purpose of constructing a mixed-use affordable rental 10 housing and multi-use juvenile services and shelter center at 11 902 Alder Street, Honolulu, Oahu, TMK (1) 2-3-012-019.

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

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#### PART IV

16 SECTION 6. The legislature finds that the Hawaii public 17 housing authority is the sole statewide public housing agency of 18 the State. The Hawaii public housing authority's portfolio of 19 eighty-five properties comprises 6,195 units that serve over 20 6,100 families, or more than 20,000 individuals.



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1 The Hawaii public housing authority's aging housing stock 2 continues to have an extensive capital need that is underfunded 3 by the United States Department of Housing and Urban 4 Development. Additional funding is needed to modernize, repair, 5 and maintain many of the State's public housing units. 6 The purpose of this part is to improve the quality of 7 existing public housing in the State by authorizing the issuance 8 of general obligation bonds and appropriating funds for this 9 purpose. 10 SECTION 7. The director of finance is authorized to issue 11 general obligation bonds in the sum of \$50,000,000 or so much 12 thereof as may be necessary and the same sum or so much thereof 13 as may be necessary is appropriated for fiscal year 2017-2018 14 for public housing development, improvements, and renovations. 15 The sum appropriated shall be expended by the Hawaii public 16 housing authority for the purposes of this part. 17 SECTION 8. There is appropriated out of the general 18 revenues of the State of Hawaii the sum of \$9,000,000 or so much 19 thereof as may be necessary for fiscal year 2017-2018 for public

20 housing security improvements and renovation and repairs for

21 vacant public housing units.



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The sum appropriated shall be expended by the Hawaii public
housing authority for the purposes of this part.

PART V

SECTION 9. The appropriations for the capital improvement projects authorized by parts II, III, and IV of this Act shall not lapse at the end of the fiscal biennium for which the appropriations are made; provided that all moneys from the appropriations unencumbered as of June 30, 2020, shall lapse as of that date.

SECTION 10. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:





### S.B. NO. 1142

#### Report Title:

Affordable Housing; Public Housing; Multi-Use Juvenile Services and Shelter Center; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority

#### Description:

Authorizes the issuance of general obligation funds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing. Appropriates funds for public housing security improvements, renovation, and repairs.

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