
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 recognizes that Hawaii is
2 experiencing a severe affordable housing crisis with a lack of
3 affordable rental and for-sale units. According to the 2018
4 affordable rental housing report and ten-year plan, Hawaii will
5 need an additional 64,693 housing units by 2025 with nearly
6 seventy per cent of those units for low-income households
7 earning eighty per cent or less of the area median income.

8 In 2016, the legislature established the goal of developing
9 22,500 affordable rental units by the end of 2026. Achieving
10 this goal will require a variety of approaches, including
11 continuing financial programs to promote the construction of
12 low-income housing. One example is the low-income housing tax
13 credit program, a temporary program that provides a financing
14 incentive for private developers and nonprofit entities to
15 construct or rehabilitate affordable rental units. As part of
16 the program, the Hawaii housing finance and development



1 corporation awards state and federal tax credits to encourage
2 the development and construction of affordable housing.

3 The purpose of this Act is to extend the temporary low-
4 income housing tax credit program for another six years to
5 December 31, 2027.

6 SECTION 2. Act 129, Session Laws of Hawaii 2016, is
7 amended by amending section 4 to read as follows:

8 "SECTION 4. This Act, upon its approval, shall take effect
9 on January 1, 2017, and shall apply to qualified low-income
10 buildings awarded credits after December 31, 2016; provided that
11 this Act shall be repealed on December 31, [~~2021~~] 2027, and
12 section 235-110.8, Hawaii Revised Statutes, shall be reenacted
13 in the form in which it read on the day prior to the effective
14 date of this Act."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on July 1, 2025, and
18 shall apply to taxable years beginning after December 31, 2020.



Report Title:

HHFDC; Low-income Housing Tax Credit Program; Affordable Housing

Description:

Extends the low-income housing tax credit program for six years to December 31, 2027. Applies to taxable years beginning after 12/31/2020. Effective 7/1/2025. (HD1)

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