
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

SECTION 1. The legislature finds that homelessness is one of the most pressing problems in Hawaii, and it requires a robust, comprehensive, long-term solution to address Hawaii's affordable housing and homelessness crisis once and for all.

Nearly fifty years ago, in 1970, the State of Hawaii issued a report stating that Hawaii had been experiencing a "serious housing problem for many years" which had by then "become a crisis." In the decades since, the problem has become worse. Over the last fifty years, the number of cost-burdened renters, those paying more than thirty per cent of their income for rent, went from less than a quarter of the population to over half of the population. High housing costs have driven more Hawaii residents into homelessness; and Hawaii now has the highest homelessness rate in the nation.

By making smart investments in homelessness programs and housing, using data-driven practices, and improving



1 coordination, Hawaii has gradually begun to turn the tide on the
2 homelessness crisis. In 2017, Hawaii's homelessness rate went
3 down for the first time in years, a trend that continued in
4 2018. In 2018, the legislature made unprecedented levels of
5 investment in low-income housing and homelessness programs,
6 appropriating \$200,000,000 for the rental housing revolving
7 fund, \$30,000,000 for ohana zones, and \$13,500,000 for proven-
8 effective and promising homelessness programs.

9 To turn back the fifty years of growth in Hawaii's housing
10 and homelessness crisis, investments of this scale must be made
11 consistently in the coming years. Hawaii must prioritize
12 programs that are the most cost-effective and target the most
13 vulnerable populations, such as permanent supportive housing
14 programs that generate overall cost-savings by addressing the
15 chronically homeless population, currently costly consumers of
16 emergency services. By investing \$75,000,000 each year for the
17 next ten years, Hawaii can house and provide services to all
18 1,600 of its chronically homeless individuals; saving over
19 \$2,000,000,000 during that ten-year period. Initial investments
20 in this plan should go to construction of permanent supportive



1 housing units, while subsequent investments will go toward
2 vouchers and services.

3 Additionally, the State needs to continue to invest in low-
4 income housing generally. Forty-seven per cent of housing
5 demand is for Hawaii households making under \$45,000 annually.
6 Seventy-four per cent of housing demand is for Hawaii households
7 making under \$75,000 per year. Funding the rental housing
8 revolving fund to build housing at these affordability levels is
9 critically important.

10 Furthermore, to create more housing using available
11 resources, the State needs to experiment with innovative
12 solutions, such as using ultra-low-cost modular housing, rather
13 than relying on traditional building methods and housing models.
14 The State cannot hope to radically change the housing and
15 homelessness problems that have been growing for decades without
16 radically changing its approach and level of investment. The
17 State must seek out as many vendors, architects, and builders
18 who manufacture, sell, design, or build low-cost, modular
19 single-family dwellings and mid-rise multiple dwellings as
20 possible. In addition, as part of the competitive bidding
21 process required by procurement rules for the State, the low-



1 cost, modular dwellings should be evaluated on the basis of
2 safety, durability, comfort, sustainability, environmental
3 impact considerations, construction time, flexibility,
4 practicality, relative cost, and aesthetic appeal.

5 The investments in this Act toward the development of low-
6 income housing and prioritizing permanent supporting housing are
7 part of a comprehensive, long-term legislative strategy to end
8 homelessness.

9 The purpose of this Act is to authorize the issuance of
10 general obligation bonds and appropriate funds to finance the
11 construction of housing units.

12 PART II

13 SECTION 2. The director of finance is authorized to issue
14 general obligation bonds in the sum of \$ or so much
15 thereof as may be necessary and the same sum or so much thereof
16 as may be necessary is appropriated for fiscal year 2019-2020 to
17 be deposited into the rental housing revolving fund.

18 SECTION 3. There is appropriated out of the rental housing
19 revolving fund the sum of \$ or so much thereof as may be
20 necessary for fiscal year 2019-2020 for the purposes of the
21 rental housing revolving fund as set forth in section 201H-202,



1 Hawaii Revised Statutes; provided that one of the considerations
2 for the use of the funds shall be on whether the housing
3 financed in whole or in part by the funds shall use low-cost
4 modular construction as a means of developing more housing units
5 for lower costs than what could be accomplished using
6 traditional construction methods.

7 All housing and housing units financed and developed with
8 funds derived from the general obligation bonds authorized
9 pursuant to this part shall be reasonably safe, secure, and
10 comfortable permanent private dwelling units fit for human
11 habitation. All individuals and families who occupy housing
12 financed and developed pursuant to this part shall be afforded
13 the same liberties and rights with regard to occupancy of
14 housing according to generally-accepted norms in the United
15 States for persons not affected by homelessness, including the
16 reasonable expectation of privacy and the right to exclude
17 others from the housing or dwelling unit.

18 SECTION 4. The appropriation made for the capital
19 improvement project authorized by this Act shall not lapse at
20 the end of the fiscal biennium for which the appropriation is



1 made; provided that all moneys from the appropriation
2 unencumbered as of June 30, 2022, shall lapse as of that date.

3 SECTION 5. The sums appropriated shall be expended by the
4 Hawaii housing finance and development corporation for the
5 purposes of this Act.

6 PART III

7 SECTION 6. (a) The Hawaii housing finance and development
8 corporation shall provide loans or grants for the development of
9 permanent supportive housing for eligible individuals and
10 families who experience chronic homelessness pursuant to this
11 part.

12 (b) All housing and housing units financed and developed
13 with funds derived from the general obligation bonds authorized
14 pursuant to this part shall be reasonably safe, secure, and
15 comfortable permanent private dwelling units fit for human
16 habitation. All individuals and families who occupy housing
17 financed and developed pursuant to this part shall be afforded
18 the same liberties and rights with regard to occupancy of
19 housing according to generally-accepted norms in the United
20 States for persons not affected by homelessness, including the



1 reasonable expectation of privacy and the right to exclude
2 others from the housing or dwelling unit.

3 (c) An individual or family shall be eligible for
4 permanent supportive housing financed and developed pursuant to
5 this part if:

6 (1) The individual or at least one adult member of the
7 household has been sleeping in a place not meant for
8 human habitation or in an emergency shelter
9 continuously for at least one year or has had a least
10 four episodes of homelessness, where the individual
11 habitually slept in a place not meant for human
12 habitation or in an emergency shelter, in the past
13 three years; and

14 (2) The individual or at least one adult member of the
15 household has a disability, including severe mental
16 illness or substance abuse.

17 (d) Supportive housing financed and developed pursuant to
18 this part shall:

19 (1) Not require a person with a mental illness to undergo
20 treatment as a requirement for housing;



- 1 (2) Not require a person with a substance abuse disorder
2 to achieve sobriety or maintain abstinence as a
3 requirement for housing;
- 4 (3) Provide robust support services for program
5 participants that are predicated on assertive
6 treatment rather than coercion;
- 7 (4) Embrace harm-reduction approaches in collaboration
8 with prevention and early intervention approaches,
9 including a spectrum of multiple opportunity
10 strategies ranging from safer use to abstinence, to
11 reduce the impact of substance abuse disorders and
12 provide critical links to deepen the impact of and
13 participation in available services and programs for
14 populations at the greatest risk;
- 15 (5) Provide program participants with leases and tenant
16 protections as provided by chapter 521, Hawaii Revised
17 Statutes, and other state and federal law; and
- 18 (6) Permit program participants to reside in the home
19 permanently, subject to sufficient program funding and
20 tenant compliance with applicable law, rules, and



1 house or program requirements, or until replacement
2 housing is acquired.

3 SECTION 7. 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 2019-2020 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2020-2021 for the Hawaii housing finance and development
8 corporation for the development and construction of new units to
9 be used as permanent supportive housing; provided that one of
10 the considerations for the use of funds for permanent support
11 housing shall be whether the housing financed in whole or in
12 part by the funds use low-cost modular construction as a means
13 of developing more housing units for lower costs than what could
14 be accomplished using traditional construction methods.

15 The sum appropriated shall be expended by the Hawaii
16 housing finance and development corporation for the purposes of
17 this Act.

18 PART IV

19 SECTION 8. This Act shall take effect on January 1, 2050.



Report Title:

Housing; Homelessness; Rental Housing Revolving Fund; Permanent Supporting Housing; General Obligation Bond; Appropriation

Description:

Authorizes the issuance of general obligation bonds and the deposit of the proceeds into to the Rental Housing Revolving Fund for construction of low-income housing. Appropriates funds for the construction of Permanent Supportive Housing units.
(HB476 HD1)

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