
A BILL FOR AN ACT

PROPOSING AMENDMENTS TO ARTICLE IX, SECTION 5, OF THE
CONSTITUTION OF THE STATE OF HAWAII.

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

1 SECTION 1. The legislature finds that the cost and
2 availability of housing in the State are significant challenges
3 facing Hawaii residents. Although Hawaii has the tenth highest
4 median wage nationally, living expenses are two-thirds higher
5 than the rest of the nation, with the cost of housing being a
6 major contributing factor. In September 2018, the median price
7 for a single-family home on Oahu rose to \$812,500, while the
8 median price for condominiums on Oahu rose to \$428,000.
9 According to a local news report, a household would need to earn
10 almost \$160,000 annually to afford to buy a home on Oahu, making
11 homeownership out of reach for many of Hawaii's residents,
12 especially first-time buyers.

13 Because of the many barriers hindering the production of
14 new housing, such as geographic limitations, lack of major
15 infrastructure, and construction costs, the State and housing
16 developers have not produced enough housing for Hawaii



1 residents. According to a 2015 report from the department of
2 business, economic development, and tourism, the projected long-
3 run estimate of demand for total new housing in Hawaii is
4 between 64,700 to 66,000 for the 2015 to 2025 period. The
5 legislature has responded through the passage of various
6 legislation. During the regular session of 2016, the
7 legislature passed a bill enacted as Act 127, Session Laws of
8 Hawaii 2016, that, among other things, establishes a goal of
9 developing or vesting the development of at least 22,500
10 affordable rental housing units ready for occupancy by the end
11 of 2026. During the regular session of 2017, the legislature
12 passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to
13 expand the types of rental housing projects that can be exempt
14 from general excise tax, thereby encouraging the development of
15 rental housing projects targeted for occupancy by households at
16 or below the one hundred forty per cent and eighty per cent area
17 median income levels. During the regular session of 2018, the
18 legislature passed a bill enacted as Act 39, Session Laws of
19 Hawaii 2018, that, among other things, provides an estimated
20 total value of \$570,000,000 to address Hawaii's affordable



1 rental housing crisis and is expected to generate more than
2 25,000 affordable units by the year 2030.

3 Despite these efforts, the amount of new construction of
4 housing, especially for low- to middle-income families,
5 continues to be inadequate as the supply of housing remains
6 constrained while demand for housing increases. This lack of
7 supply leads to higher housing prices and rents for households
8 of all income levels, leaving all tenants with less disposable
9 income, increasing the personal stress on buyers and renters,
10 and exacerbating overcrowding and homelessness. Given these
11 consequences, the lack of affordable housing requires the
12 concentrated attention of state government at the highest level.

13 The purpose of this Act is to propose an amendment to
14 article IX, section 5, of the Constitution of the State of
15 Hawaii to require the legislature to consider the effect of its
16 actions on the price of housing in the State.

17 SECTION 2. Article IX, section 5, of the Constitution of
18 the State of Hawaii is amended to read as follows:

19 "HOUSING, [~~SLUM CLEARANCE,~~] DEVELOPMENT
20 AND REHABILITATION



1 **Section 5.** The legislature shall consider the effect of
2 its actions on the price of housing in the State. The State
3 shall have the power to provide for, or assist in, housing,
4 [~~slum clearance~~] the elimination of blighted areas and the
5 development or rehabilitation of substandard areas. The
6 exercise of such power is deemed to be for a public use and
7 purpose."

8 SECTION 3. The question to be printed on the ballot shall
9 be as follows:

10 "Should the Constitution of the State of Hawaii be amended
11 to require that the legislature consider the effect of its
12 actions on the price of housing in the State?"

13 SECTION 4. Constitutional material to be repealed is
14 bracketed and stricken. New constitutional material is
15 underscored.

16 SECTION 5. This amendment shall take effect upon
17 compliance with article XVII, section 3, of the Constitution of
18 the State of Hawaii.

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Report Title:

Constitutional Amendment; Access to Housing

Description:

Proposes an amendment to article IX, section 5, of the Constitution of the State of Hawaii, to require the Legislature to consider the effect of its actions on the price of housing in the State. (SD1)

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