
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 finds that the State faces an
2 unprecedented economic crisis due to the coronavirus disease
3 2019 (COVID-19) pandemic, which has decimated Hawaii's economy
4 and caused its gross domestic product to plummet. By some
5 measures, Hawaii's economy has been hit harder than any other
6 state in the nation.

7 The legislature also finds that this drastic decline in
8 economic activity has disproportionately affected the State's
9 most vulnerable populations. The pandemic forced the shutdown
10 of many sectors of the State's economy, triggering mass layoffs
11 and furloughs and causing the State's seasonally adjusted
12 unemployment to surge from 2.4 per cent in March 2020 to a
13 historical high of 22.3 per cent in April 2020. Despite efforts
14 to reopen the economy, Hawaii still had the second-highest
15 unemployment rate in the nation as of November 2020. With the
16 COVID-19 pandemic continuing to rage throughout the world, most
17 countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at
2 least 2024, the State will continue to feel the economic impacts
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the
5 pandemic, renter households in the State already suffered from
6 deleteriously high housing cost burdens, and that the economic
7 impacts of the COVID-19 pandemic significantly exacerbated this
8 situation. Recent data from the university of Hawaii economic
9 research organization showed that more than eleven thousand
10 Hawaii tenants have fallen behind on their rent payments and
11 that forty per cent of rental tenants have lost their jobs.
12 Modeling from the University of Hawaii economic research
13 organization indicates that up to seventeen thousand households
14 may face an unsustainable change in their housing cost burden by
15 the second quarter of 2021, even as the State's economy slowly
16 recovers. Even in a best-case scenario, the number of
17 individuals facing homelessness will continue to rise in the
18 face of the pandemic. The University of Hawaii economic
19 research organization concluded that, from a policy standpoint,
20 "doing nothing is not a viable option."



1 Accordingly, the legislature finds that it must take
2 immediate action to mitigate the affordable housing crisis
3 through legislation.

4 The purpose of this Act is to extend the temporary low-
5 income housing tax credit program for six years, to December 31,
6 2027.

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

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

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

18 SECTION 4. This Act shall take effect on December 1, 2050.



S.B. NO. 867 S.D. 1 H.D. 1

Report Title:

Hawaii Housing Finance and Development Corporation; Low-income Housing Tax Credit Program; Affordable Housing

Description:

Extends the low-income housing tax credit provisions made by Act 129, Session Laws of Hawaii 2016, under the low-income housing tax credit program, for six years to 12/31/2027. Effective 12/1/2050. (HD1)

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