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# 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 Hawaii's shortage of  
2 affordable housing continues to be one of the State's most  
3 challenging social problems. A persistently low inventory of  
4 housing stock has created a market where local residents have  
5 consistently been priced out of rentals and unable to attain  
6 homeownership.

7           The legislature further finds that one way to facilitate  
8 the growth of the State's inventory of affordable housing units  
9 is to promote the adaptive reuse of existing, underutilized  
10 buildings for housing purposes. Adaptive reuse has been  
11 successfully employed in many jurisdictions, including the  
12 District of Columbia, New York, and Pittsburgh, to quickly and  
13 sustainably repurpose existing structures to serve the evolving  
14 needs of communities.

15           One opportunity to increase the State's stock of affordable  
16 housing is through the acquisition of the Bethel Block, which  
17 consists of three buildings located between Bethel Street,



1 Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu.  
2 These buildings include the Ohia Building, also known as the  
3 Bethel Building; Blaisdell Building; and Whitlow Building.

4 The purchase of these three buildings by the Hawaii public  
5 housing authority would increase the authority's inventory of  
6 affordable housing units at a time when the State needs  
7 affordable rental units more than ever. The purchase would also  
8 ensure that the housing units remain affordable in perpetuity.

9 The legislature finds that the State must examine all  
10 opportunities to invest in the creation and preservation of  
11 affordable housing, especially in urban centers. The  
12 legislature further finds that the acquisition of the Ohia  
13 Building, Blaisdell Building, and Whitlow Building for  
14 affordable housing purposes represents an exceptional  
15 opportunity to create a large number of long-term, affordable  
16 rental housing units in the heart of Honolulu's urban core.

17 Accordingly, the purpose of this Act is to appropriate  
18 funds to the Hawaii public housing authority to acquire real  
19 property, including buildings, structures, and fixtures, located  
20 on the Bethel Block in Honolulu, Oahu, for affordable housing  
21 purposes.



1 SECTION 2. (a) The Hawaii public housing authority may  
2 acquire parcels located on the block between Bethel Street,  
3 Pauahi Street, Fort Street, and Chaplain Lane, including the  
4 following parcels identified by tax map key (TMK) number:

- 5 (1) TMK (1)2-1-003:008;
- 6 (2) TMK (1)2-1-003:009; and
- 7 (3) TMK (1)2-1-003:010.

8 The purchase of the parcels shall include any buildings,  
9 structures, and fixtures on those parcels. Following the  
10 acquisition, the Hawaii public housing authority may plan,  
11 design, and construct any improvements necessary to use the  
12 parcels for affordable housing purposes.

13 (b) All housing units created or preserved on the parcels  
14 purchased pursuant to subsection (a) shall be offered for rent  
15 at rates that are affordable to households having an income that  
16 does not exceed per cent of the area median income as  
17 determined by the United States Department of Housing and Urban  
18 Development; provided that the project shall target households  
19 having an income that does not exceed sixty per cent of the area  
20 median income. The affordability restrictions shall apply in  
21 perpetuity.



1 (c) Contracts awarded pursuant to this Act shall use the  
2 competitive sealed proposal method of procurement pursuant to  
3 section 103D-303, Hawaii Revised Statutes.

4 SECTION 3. In accordance with section 9 of article VII, of  
5 the Constitution of the State of Hawaii and sections 37-91 and  
6 37-93, Hawaii Revised Statutes, the legislature has determined  
7 that the appropriation contained in this Act will cause the  
8 state general fund expenditure ceiling for fiscal year 2024-2025  
9 to be exceeded by \$ , or per cent. The reasons  
10 for exceeding the general fund expenditure ceiling are that the  
11 appropriation made in this Act is necessary to serve the public  
12 interest and to meet the needs provided for by this Act.

13 SECTION 4. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ or so  
15 much thereof as may be necessary for fiscal year 2024-2025 for  
16 the Hawaii public housing authority to:

- 17 (i) Acquire the parcels identified in section 2 of this  
18 Act; and
- 19 (2) Plan, design, and construct any improvements necessary  
20 to use the parcels for affordable housing purposes.



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

3           SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

Affordable Housing; Long-Term Rental Units; Bethel Street;  
Acquisition; Appropriation; Expenditure Ceiling

**Description:**

Appropriates funds to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu, for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed a percentage of the area median income. Effective 7/1/3000. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

