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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 New York;  
12 Washington, D.C.; and Pittsburgh; to quickly and sustainably  
13 repurpose existing structures to serve the evolving needs of  
14 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. These buildings  
2 include the Ohia Building, also known as the Bethel Building;  
3 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 moneys to the Hawaii public housing authority to acquire real  
19 property, including buildings, structures, and fixtures, located  
20 on the Bethel Block for affordable housing 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)2-1-3-8;
- 6 (2) TMK (1)2-1-3-9; and
- 7 (3) TMK (1)2-1-3-10.

8 The purchase of the parcels shall include any buildings,  
9 structures, and fixtures on those parcels. Following the  
10 acquisition, the authority may plan, design, and construct any  
11 improvements necessary to use the parcels for affordable housing  
12 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) Notwithstanding section 103D-302(h), Hawaii Revised  
2 Statutes, or any other law to the contrary, contracts awarded  
3 pursuant to this Act shall be exempt from any law requiring a  
4 contract to be awarded to the lowest bidder.

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

15 SECTION 4. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$30,000,000 or so  
17 much thereof as may be necessary for fiscal year 2024-2025 for  
18 the Hawaii public housing authority to:

- 19 (1) Acquire the parcels identified in section 2 of this  
20 Act; and





# H.B. NO. 2328

**Report Title:**

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

**Description:**

Appropriates moneys to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed an unspecified percentage of the area median income, as determined by the United States Department of Housing and Urban Development, in perpetuity. Exempts contracts from low-bid requirements. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

