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## A BILL FOR AN ACT

RELATING TO HOUSING.

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

1           SECTION 1. The legislature finds that the State is facing  
2 an affordable housing crisis. Although significant efforts have  
3 been made to facilitate the production of more housing and  
4 remove barriers to the development of affordable housing, these  
5 developments have had the unintended consequence of displacing  
6 and dislocating the tenants who were living in rental housing  
7 marked for redevelopment.

8           The legislature further finds that displacement, whether  
9 due to redevelopment, rising rents, or other factors, has  
10 profound impacts on individuals, families, and communities.  
11 Tenants forced out of their housing due to redevelopment face  
12 the loss of social networks and economic stability in addition  
13 to their loss of housing. These disruptions are most keenly  
14 felt by vulnerable populations, who face the loss of critical  
15 support systems that buffer the effects of economic and social  
16 disadvantage.



1           The legislature additionally finds that residential  
2 instability caused by displacement is linked to numerous  
3 negative health and social outcomes, particularly for children  
4 and youth. Studies show that frequent moves are correlated with  
5 decreased academic performance, increased drug and alcohol use,  
6 behavioral issues, and diminished health outcome. In addition  
7 to harming the individual, these outcomes also erode social  
8 support networks and communities, making it harder for families  
9 to thrive and neighborhoods to remain resilient. Communities  
10 that are able to maintain long-term stability provide vital  
11 connections to resources, support systems, a sense of belonging,  
12 and access to upward mobility.

13           The legislature believes that while the State must continue  
14 to prioritize the production of affordable housing, it is  
15 equally important to ensure that these developments do not  
16 result in the unnecessary displacement of the communities meant  
17 to benefit from the creation of additional affordable housing.

18           Accordingly, the purpose of this Act is to require  
19 developers developing affordable housing projects under the  
20 Hawaii housing development and finance corporation completed



1 with state or federal funds that result in the eviction or  
2 displacement of tenants in existing rental properties to:

3 (1) Grant certain persons displaced or evicted by the  
4 proposed affordable housing project the right of first  
5 refusal of a comparable unit in the housing project at  
6 an affordable rate;

7 (2) Establish a fund to provide relocation benefits to  
8 displaced or evicted tenants;

9 (3) Provide information, either directly or through a  
10 contracted service, on how to obtain assistance and  
11 exercise the right of first refusal; and

12 (4) Establish procedures to maintain communication with  
13 displaced and evicted tenants.

14 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is  
15 amended by amending subsection (a) to read as follows:

16 "(a) The corporation may develop on behalf of the State or  
17 with an eligible developer, or may assist under a government  
18 assistance program in the development of, housing projects that  
19 shall be exempt from all statutes, charter provisions,  
20 ordinances, and rules of any government agency relating to  
21 planning, zoning, construction standards for subdivisions,



1 development and improvement of land, and the construction of  
2 dwelling units thereon; provided that either:

3 (1) The housing projects meet the following conditions:

4 (A) The corporation finds the housing project is  
5 consistent with the purpose and intent of this  
6 chapter, and meets minimum requirements of health  
7 and safety;

8 (B) The development of the proposed housing project  
9 does not contravene any safety standards,  
10 tariffs, or rates and fees approved by the public  
11 utilities commission for public utilities or of  
12 the various boards of water supply authorized  
13 under chapter 54;

14 (C) The legislative body of the county in which the  
15 housing project is to be situated has approved  
16 the project with or without modifications:

17 (i) The legislative body shall approve, approve  
18 with modification, or disapprove the project  
19 by resolution within forty-five days after  
20 the corporation has submitted the  
21 preliminary plans and specifications for the



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1 project to the legislative body. If on the  
2 forty-sixth day a project is not  
3 disapproved, it shall be deemed approved by  
4 the legislative body;

5 (ii) No action shall be prosecuted or maintained  
6 against any county, its officials, or  
7 employees on account of actions taken by  
8 them in reviewing, approving, modifying, or  
9 disapproving the plans and specifications;  
10 and

11 (iii) The final plans and specifications for the  
12 project shall be deemed approved by the  
13 legislative body if the final plans and  
14 specifications do not substantially deviate  
15 from the preliminary plans and  
16 specifications. The final plans and  
17 specifications for the project shall  
18 constitute the zoning, building,  
19 construction, and subdivision standards for  
20 that project. For purposes of sections 501-  
21 85 and 502-17, the executive director of the



1 corporation or the responsible county  
2 official may certify maps and plans of lands  
3 connected with the project as having  
4 complied with applicable laws and ordinances  
5 relating to consolidation and subdivision of  
6 lands, and the maps and plans shall be  
7 accepted for registration or recordation by  
8 the land court and registrar; [~~and~~]

9 (D) The land use commission has approved, approved  
10 with modification, or disapproved a boundary  
11 change within forty-five days after the  
12 corporation has submitted a petition to the  
13 commission as provided in section 205-4. If, on  
14 the forty-sixth day, the petition is not  
15 disapproved, it shall be deemed approved by the  
16 commission; [~~or~~] and

17 (E) If the proposed housing project will result in  
18 the displacement or eviction of tenant households  
19 living in units whose value is affordable to  
20 families earning one hundred forty per cent or



1                   below of the applicable area median income, the  
2                   developer of the proposed housing project shall:  
3                   (i) Offer the displaced or evicted tenants the  
4                   right of first refusal for a comparable unit  
5                   available in the proposed housing project at  
6                   a rate no greater than the amount the tenant  
7                   was paying in the existing development,  
8                   subject to inflation;  
9                   (ii) Established a fund to provide relocation  
10                   benefits to the displaced or evicted tenants  
11                   at an amount equal to no less than three  
12                   months' rent; provided that relocation  
13                   benefits may be provided either as a rent  
14                   waiver or as a direct cash payment;  
15                   (iii) Provided, either directly or through a  
16                   contracted service, information to the  
17                   displaced or evicted tenants on how to  
18                   obtain relocation assistance, and how to  
19                   exercise their right of first refusal upon  
20                   completion of the proposed housing project;  
21                   and





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**Report Title:**

HHFDC; Affordable Housing Projects; Tenants; Right of First Refusal; Relocation Assistance

**Description:**

Requires developers developing an affordable housing project under HHFDC to assist certain tenants who are subject to displacement or eviction by the proposed project by: granting those tenants the right of first refusal of a comparable unit in the housing project at an affordable rate; establishing a fund to provide relocation benefits; providing information, either directly or through a contracted service, on how to obtain assistance and exercise the right of first refusal; and establishing procedures to maintain communication with those tenants.

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

