

ACT 172

S.B. NO. 941

A Bill for an Act Relating to the School Facilities Authority.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that Hawaii continues to suffer from a shortage of licensed teachers as Hawaii's teacher salaries continue to trail the nation when adjusted for cost of living. Providing financial incentives and affordable options for teacher housing are key strategies for teacher recruitment and retention. Teacher housing is also a well-established tool for teacher recruitment and retention of educators serving in hard-to-fill areas. As housing represents a significant portion of each teacher's paycheck, the legislature recognizes that sites should be developed to provide affordable housing options to teachers to address the ongoing teacher shortage.

Accordingly, the purpose of this Act is to:

- (1) Provide the school facilities authority with powers necessary to develop housing projects on school lands; and
- (2) Appropriate funds, out of the school facilities special fund for the construction of housing prioritized for teachers, educators, and staff and classrooms.

SECTION 2. Section 302A-1703, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

- “(c) Except as otherwise limited by this chapter, the authority may also:
- (1) Have a seal and alter the same at its pleasure;
 - (2) Subject to subsection (b), make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this subpart;
 - (3) Make and alter bylaws for its organization and internal management;
 - (4) Adopt rules pursuant to chapter 91 with respect to its projects, operations, properties, and facilities, including qualifications for persons and entities wishing to enter into a public-private partnership with the authority, as permitted in paragraph (7);
 - (5) Acquire or contract to acquire by grant or purchase real, personal, or mixed property or any interest therein; to clear, improve, and

- rehabilitate and to sell, assign, exchange, transfer, convey, lease, subdivide, or otherwise dispose of or encumber the same;
- (6) Acquire property by condemnation pursuant to chapter 101;
 - (7) Enter into partnerships with qualified persons, including public-private partnerships, as defined in the authority's rules, to acquire, construct, reconstruct, rehabilitate, improve, alter, or provide for the construction, reconstruction, improvement, or alteration of any project; and sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project; and in the case of the sale of any project, accept a purchase money mortgage in connection therewith;
 - (8) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on terms and conditions as it deems advisable;
 - (9) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the construction, reconstruction, rehabilitation, improvement, or alteration of any project, and from time to time to modify the plans, specifications, designs, or estimates;
 - (10) Procure insurance against any loss in connection with its property and other assets and operations in amounts and from insurers as it deems desirable;
 - (11) Apply for and accept gifts or grants in any form from any public agency or from any other source, including gifts or grants from private individuals and private entities;
 - (12) Borrow money or procure loan guarantees from the federal government for or in aid of any project the authority is authorized to undertake pursuant to this chapter. Additionally, in connection with borrowing or procurement of loan guarantees, the authority:
 - (A) Shall comply with conditions required by the federal government pursuant to applicable regulation or required in any contract for federal assistance;
 - (B) Shall repay indebtedness incurred pursuant to this section, including any interest thereon;
 - (C) May execute loan and security agreements and related contracts with the federal government;
 - (D) May issue bonds pledging revenues, assessments, or other taxes as security for indebtedness incurred pursuant to this section; and
 - (E) May enter into financing agreements as that term is defined in section 37D-1;
 - (13) Appoint or retain by contract one or more attorneys who are independent of the attorney general to provide legal services solely in cases of negotiations in which the attorney general lacks the sufficient expertise; provided that the independent attorney shall consult and work in conjunction with the designated deputy attorney general;
 - (14) Use the department of human resources development to recruit, hire, and retain exempt employees, architects, engineers, existing civil service positions, and other technical positions for the development, planning, and construction related to capital improvement projects; ~~[and]~~
 - (15) Partner with public and private development agencies to develop:
 - (A) Housing on or off campus; and
 - (B) Classrooms;

- (16) Request any state or county agency to render services to the authority;
- (17) Transfer the property to another public agency or contract to manage the leasing and property management of housing projects; and
- [45] (18) Do any and all things necessary to carry out its purposes and exercise the powers given and granted in this subpart.”

SECTION 3. With the approval of the governor, designated expending agencies for capital improvement projects authorized in this Act may delegate to other state or county agencies the authority to implement projects when it is determined advantageous to do so by both the original expending agency and the agency to which expending authority is to be delegated.

SECTION 4. The general fund appropriation for the school facilities authority for fiscal year 2023-2024 for teacher housing in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1¹ (2023), shall be deposited into the school facilities special fund.

SECTION 5. There is appropriated out of the school facilities special fund the sum of \$170,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for:

- (1) The construction of housing prioritized for teachers, educators, and staff; and
- (2) Personnel and other related expenses as deemed appropriate.

The sums appropriated shall be expended by the school facilities authority for the purposes of this Act.

SECTION 6. Housing developed pursuant to section 5 of this Act shall be prioritized for teachers, educators, and staff. The school facilities authority may adopt rules pursuant to chapter 91, Hawaii Revised Statutes, with respect to leasing housing developed by the school facilities authority.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2023.

(Approved July 3, 2023.)

Note

- 1. Act 164.