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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 cost of living  
2 in Hawaii has been and continues to be high. A significant  
3 contributing factor to the high cost of living in Hawaii is the  
4 high cost of housing, and it is the high cost of land that  
5 contributes significantly to the high cost of housing. Land, in  
6 common with other natural resources, is a finite resource, a  
7 fact particularly obvious in Hawaii. The shortage in the supply  
8 of land leads to higher land prices and housing costs and  
9 creates a situation in which land is developed for higher-priced  
10 housing rather than affordable housing, which has led to the  
11 housing crisis the State currently faces. As a result, there is  
12 a current lack of desperately needed affordable housing.

13           The urgency of the affordable housing shortage in Hawaii  
14 requires immediate state action. A 2003 housing policy study  
15 indicated that there will continue to be a need for affordable  
16 housing units over the next five years. However, Hawaii's low-  
17 and moderate-income families are experiencing difficulties in



1 entering the housing market with housing prices at an all-time  
2 high.

3 The purpose of this Act is to increase the number of  
4 affordable housing units in Honolulu's urban core, specifically  
5 the Kakaako community development district.

6 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is  
7 amended by adding two new sections to part II to be  
8 appropriately designated and to read as follows:

9 **§206E-A Kakaako affordable housing development program**  
10 **established; purpose.** (a) There is established the Kakaako  
11 affordable housing development program within the authority to  
12 provide affordable housing in the Kakaako community development  
13 district established pursuant to section 206E-32.

14 (b) The purpose of this program shall be to create and  
15 preserve in perpetuity affordable housing units within  
16 Honolulu's urban core; provided that funds administered through  
17 this program shall not be used for residential development in  
18 the area described in section 206E-31.5.

19 **§206E-B Eligible projects.** (a) For the purposes of this  
20 section, activities eligible for subsidies and other assistance  
21 from the Kakaako affordable housing development program shall  
22 include new construction, rehabilitation, acquisition, or



1 preservation of multifamily ownership housing units for persons  
2 and families with incomes at or below one hundred forty per cent  
3 of the median family income, as determined by the United States  
4 Department of Housing and Urban Development, that meet the  
5 criteria for eligibility described in subsection (b) and are  
6 dedicated to affordable housing projects in perpetuity.

7 (b) The authority shall establish procedures for the  
8 submission of requests for subsidies and other assistance and  
9 criteria for assistance that are consistent with and further the  
10 purpose of section 206E-A for projects that:

- 11 (1) Are at least four stories or higher;  
12 (2) Dedicate at least fifty per cent of their units to  
13 persons and families with incomes at or below one  
14 hundred forty per cent of the median family income as  
15 determined by the United States Department of Housing  
16 and Urban Development;  
17 (3) Dedicate at least half of the units as provided in  
18 paragraph (2) to persons and families with incomes at  
19 or below eighty per cent of the median family income  
20 as determined by the United States Department of  
21 Housing and Urban Development; and



1        (4) Are located outside the area described in section  
2                    206E-31.5.

3        The authority by rule may include other criteria for  
4 assistance that deems necessary to carry out the purposes of  
5 this section.

6        (c) The subsidies and other assistance provided by the  
7 authority shall be limited to:

8        (1) \$75 per square foot for up to eight hundred square  
9                    feet per unit; and

10        (2) No more than one thousand units in the aggregate."

11        SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$                    or so  
13 much thereof as may be necessary for fiscal year 2007-2008 and  
14 the same sum or so much thereof as may be necessary for fiscal  
15 year 2008-2009 for the purposes of section 2 of this Act.

16        The sums appropriated shall be expended by the Hawaii  
17 community development authority for the purposes of this Act.

18        SECTION 4. In codifying the new sections added by section  
19 2 of this Act, the revisor of statutes shall substitute  
20 appropriate section numbers for the letters used in designating  
21 the new sections in this Act.

22        SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2020, and  
2 shall be repealed on June 30, 2023.



**Report Title:**

Affordable Housing; Kakaako Development; Appropriation

**Description:**

Establishes the Kakaako affordable housing development program to provide incentives to developers building or rehabilitating affordable housing units in Kakaako for the term of the program. Appropriates funds. (SD1)

