
A BILL FOR AN ACT

RELATING TO RENTAL HOUSING.

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

1 SECTION 1. The legislature finds that there is a severe
2 shortage of housing that is affordable to low-income tenants in
3 the State. Establishing a rent-controlled housing pilot project
4 in designated areas of the State will provide new opportunities
5 for affordable rental housing along with guidance to further
6 address the housing needs of low-income tenants.

7 The legislature further finds that section 46-1.5(20),
8 Hawaii Revised Statutes, provides in pertinent part that each
9 county has the power "to regulate the renting, subletting, and
10 rental conditions of property for places of abode by ordinance".

11 Accordingly, the purpose of this Act is to establish a
12 rent-controlled housing pilot project, to be administered by the
13 Hawaii housing finance and development corporation, and to
14 require each county to establish rent-control by ordinance for
15 new housing developed in a total of five representative
16 districts pursuant to the pilot project, and housing that was
17 constructed in those districts prior to 1990.



1 SECTION 2. (a) No later than , 2018, the Hawaii
2 housing finance and development corporation shall initiate a
3 rent-controlled housing pilot project (hereinafter "pilot
4 project") to encourage the construction of new rental housing in
5 the State that is affordable to low-income tenants and to
6 evaluate the impact of rent controls on the housing market of
7 the State.

8 (b) No later than , 2018, pursuant to powers
9 provided to each county under section 46-1.5(20), Hawaii Revised
10 Statutes, each county shall limit the amount of rent that a
11 landlord may charge a tenant to lease housing that is
12 constructed under the pilot project or that was constructed
13 prior to 1990 in any of the representative districts that are
14 designated pursuant to subsections (c) and (e).

15 (c) Limits on the amount of rent that a landlord may
16 charge a tenant to lease housing constructed under the pilot
17 project shall be applied in five representative districts of the
18 State; provided that two of the representative districts shall
19 be in the city and county of Honolulu and one district shall be
20 in each of the counties of Maui, Kauai, and Hawaii.



1 (d) Controls on rents. A landlord who leases housing
2 constructed under the pilot project shall:

3 (1) Charge rents for that housing that do not exceed
4 thirty per cent of the area median income for the size
5 of the family renting the housing;

6 (2) Increase rents for that housing by no more than
7 per cent of the median market rate rent
8 increase every years of occupancy by the tenant
9 or tenants named on the lease applicable to that
10 housing.

11 (e) The five representative districts in which limits on
12 the amount of rent shall be applied under the pilot project
13 pursuant to subsection (d) shall be selected by the Hawaii
14 housing finance and development corporation based on a
15 demonstrated need for housing in those districts.

16 (f) The Hawaii housing finance and development corporation
17 shall provide grants to each county for the construction of new
18 rental housing under the pilot project pursuant to
19 appropriations made for that purpose.



1 (g) The Hawaii housing finance and development corporation
2 shall establish a rent control board comprising five members,
3 which shall review and adjudicate disputes regarding:

4 (1) The applicability of rent control to particular
5 properties;

6 (2) Authorized rent amounts for properties subject to rent
7 control under the pilot project; and

8 (3) Relocation assistance to tenants displaced by the sale
9 of a property that is subject to rent control under
10 the pilot project.

11 (h) In any district court proceeding brought by a tenant
12 with reference to rents that are regulated pursuant to the pilot
13 project, the court may award the tenant reasonable court costs
14 and attorney's fees.

15 (i) The Hawaii housing finance and development corporation
16 shall provide to the legislature an annual report on the status
17 of the pilot project no later than twenty days prior to the
18 convening of each regular session, and a final report not later
19 than twenty days prior to the convening of the 2024 regular
20 session.



1 (j) The pilot project shall cease to exist on December 31,
2 2023.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2017-2018 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2018-2019 for the establishment of a rent-controlled housing
8 pilot project to be administered by the Hawaii housing finance
9 and development corporation.

10 The sums appropriated shall be expended by the Hawaii
11 housing finance and development corporation for the purposes of
12 this Act.

13 SECTION 4. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun before its effective date.

16 SECTION 5. This Act shall take effect upon its approval;
17 provided that section 3 of this Act shall take effect on July 1,
18 2017.

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H.B. NO. 1267

Report Title:

HHFDC; Counties; Rental Housing; Rent Control; Pilot Project; Appropriations

Description:

Requires HHFDC and each county to initiate a rent-controlled housing pilot project for new housing constructed in a total of 5 representative districts and for housing constructed in those districts prior to 1990. Appropriates funds.

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