

JAN 17 2018

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 affordable housing
2 is a serious concern for many Hawaii residents. Average rents
3 in Hawaii increased by forty-five per cent from 2005 to 2012,
4 while average wages increased by twenty-one per cent. This has
5 made it difficult for working families to find housing that is
6 not a cost burden, defined as housing that costs more than
7 thirty per cent of income. Over half of all renter households
8 are cost-burdened in Hawaii, the second highest rate in the
9 country. The lack of initiatives by the State and counties to
10 create affordable housing units has aggravated the problem.

11 The legislature further finds that more housing units must
12 be constructed to meet the growing demand for affordable
13 housing. The legislature also finds that government land is
14 available for housing, but infrastructure is insufficient in
15 many areas, including for transit-oriented development. It is
16 projected that meeting long-term housing goals will require
17 64,000 new housing units by 2025, and of that total, 22,200



1 households of all income levels will require rental units. The
2 legislature notes that Act 127, Session Laws of Hawaii 2016, was
3 enacted with a goal to develop or vest the development of at
4 least 22,500 affordable residential rental units by 2026, and
5 that funding is a key component of meeting these construction
6 goals.

7 The purpose of this Act is to authorize the issuance of
8 general obligation bonds, revenues from which are to be
9 deposited into the dwelling unit revolving fund and rental
10 housing revolving fund, to increase the inventory of affordable
11 housing, especially for low-income individuals and working
12 families.

13 SECTION 2. The director of finance is authorized to issue
14 general obligation bonds in the sum of \$2,000,000,000 or so much
15 thereof as may be necessary and the same sum or so much thereof
16 as may be necessary is appropriated for fiscal year 2018-2019
17 for the purpose of developing affordable housing and to be
18 distributed as follows:

19 (1) Dwelling unit revolving fund \$;

20 and

21 (2) Rental housing revolving fund \$;



S.B. NO. 2026

1 provided that the sum appropriated shall be used for projects or
2 units in projects that are for persons and families with incomes
3 at or below one hundred forty per cent of the area median family
4 income.

5 The sum appropriated shall be expended by the Hawaii
6 housing finance and development corporation for the purposes of
7 this Act.

8 SECTION 3. The appropriation made for the capital
9 improvement project authorized by this Act shall not lapse at
10 the end of the fiscal biennium for which the appropriation is
11 made; provided that all moneys from the appropriation
12 unencumbered as of June 30, 2020, shall lapse as of that date.

13 SECTION 4. This Act shall take effect on July 1, 2018.
14

INTRODUCED BY:

John
Mike Gabbard
Breene Harris
Will Eyo
Samuel



S.B. NO. 2026

Report Title:

Affordable Housing; General Obligation Bonds; Appropriation

Description:

Authorizes the issuance of general obligation bonds to fund the construction of affordable housing development projects.

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