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# 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 the State faces an  
2   unprecedented economic crisis due to the coronavirus disease  
3   2019 (COVID-19) pandemic, which has decimated Hawaii's economy  
4   and caused its gross domestic product to plummet. By some  
5   measures, Hawaii's economy has been hit harder than any other  
6   state in the nation.

7           The legislature also finds that this drastic decline in  
8   economic activity has disproportionately affected the State's  
9   most vulnerable populations. The pandemic forced the shutdown  
10  of many sectors of the State's economy, triggering mass layoffs  
11  and furloughs and causing the State's seasonally adjusted  
12  unemployment to surge from 2.4 per cent in March 2020 to a  
13  historical high of 22.3 per cent in April 2020. Despite efforts  
14  to reopen the economy, Hawaii still had the second-highest  
15  unemployment rate in the nation as of November 2020. With the  
16  COVID-19 pandemic continuing to rage throughout the world, most  
17  countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at  
2 least 2024, the State will continue to feel the economic impacts  
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the  
5 pandemic, renter households in the State already suffered from  
6 deleteriously high housing cost burdens, and that the economic  
7 impacts of the COVID-19 pandemic significantly exacerbated this  
8 situation. Recent data from the university of Hawaii economic  
9 research organization (UHERO) showed that more than eleven  
10 thousand Hawaii tenants have fallen behind on their rent  
11 payments and that forty per cent of rental tenants have lost  
12 their jobs. Modeling from UHERO indicates that up to seventeen  
13 thousand households may face an unsustainable change in their  
14 housing cost burden by the second quarter of 2021, even as the  
15 State's economy slowly recovers. Even in a best-case scenario,  
16 the number of individuals facing homelessness will continue to  
17 rise in the face of the pandemic. UHERO concluded that, from a  
18 policy standpoint, "doing nothing is not a viable option."

19 Accordingly, the legislature finds that it must take  
20 immediate action to mitigate the affordable housing crisis  
21 through legislation.



1           The purpose of this Act is to extend the temporary low-  
2 income housing tax credit program for six years, to December 31,  
3 2027.

4           SECTION 2. Act 129, Session Laws of Hawaii 2016, is  
5 amended by amending section 4 to read as follows:

6           "SECTION 4. This Act, upon its approval, shall take effect  
7 on January 1, 2017, and shall apply to qualified low-income  
8 buildings awarded credits after December 31, 2016; provided that  
9 this Act shall be repealed on December 31, [~~2021~~] 2027, and  
10 section 235-110.8, Hawaii Revised Statutes, shall be reenacted  
11 in the form in which it read on the day prior to the effective  
12 date of this Act."

13           SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15           SECTION 4. This Act shall take effect on July 1, 2050.



S.B. NO. 867  
S.D. 1

**Report Title:**

Hawaii Housing Finance and Development Corporation; Low-income  
Housing Tax Credit Program; Affordable Housing

**Description:**

Extends the low-income housing tax credit program for 6 years to  
12/31/2027. Effective 7/1/2050. (SD1)

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not legislation or evidence of legislative intent.*

