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# SENATE CONCURRENT RESOLUTION

REQUESTING THE UNIVERSITY OF HAWAII TO EXAMINE AND ASSESS THE REASONABLENESS AND FEASIBILITY OF THE CURRENT POLICIES, STANDARDS, RULES, GUIDELINES, AND PROCEDURES GOVERNING THE UNIVERSITY HOUSING PROGRAM.

1 WHEREAS, the University of Hawaii is the only system of  
2 public education in Hawaii that is supported by state funds,  
3 uses public land set aside for university purposes, and is  
4 continually supported by other public resources; and  
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6 WHEREAS, the University of Hawaii at Manoa University  
7 Housing Program offers rental housing to new employees during  
8 their initial years of employment; and  
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10 WHEREAS, the University Housing Program consists of three  
11 housing projects located in Manoa, Oahu Rental Projects, that  
12 are managed by Locations Property Management LLC; and  
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14 WHEREAS, concerns have been raised over the administration  
15 of the Oahu Rental Projects, including its policies on  
16 eligibility criteria, rent, and duration of tenancy, and the  
17 University of Hawaii's enforcement thereof; and  
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19 WHEREAS, according to a report produced by the University  
20 of Hawaii Office of Internal Audit (University Internal Audit)  
21 in November 2019 (2019 Audit Report), and in previous reports  
22 issued in December 2010 and February 2013, the University  
23 Internal Audit identified various issues relating to the  
24 University Housing Program's noncompliance with the policies of  
25 the Board of Regents of the University of Hawaii and the  
26 Internal Revenue Code (IRC), including the program's historical  
27 failure to enforce the maximum term of stay resulting in low  
28 housing turnover; potential violation of section 119(d) of the  
29 IRC by failing to report the difference between the market value



1 rent and the lower rent charged as the tenant-faculty's gross  
2 income and withholding applicable taxes therefrom; and lack of  
3 policies and procedures pertaining to the subleasing of faculty  
4 rental housing; and

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6 WHEREAS, according to the 2019 Audit Report, the Board of  
7 Regents of the University of Hawaii revised its policies  
8 governing the University Housing Assistance Program in  
9 October 2014 to address the issues raised by the University  
10 Internal Audit in 2013 and 2014; and

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12 WHEREAS, Board of Regents Policy 9.209 provides that the  
13 purpose of the Oahu Rental Projects is to serve as temporary  
14 transitional housing for newly recruited university personnel;  
15 and

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17 WHEREAS, according to the 2019 Audit Report, the University  
18 of Hawaii started sending out notices in May 2014 to tenants of  
19 the Oahu Rental Projects who had exceeded the maximum term of  
20 tenancy to vacate their units within one year from the receipt  
21 of the notice, and as of August 2019, the waitlist has decreased  
22 to forty people, compared to one hundred eighty-one people in  
23 January 2013; and

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25 WHEREAS, the one-year period to vacate is too long,  
26 especially considering the fact that as of June 30, 2019,  
27 approximately one third of the Oahu Rental Projects tenants were  
28 still exceeding the maximum term of their tenancy, despite  
29 having forty people on the waitlist; and

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31 WHEREAS, section 6 of article X of the Hawaii State  
32 Constitution, which grants the Board of Regents of the  
33 University of Hawaii exclusive jurisdiction over the internal  
34 structure, management, and operation of the University,  
35 specifically provides that the power of the Legislature to enact  
36 laws of statewide concern shall not be limited and that the  
37 Legislature shall have the exclusive jurisdiction to identify  
38 laws of statewide concern; and

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40 WHEREAS, the University of Hawaii's decision to grant  
41 University rental housing to its faculty results in the long-  
42 term commitment of public resources to the faculty; and



1 WHEREAS, it is a matter of statewide concern to ensure that  
2 public resources expended for the University Housing Program are  
3 properly administered pursuant to reasonable policies,  
4 standards, rules, guidelines, and procedures; now, therefore,  
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6 BE IT RESOLVED by the Senate of the Thirty-first  
7 Legislature of the State of Hawaii, Regular Session of 2021, the  
8 House of Representatives concurring, that the University of  
9 Hawaii, with the oversight of the Chairperson of the Board of  
10 Regents of the University of Hawaii, is requested to examine and  
11 assess the reasonableness and feasibility of the current  
12 policies, standards, rules, guidelines, and procedures governing  
13 the University Housing Program; and  
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15 BE IT FURTHER RESOLVED that the University of Hawaii and  
16 the Chairperson of the Board of Regents of the University of  
17 Hawaii are requested to submit a report of their findings and  
18 recommendations, including any proposed legislation, to the  
19 Legislature no later than twenty days prior to the convening of  
20 the Regular Session of 2022; and  
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22 BE IT FURTHER RESOLVED that the report is requested to  
23 include, at minimum:  
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- 25 (1) A matrix of the properties constituting the Oahu  
26 Rental Projects and information on their tenants,  
27 including:  
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  - 29 (A) Value of each type of unit as assessed by the  
30 City and County of Honolulu Real Property  
31 Assessment Division, appraised market value, tax-  
32 free monthly rent amount, monthly rent amount  
33 charged to tenant-faculty, and taxable gross  
34 income (if any);  
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  - 36 (B) Whether the unit is occupied as of September 1,  
37 2021; and  
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  - 39 (C) Tenant information for each unit, including:  
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    - 41 (i) Priority, rank, status, and faculty  
42 category, e.g., Priority, 1; Rank, 3;



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Status, Tenure-Track Faculty; Faculty  
Category, Researcher;

(ii) Tenancy start date and scheduled end date,  
including information on the number of lease  
extensions and date of notice of termination  
of lease, if issued; and

(iii) Whether the tenant-faculty owns an interest  
in any other residential real property on  
Oahu;

(2) The University of Hawaii's efforts in bringing the  
rents for the Oahu Rental Projects in line with fair  
market rent;

(3) The number of tenants given IRS Form W-2, Wage and Tax  
Statement for taxable benefit under section 119 of the  
IRC;

(4) An assessment of the current policies, standards,  
rules, guidelines, and procedures governing the  
University Housing Program, including the  
reasonableness, necessity, and feasibility of the  
eligibility criteria and maximum duration of tenancy  
permitted. The assessment is requested to include:

(A) The history, background, and reasoning behind the  
University of Hawaii's adoption of the existing  
policies, standards, rules, guidelines, and  
procedures, including when they were adopted,  
whether there have been amendments, and if so,  
the dates of and the reasonings behind the  
amendments;

(B) A detailed analysis on the reasonableness,  
necessity, and feasibility of the eligibility  
criteria for the Oahu Rental Projects, which does  
not preclude its tenants from owning real  
property outside of Oahu;



- 1 (C) The historical assessment of whether the  
2 policies, standards, rules, guidelines, and  
3 procedures are being adhered to by the University  
4 of Hawaii and tenant-faculty, and if not, the  
5 reason for the non-adherence;  
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- 7 (D) A historical assessment of the process and basis  
8 by which the President of the University of  
9 Hawaii approves or denies lease extension  
10 requests beyond the maximum lease term, including  
11 the number of lease extensions granted in the  
12 past ten years, the number of applicants on the  
13 waitlist at the time a lease extension was  
14 granted, the criteria for determining the  
15 priority between lease extension requests and  
16 applicants on the waitlist with newer initial  
17 appointment dates, and a determination of whether  
18 extensions should be given only if there is no  
19 waiting list;  
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- 21 (E) The person responsible for enforcing the  
22 University of Hawaii policies and terms and  
23 conditions of the lease; and  
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- 25 (F) The process by which the University of Hawaii  
26 monitors and verifies the University and the  
27 tenant faculty's compliance with University  
28 policies and the terms and conditions of the  
29 lease;  
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- 31 (5) An assessment of whether extensions of leases beyond  
32 the maximum lease term should be allowed when there  
33 are prospective tenants on the waiting list, and if  
34 so, a proposed policy to set forth such allowance; and  
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- 36 (6) A proposed policy setting forth a reasonable time  
37 period by which tenants must vacate the premises after  
38 exceeding their maximum lease term that is shorter  
39 than one year and compatible with general practices  
40 pertaining to hold-over tenants of fixed-term rental  
41 agreements; and



1 BE IT FURTHER RESOLVED that certified copies of this  
2 Concurrent Resolution be transmitted to the President of the  
3 University of Hawaii System and Chairperson of the Board of  
4 Regents of the University of Hawaii.

