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# SENATE CONCURRENT RESOLUTION

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

1 WHEREAS, the University of Hawaii (University) is the only  
2 system of public education in Hawaii that is supported by state  
3 funds, uses public land set aside for university purposes, and  
4 is continually supported by other public resources; and  
5

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  
9

10 WHEREAS, the University Housing Program consist of three  
11 housing projects located in Manoa (Oahu Rental Projects) that  
12 are managed by Locations Property Management LLC; and  
13

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's enforcement thereof; and  
18

19 WHEREAS, according to a report produced by the University  
20 of Hawai'i Office of Internal Audit (University Internal Audit)  
21 in November 2019 (2019 Audit Report), in similar reports issued  
22 in December 2010 and February 2013, the University Internal  
23 Audit identified various issues relating to the University  
24 Housing Program's noncompliance with the policies of the Board  
25 of Regents (Board Policies) and the Internal Revenue Code (IRC),  
26 including the program's historical failure to enforce the  
27 maximum term of stay resulting in low housing turnover;  
28 potential violation of section 119(d) of the IRC by failing to  
29 report the difference between the market value rent and the  
30 lower rent charged as the tenant-faculty's gross income and



1 withholding applicable taxes therefrom; and lack of policies and  
2 procedures pertaining to the subleasing of faculty rental  
3 housing; and  
4

5 WHEREAS, according to the 2019 Audit Report, the Board of  
6 Regents revised its policies governing the University Housing  
7 Assistance Program in October 2014 to address the issues raised  
8 by the University Internal Audit in 2013 and 2014; and  
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10 WHEREAS, Board of Regents Policy 9.209 provides that the  
11 purpose of the Oahu Rental Projects is to serve as temporary  
12 transitional housing for newly recruited university personnel;  
13 and  
14

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

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

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

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

41 WHEREAS, the Legislature deems that it is a matter of  
42 statewide concern to ensure that public resources expended for



1 the University Housing Program are properly administered  
2 pursuant to reasonable policies, standards, rules, guidelines,  
3 and procedures; now, therefore,  
4

5 BE IT RESOLVED by the Senate of the Thirty-first  
6 Legislature of the State of Hawaii, Regular Session of 2021, the  
7 House of Representatives concurring, that the University of  
8 Hawaii, with the oversight of the Chairperson of the Board of  
9 Regents of the University of Hawaii, is requested to examine and  
10 assess the reasonableness and feasibility of the existing  
11 policies, standards, rules, guidelines, and procedures governing  
12 the University Housing Program; and  
13

14 BE IT FURTHER RESOLVED that the University and the  
15 Chairperson of the Board of Regents of the University are  
16 requested to submit a report of its findings and  
17 recommendations, including any proposed legislation, to the  
18 Legislature no later than twenty days prior to the convening of  
19 the Regular Session of 2022; and  
20

21 BE IT FURTHER RESOLVED that the report is requested to  
22 include, at minimum:  
23

24 (1) A matrix of the properties constituting the Oahu  
25 Rental Projects and information on their tenants,  
26 including:  
27

28 (A) Value of each type of unit as assessed by the  
29 City and County of Honolulu Real Property Tax  
30 Division, appraised market value, tax-free  
31 monthly rent amount, monthly rent amount charged  
32 to tenant-faculty, and taxable gross income (if  
33 any);  
34

35 (B) Whether the unit is occupied as of a May 1, 2021;  
36 and  
37

38 (C) Tenant information for each unit, including:  
39

40 (i) Priority, rank, status, and faculty category  
41 (e.g., Priority, 1; Rank, 3; Status, Tenure-



1 Track Faculty; Faculty Category,  
2 Researcher);

3  
4 (ii) Tenancy start date and scheduled end date,  
5 including information on the number of lease  
6 extensions and date of notice of termination  
7 of lease (if issued); and  
8

9 (iii) Whether the tenant-faculty owns an interest  
10 in any other residential real property in  
11 the State, and if so, the island on which  
12 the residential property is located;  
13

14 (2) The University's efforts in bringing the rents for the  
15 Oahu Rental Projects in line with fair market rent;  
16

17 (3) The number of tenants given IRS Form W-2, Wages and  
18 Tax Statement for taxable benefit under section 119 of  
19 the IRC;  
20

21 (4) An assessment of the policies, standards, rules,  
22 guidelines, and procedures governing the University  
23 Housing Program, including the reasonableness,  
24 necessity, and feasibility of the eligibility criteria  
25 and maximum duration of tenancy permitted. The  
26 assessment is requested to include:  
27

28 (A) The history, background, and reasoning behind the  
29 University's adoption of the existing policies,  
30 standards, rules, guidelines, and procedures,  
31 including when they were adopted, whether there  
32 have been amendments, and if so, the dates of and  
33 the reasonings behind the amendments;  
34

35 (B) A detailed analysis on the reasonableness,  
36 necessity, and feasibility of the eligibility  
37 criteria for the Oahu Rental Projects, which does  
38 not preclude its tenants from owning real  
39 property outside of Oahu;  
40

41 (C) The historical assessment of whether the  
42 policies, standards, rules, guidelines, and



1 procedures are being adhered to by the University  
2 and tenant-faculty, and if not, the reason for  
3 the non-adherence;  
4

5 (D) A historical assessment of the process and basis  
6 by which the President of the University approves  
7 or denies lease extension requests beyond the  
8 maximum lease term, including the number of lease  
9 extensions granted in the past ten years, the  
10 number of applicants on the waitlist at the time,  
11 the criteria for determining the priority between  
12 lease extension requests and applicants on the  
13 waitlist with newer initial appointment dates,  
14 and determination of whether extensions should  
15 only be given if there is no waiting list;  
16

17 (E) The person responsible for enforcing the  
18 University policies and terms and conditions of  
19 the lease; and  
20

21 (F) The process by which the University monitors and  
22 verifies the University and the tenant faculty's  
23 compliance with University policies and the terms  
24 and conditions of the lease;  
25

26 (5) An assessment of whether extensions of leases beyond  
27 the maximum lease term should be allowed when there  
28 are prospective tenants on the waiting list, and if  
29 so, a proposed policy to set forth such requirement;  
30 and  
31

32 (6) A proposed policy setting forth a reasonable time  
33 period by which tenants must vacate the premises after  
34 exceeding their maximum lease term that is shorter  
35 than one year and compatible with general practices  
36 pertaining to hold-over tenants of fixed-term rental  
37 agreements; and  
38

39 BE IT FURTHER RESOLVED that certified copies of this  
40 Concurrent Resolution be transmitted to the President of the  
41 University of Hawaii System and Chairperson of the Board of  
Regents of the University of Hawaii System.

