

MAR 05 2021

SENATE CONCURRENT RESOLUTION

REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO ADOPT
ADMINISTRATIVE RULES TO SET, CHARGE, AND COLLECT FINES ON
VACANT HABITABLE DWELLING UNITS THROUGHOUT THE STATE.

1 WHEREAS, habitable dwelling units that are kept vacant for
2 more than four months a year deprive local businesses from the
3 economic benefits of collateral spending and deprive local and
4 state governments of general excise tax revenue needed to pay
5 for public infrastructure that remains available to the
6 homeowners throughout the year; and

7
8 WHEREAS, Hawaii has been ranked nationally as having the
9 most expensive home rental costs and highest daily vacancy
10 rates, indicating that landlords are keeping rents high and
11 habitable dwelling units empty, which contribute to Hawaii
12 having the highest rates of homelessness; and

13
14 WHEREAS, the Legislature created the Hawaii Community
15 Development Authority with the purpose of revitalizing
16 communities across the State in ways that address the "lack of
17 suitable affordable housing" and other factors contributing to
18 "economic or social liability"; and

19
20 WHEREAS, the Legislature, through section 206E-22(a),
21 Hawaii Revised Statutes, gave the Hawaii Community Development
22 Authority the power to set, charge, and collect reasonable fines
23 of not more than \$500 a day for a violation of any rule adopted
24 by the Hawaii Community Development Authority pursuant to
25 chapter 91, Hawaii Revised Statutes; and

26
27 WHEREAS, an empty-home fine will generate revenue to
28 remediate the social impact of the economic blight caused by the
29 critical mass of vacant habitable dwelling units throughout the
30 State; and



1 WHEREAS, a report published by the University of
2 California, Los Angeles, Luskin School of Public Affairs, for
3 the Honolulu Mayor's Office of Housing, dated July 2020,
4 indicated that the Hawaii Community Development Authority could
5 raise more than \$500,000,000 a year, based on the county-
6 assessed value of residential properties and the number of
7 habitable dwelling units kept vacant more than four months of
8 the year; now, therefore,
9

10 BE IT RESOLVED by the Senate of the Thirty-first
11 Legislature of the State of Hawaii, Regular Session of 2021, the
12 House of Representatives concurring, that the Hawaii Community
13 Development Authority is requested to adopt administrative rules
14 to set, charge, and collect fines on residential property owners
15 who keep habitable dwelling units located within the Authority's
16 jurisdictional boundaries vacant for more than four months of
17 any calendar year; and
18

19 BE IT FURTHER RESOLVED that the Hawaii Community
20 Development Authority is requested to include the following
21 conditions and considerations in the adoption of these rules:
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23 (1) An owner who self-reports by March 15 of the following
24 year shall be fined:
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26 (A) One percent of the county assessed value of the
27 dwelling unit if the dwelling unit was vacant for
28 more than four months but less than six months;
29 and
30

31 (B) Two percent of the county assessed value of the
32 dwelling unit if the dwelling unit was vacant
33 more than six months;
34

35 (2) An owner who does not self-report by March 15 of the
36 following year shall be fined:
37

38 (A) Two percent of the county assessed value of the
39 dwelling unit if the dwelling unit was vacant for
40 more than four months but less than six months;
41 and
42



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(B) Four percent of the county assessed value of the dwelling unit if the dwelling unit was vacant more than six months;

(3) The authority may remit a reward of up to twenty-five percent of collected fines on a single unreported violation to an individual who provides evidence leading to the determination that the habitable dwelling was vacant for more than four months; provided that the person providing the evidence is not the owner, related to the owner, employed by the owner, or employed by a government agency; and

(4) Revenue from collected fines shall be deposited into the Hawaii community development revolving fund to cover the costs of hiring additional enforcement staff or third-party investigators; provided that the remainder of the revenues shall be used to subsidize rental housing assistance provided pursuant to section 8 of the United States Housing Act of 1937, as amended, so that Hawaii residents who cannot otherwise afford to rent a habitable dwelling unit in the existing market can afford to rent a habitable dwelling unit; and

BE IT FURTHER RESOLVED that the Hawaii Community Development Authority is requested to stay the counting of any time period for the four-month threshold as follows:

(1) For a twelve-month period of vacancy following the death of a registered owner;

(2) For a twenty-four month period of vacancy for property undergoing redevelopment or major renovations that make tenancy untenable;

(3) For a twelve-month period of vacancy for an owner residing in a hospital, or a long-term or supportive care facility;

(4) For a six-month period of vacancy following the transfer of property ownership;



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- (5) For a twelve-month period of vacancy for an owner who is required to live elsewhere to satisfy an employment requirement;
- (6) For any period of vacancy in which there is part-time occupancy based on student status;
- (7) For any period of vacancy necessary to comply with a court order or executive order;
- (8) For any period of vacancy during which the owner can demonstrate financial hardship;
- (9) For any period of vacancy during the pendency of a bankruptcy proceeding filed by the owner; and
- (10) For any period of vacancy while the owner is serving in the military and deployed overseas; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Business, Economic Development, and Tourism and the Executive Director of the Hawaii Community Development Authority.

OFFERED BY:

Lana Acasio

