
A BILL FOR AN ACT

RELATING TO A LOCAL HOUSING MARKET.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. This legislature acknowledges that our housing
2 market is distorted by non-resident real estate investment. In
3 response to this market distortion, it recognizes the need for
4 housing that is affordable to Hawaii residents which is tied to
5 local incomes.

6 The purpose of this Act is to create a task force that will
7 make recommendations on policies, strategies, legislation, and
8 actions to promote the development of a local housing market
9 tied to the income of Hawaii residents at various area median
10 income levels.

11 SECTION 2. Definitions. For the purpose of this Act:

12 "Area median income" means the most current median family
13 income for an area as estimated and adjusted for family size by
14 the United States Department of Housing and Urban Development.

15 SECTION 3. (a) There is established for administrative
16 purposes within the department of business, economic



1 development, and tourism a task force on creating a local
2 housing market.

3 (b) The task force is established for the purpose of
4 providing guidance to the legislature regarding the bifurcation
5 of the housing market in the State of Hawaii. It shall craft
6 policy and legislation relevant to both the state and counties
7 with the objective of creating a local housing market that is
8 not subject to global impacts as it is currently. The policies
9 will build a new housing market that is restricted to owner
10 residents who pay State income tax and is tied to local income
11 levels.

12 (c) The task force shall serve until January 2, 2023;
13 provided that the members of the task force may represent
14 themselves as task force members after January 2, 2023, when
15 testifying or commenting on actions or recommendations of the
16 task force.

17 (d) The task force shall submit a report to the
18 legislature no later than twenty days prior to the convening of
19 the regular session of 2023. The report shall contain the task
20 force's recommendations on policies, strategies, and actions to
21 be taken by the state and county to support the development of a



1 local housing market that is tied to area median income. The
2 report shall also include draft legislation for the development
3 of a local housing market.

4 (e) The task force report shall include the following
5 topics and issues with recommended solutions:

6 (1) The effect of restricting all housing developed for
7 sale at a specific percentage of area median income level to
8 remain at that percentage in perpetuity. With the deed
9 restrictions reflecting the area median income it was initially
10 offered at.

11 (2) Ways to implement transaction fees, property taxes,
12 impact fees, or other methods on the county level to generate
13 housing development funds. With provisions that would give
14 income tax credits to offset these fees/taxes for filers of
15 State tax returns, thereby shifting the financial burden off
16 residents.

17 (3) Identify areas, or housing projects, in each county to
18 begin the development of a local housing market by implementing
19 the findings of this task force.



1 (4) The type and method of homeowner education in financial
2 stewardship and budgeting that will give homeowners in the local
3 housing market the knowledge to grow in financial strength.

4 SECTION 4. Task force membership. (a) The task force
5 shall be composed of the following members:

6 (1) One member of the house of representatives, to be
7 appointed by the speaker of the house of
8 representatives;

9 (2) One members of the senate, to be appointed by the
10 president of the senate;

11 (3) A representative from each county, to be appointed by
12 the mayor of the respective county;

13 (4) The executive director of the Hawaii housing finance
14 and development corporation, or their designee;

15 (5) The executive director of the Hawaii community
16 development authority, or their designee;

17 (6) The executive director of the Hawaii public housing
18 authority or their designee;

19 (7) One member of the public to represent non-profit
20 developers with experience in affordable housing



1 development, to be appointed by the speaker of the
2 house of representatives;

3 (8) One member of the public to represent for-profit
4 developers with experience in affordable housing
5 development, to be appointed by the president of the
6 senate; and

7 (9) One of the co-chairs of the Hawaii interagency council
8 for transit-oriented development or their designee;

9 (b) The task force shall be co-chaired by the member of
10 the senate and the member of the house of representatives
11 appointed pursuant to subsection (a) (1) and (2).

12 (c) The task force co-chairs shall invite a representative
13 of the United States Department of Housing and Urban Development
14 to serve as a member of the task force.

15 (d) Members of the task force who are public officers or
16 employees shall receive no additional compensation for service
17 on the task force beyond their normal compensation but shall be
18 reimbursed for expenses necessarily incurred for service on the
19 task force. No member of the task force shall be made subject
20 to chapter 84, Hawaii Revised Statutes, solely because of that
21 member's participation on the task force.



1 SECTION 5. Appropriation. There is appropriated out of
2 the general revenues of the State of Hawaii the sum of \$
3 or so much thereof as may be necessary for fiscal year 2022-2023
4 for administration and operation of the task force on creating a
5 local housing market.

6 The sum appropriated shall be expended by the department of
7 business, economic development, and tourism for the purposes of
8 this Act.

9 SECTION 6. This Act shall take effect upon its approval;
10 provided that section 5 shall take effect on July 1, 2022.

11

INTRODUCED BY:

Val Obek

JAN 21 2022



H.B. NO. 1922

Report Title:

Task Force; Creation of Local Housing Market; Appropriation

Description:

Establishes a temporary task force focused on providing mechanisms for creating a local housing market. Makes an appropriation.

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