
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 PART I

2 SECTION 1. The legislature finds that the biggest expense
3 for any individual or family is the cost of housing or shelter.
4 Within the last decade, it has become increasingly difficult for
5 individuals and families to save for a down payment on a home or
6 pay their mortgage or rent. In 2021, housing markets saw a
7 fifteen per cent increase in the cost of single-family homes and
8 a thirteen per cent increase in the cost of condominiums
9 compared to 2020. The cost of housing in Hawaii has rapidly
10 increased, effectively pricing out local renters and homeowners.
11 Current real estate trends show there is a need to provide more
12 affordable housing.

13 The legislature further finds that the rising cost of
14 housing in the State may disproportionately affect vulnerable
15 populations, including the elderly, persons who are homeless, or
16 those struggling to find affordable housing. Vulnerable
17 populations may have fixed incomes or experience continually



1 rising rents that become unaffordable. Safe, affordable housing
2 not only allows individuals and families to live and thrive in
3 Hawaii, it also prevents many individuals and families from
4 experiencing homelessness.

5 The legislature finds that Act 127, Session Laws of Hawaii
6 2016, established a goal of developing twenty-two thousand five
7 hundred affordable rental units statewide to be ready for
8 occupancy by December 31, 2026, and created a special action
9 team on affordable rental housing, led by the director of the
10 office of planning, to recommend actions to achieve this goal.

11 In July 2018, the special action team published its
12 "Affordable Rental Housing Report and Ten-Year Plan", which
13 identified state, county, and private lands suitable for rental
14 housing that is affordable for low- and moderate-income
15 families, and categorized them into three tiers of suitability
16 and readiness for development.

17 The purpose of this part is to:

18 (1) Require the Hawaii housing finance and development
19 corporation, with the assistance of the governor's
20 coordinator on homelessness, to:



1 (A) Determine whether any of the lands identified in
2 the Affordable Rental Housing Report and Ten-Year
3 Plan are suitable for the development of
4 temporary housing for the ohana zones pilot
5 program or other forms of affordable housing; and

6 (B) Provide recommendations on the actions required
7 to develop the lands into temporary housing for
8 the ohana zones pilot program or other forms of
9 affordable housing; and

10 (2) Appropriate general funds into the rental housing
11 revolving fund and an amount out of the revolving fund
12 to be used for projects in each county.

13 SECTION 2. (a) The Hawaii housing finance and development
14 corporation, with the assistance of the governor's coordinator
15 on homelessness, shall:

16 (1) Review the Affordable Rental Housing Report and
17 Ten-Year Plan issued by the special action team on
18 affordable rental housing in July 2018;

19 (2) Determine whether any of the lands identified in the
20 Affordable Rental Housing Report and Ten-Year Plan
21 report are suitable for development of temporary



1 housing for the ohana zones pilot program or other
2 forms of affordable housing; and

3 (3) Determine the actions required to develop the lands
4 into temporary housing for the ohana zones pilot
5 program or other forms of affordable housing.

6 (b) The Hawaii housing finance and development corporation
7 shall submit a report of its findings and recommendations,
8 including any proposed legislation, to the legislature no later
9 than twenty days prior to the convening of the regular session
10 of 2023.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2022-2023 to be
14 deposited into the rental housing revolving fund established
15 pursuant to section 201H-202, Hawaii Revised Statutes.

16 SECTION 4. There is appropriated out of the rental housing
17 revolving fund established pursuant to section 201H-202, Hawaii
18 Revised Statutes, the sum of \$ or so much thereof as
19 may be necessary for fiscal year 2022-2023 for the purposes for
20 which the revolving fund was established.



1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this part.

4 PART II

5 SECTION 5. (a) The Hawaii housing finance and development
6 corporation shall establish a five-year dwelling unit revolving
7 fund equity pilot program to address the high, unmet demand of
8 for-sale units by Hawaii residents, specifically those residents
9 earning more than eighty per cent and up to one hundred twenty
10 per cent of the area median income.

11 (b) The Hawaii housing finance and development corporation
12 shall purchase equity in for-sale housing development projects;
13 provided that this equity shall be allocated to specific units
14 within the housing development projects and the price to be paid
15 by each eligible buyer of a unit shall be reduced by the Hawaii
16 housing finance and development corporation's equity amount for
17 that unit.

18 (c) If a buyer sells the buyer's unit within thirty years
19 of the date of the buyer's purchase of the unit, then at the
20 time of the sale, the buyer shall repay to the Hawaii housing
21 finance and development corporation the corporation's



1 appreciated equity value; provided that if the buyer does not
2 sell the unit within thirty years of the date of the buyer's
3 purchase of the unit, then before the expiration of this
4 thirty-year period, the buyer shall repay to the Hawaii housing
5 finance and development corporation the corporation's
6 appreciated equity value; provided further that this requirement
7 shall run with the deed for each unit until the obligation to
8 repay the appreciated equity value has been satisfied.

9 (d) The Hawaii housing finance and development corporation
10 shall establish rules pursuant to chapter 91, Hawaii Revised
11 Statutes, to effectuate the purpose of this section, including
12 rules establishing the methods by which appreciated equity
13 values shall be calculated, assessed, and satisfied.

14 (e) The Hawaii housing finance and development corporation
15 shall submit interim reports on the dwelling unit revolving fund
16 equity pilot program to the legislature no later than twenty
17 days prior to the convening of the regular sessions of 2023,
18 2024, 2025, 2026, and 2027. The Hawaii housing finance and
19 development corporation shall submit a final report on the
20 dwelling unit revolving fund equity pilot program to the



1 legislature no later than twenty days prior to the convening of
2 the regular session of 2028.

3 (f) As used in this section:

4 "Housing development project" means a plan, design, or
5 undertaking by the Hawaii housing finance and development
6 corporation or an eligible developer for the development of
7 units. "Housing development project" includes all real and
8 personal property, buildings and improvements, commercial space,
9 lands for farming and gardening, community facilities acquired
10 or constructed or to be acquired or constructed, and all
11 tangible or intangible assets held or used in connection with
12 the housing development project.

13 "Unit" means:

14 (1) The structure and land upon which the structure is
15 constructed, whether on fee simple or leasehold
16 property, developed for residential purposes pursuant
17 to chapter 201H, Hawaii Revised Statutes; or

18 (2) Improved or unimproved real property that is developed
19 for residential purposes pursuant to chapter 201H,
20 Hawaii Revised Statutes.

21 "Unit" includes dwelling units.



1 SECTION 6. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2022-2023 to be
4 deposited into the dwelling unit revolving fund.

5 SECTION 7. There is appropriated out of the dwelling unit
6 revolving fund the sum of \$ or so much thereof as may
7 be necessary for fiscal year 2022-2023 for the dwelling unit
8 revolving fund equity pilot program established pursuant to this
9 part.

10 The sum appropriated shall be expended by the Hawaii
11 housing finance and development corporation for the purposes of
12 this part.

13 PART III

14 SECTION 8. This Act shall take effect on July 1, 2050.



Report Title:

HHFDC; Affordable Housing; Governor's Coordinator on Homelessness; Dwelling Unit Revolving Fund Equity Pilot Program; Appropriation

Description:

Requires the HHFDC, with the assistance of the governor's coordinator on homelessness, to review the Affordable Rental Housing Report and Ten-Year Plan; determine whether any of the lands in the report are suitable for development of temporary housing for the ohana zones pilot program or other affordable housing; and determine the actions required to develop the lands accordingly. Requires HHFDC to submit a report to the legislature before the 2023 regular session. Requires HHFDC to establish a five-year dwelling unit revolving fund equity pilot program. Appropriates funds. Effective 7/1/2050. (HD2)

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