

JAN 21 2022

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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1           SECTION 1. The legislature finds that the State faces an  
2           unprecedented economic crisis due to the coronavirus disease  
3           2019 (COVID-19) pandemic, which has decimated Hawai'i's economy  
4           and caused its gross domestic product to plummet. By some  
5           measures, Hawai'i's economy has been hit harder than any other  
6           state in the nation.

7           The legislature also finds that this drastic decline in  
8           economic activity has disproportionately affected the State's  
9           most vulnerable populations. The pandemic forced the shutdown  
10          of many sectors of the State's economy, triggering mass layoffs  
11          and furloughs and causing the State's seasonally adjusted  
12          unemployment to surge from 2.4 per cent in March 2020 to a  
13          historical high of 22.3 per cent in April 2020. Despite efforts  
14          to reopen the economy, Hawai'i had the sixth-highest unemployment  
15          rate in the nation as of November 2021. With the COVID-19  
16          pandemic continuing to rage throughout the world, most countries  
17          experiencing recession, and visitor arrivals to the State not



1 expected to recover to pre-pandemic levels until at least 2024,  
2 the State will continue to feel the economic impacts of the  
3 pandemic for many years to come.

4 The legislature further finds that, even before the  
5 pandemic, renter households in the State already suffered from  
6 deleteriously high housing cost burdens, and that the economic  
7 impacts of the COVID-19 pandemic significantly exacerbated this  
8 situation. Recent data from the University of Hawai'i economic  
9 research organization showed that more than eleven thousand  
10 Hawai'i tenants have fallen behind on their rent payments and  
11 that forty per cent of rental tenants have lost their jobs.  
12 Modeling from the University of Hawai'i economic research  
13 organization indicates that up to seventeen thousand households  
14 may face an unsustainable change in their housing cost burden,  
15 even as the State's economy slowly recovers. Even in a best-  
16 case scenario, the number of individuals facing homelessness  
17 will continue to rise in the face of the pandemic. The  
18 University of Hawai'i economic research organization concluded  
19 that, from a policy standpoint, "doing nothing is not a viable  
20 option".



1           The purpose of this Act is to take immediate action to  
 2 mitigate the affordable housing crisis by extending the  
 3 temporary low-income housing tax credit program for six years,  
 4 to December 31, 2027.

5           SECTION 2. Act 129, Session Laws of Hawaii 2016, is  
 6 amended by amending section 4 to read as follows:

7           "SECTION 4. This Act, upon its approval, shall take effect  
 8 on January 1, 2017, and shall apply to qualified low-income  
 9 buildings awarded credits after December 31, 2016; provided that  
 10 this Act shall be repealed on December 31, [~~2021~~] 2027, and  
 11 section 235-110.8, Hawaii Revised Statutes, shall be reenacted  
 12 in the form in which it read on the day prior to the effective  
 13 date of this Act."

14           SECTION 3. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16           SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: DK



# S.B. NO. 2904

**Report Title:**

Hawaii Housing Finance and Development Corporation; Low-Income Housing Tax Credit Program; Affordable Housing

**Description:**

Extends the low-income housing tax credit program for six years to 12/31/2027.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

