

JAN 26 2022

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# A BILL FOR AN ACT

RELATING TO RENTAL HOUSING.

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

1           SECTION 1. The legislature finds that Hawaii's lack of  
2 rental unit supply leads to higher rents for households of all  
3 income levels, leaving all tenants with less disposable income,  
4 increasing the personal stress of tenants, reducing tenant  
5 quality of life, and exacerbating the population overcrowding  
6 and homelessness problems. Without sufficient affordable rental  
7 housing, the future social, community, and economic consequences  
8 for Hawaii may be dire. The need for affordable rental units is  
9 particularly acute for households with low incomes.

10 Approximately ninety-three to ninety-five per cent of rental  
11 unit tenants have a household income of less than one hundred  
12 forty per cent of the median Hawaii income.

13           The legislature further finds that, although many reasons  
14 contribute to the lack of affordable rental units for low- and  
15 moderate-income households, the primary reason is a poor rate of  
16 return for investments in affordable rental housing projects.  
17 Notably, government regulations that restrict affordable housing



1 development and lengthen the time tenants qualify for affordable  
2 rental housing also contribute to the lack of affordable rental  
3 housing. Given these barriers, the lack of affordable rental  
4 housing requires the concentrated attention of state government  
5 at the highest level.

6 The legislature further finds that Act 127, Session Laws of  
7 Hawaii 2016 (Act 127), established an affordable rental housing  
8 goal to be met by 2026. To assist in the State's efforts to  
9 reach that goal, Act 127 also established the affordable rental  
10 housing special action team, which was directed to issue reports  
11 in 2017, 2018, and 2019 and develop a ten-year plan, which was  
12 presented to the Governor in 2018. However, the affordable  
13 rental housing special action team ceased to exist in 2019 and  
14 there have been no updates to the State's ten-year plan since it  
15 was completed in 2018.

16 Accordingly, the purpose of this Act is to re-establish the  
17 affordable rental housing special action team to issue  
18 additional reports in 2023, 2024, and 2025 and produce updates  
19 to the State's ten-year plan.

20 SECTION 2. Special action team on affordable rental  
21 housing; establishment, purpose, termination. (a) There is



1 established for administrative purposes within the office of  
2 planning and sustainable development a temporary special action  
3 team on affordable rental housing.

4 (b) The special action team is established for the special  
5 purpose of recommending actions to increase the supply of rental  
6 housing, particularly rental housing affordable to low- and  
7 moderate-income families.

8 (c) The special action team shall terminate on  
9 December 31, 2025; provided that the chair and members of the  
10 special action team may represent themselves as the chair or a  
11 member after December 31, 2025, when testifying or commenting on  
12 actions or recommendations of the team.

13 SECTION 3. Membership. (a) The special action team shall  
14 be composed of the following members:

15 (1) The director of the office of planning and sustainable  
16 development, who shall serve as chair;

17 (2) The executive director of the Hawaii housing finance  
18 and development corporation;

19 (3) A member of the house of representatives, to be  
20 appointed by the speaker of the house of  
21 representatives;



- 1           (4) A member of the senate, to be appointed by the  
2                    president of the senate;
- 3           (5) A representative from each county, to be appointed by  
4                    the mayor of the respective county;
- 5           (6) A member of the public to represent affordable housing  
6                    advocacy groups, to be appointed by the governor;
- 7           (7) A member of the public to represent non-profit  
8                    developers with expertise in housing development, to  
9                    be appointed by the governor; and
- 10          (8) A member of the public to represent for-profit  
11                    developers with expertise in housing development, to  
12                    be appointed by the governor.
- 13          (b) A special action team member may designate another  
14 officer or employee of the member's department or agency or  
15 member's representative group to attend one or more meetings in  
16 place of the member. The special action team member shall make  
17 the designation in writing and submit it to the special action  
18 team chair before the meeting that the designee is to attend.  
19 The designation may apply to more than one meeting or the entire  
20 term of the special action team. The designation may be



1 withdrawn at any time by written notice to the special action  
2 team chair.

3 A designee of a special action team member shall have all  
4 rights and privileges of the member while serving as a designee.

5 (c) The special action team shall regularly hold public  
6 meetings without regard to chapter 92, Hawaii Revised Statutes.

7 (d) Members of the special action team shall receive no  
8 additional compensation for service on the team beyond their  
9 normal compensation.

10 Members shall be reimbursed for expenses necessarily  
11 incurred for service on the team.

12 (e) The special action team may elect officers from among  
13 its members.

14 SECTION 4. Duties. (a) The special action team shall  
15 recommend to the governor, legislature, and other parties,  
16 actions to be taken to achieve the affordable rental housing  
17 goal set forth in section 3 of Act 127, Session Laws of Hawaii  
18 2016.

19 (b) To comply with subsection (a), the special action team  
20 shall recommend short- and long-term actions to:



- 1           (1) Increase the supply of rental housing affordable for  
2                   low- and moderate-income families;
- 3           (2) Increase the supply of rental housing for the  
4                   remainder of the resident population;
- 5           (3) Target rental housing development in transit-oriented  
6                   development areas as a top priority;
- 7           (4) Preserve the existing rental housing stock;
- 8           (5) Enhance the attractiveness of and market for rental  
9                   housing relative to fee simple housing; and
- 10          (6) Mitigate community concerns over the development of  
11                   nearby rental housing projects, particularly  
12                   affordable public or private rental housing projects  
13                   for low-income families and individuals.
- 14          (c) The special action team shall also establish  
15 performance measures and timelines for the development of  
16 affordable rental housing units for the following:
- 17          (1) Families with not more than thirty per cent of the  
18                   area median income;
- 19          (2) Families with more than thirty per cent, but not more  
20                   than fifty per cent, of the area median income;



- 1           (3) Families with more than fifty percent, but not more  
2           than sixty per cent, of the area median income;
- 3           (4) Families with more than sixty per cent, but not more  
4           than eighty per cent, of the area median income;
- 5           (5) Families with more than eighty per cent, but not more  
6           than one hundred per cent, of the area median income;
- 7           (6) Families with more than one hundred per cent, but not  
8           more than one hundred twenty per cent, of the area  
9           median income; and
- 10          (7) Families with more than one hundred twenty per cent,  
11          but not more than one hundred forty per cent, of the  
12          area median income.

13          The special action team shall also recommend the agency  
14          that should monitor and periodically report on the achievement  
15          of the performance measures and compliance with the timelines.

16          (d) The special action team shall also address and make  
17          recommendations to reconcile the public interests that may  
18          compete against and restrict the development of rental housing.  
19          The competing public interests shall include the following:



- 1           (1) Regulatory burden associated with developing,  
2                    managing, and operating subsidized affordable housing  
3                    projects;
- 4           (2) Preservation of the environment;
- 5           (3) Protection of the quality of life of the surrounding  
6                    communities;
- 7           (4) Devotion of scarce public resources for mixed-use  
8                    projects that include fee simple, market-priced  
9                    housing;
- 10          (5) Reluctance to use more public lands for affordable  
11                rental housing development; and
- 12          (6) Preference of most persons for low-density dwelling  
13                units.
- 14          (e) The special action team shall also update the State's  
15          ten-year plan that was developed pursuant to Act 127, Session  
16          Laws of Hawaii 2016. The updated ten-year plan shall be  
17          incorporated into the state housing plan. In identifying  
18          parcels of land, the special action team shall consider:
  - 19                (1) The estimated number of affordable housing units the  
20                    parcel of land can sustain;



1           (2) What infrastructure challenges there are in developing  
2           affordable housing units on the parcel of land; and

3           (3) The estimated cost to develop affordable housing units  
4           and address the infrastructure challenges on the  
5           parcel of land.

6           (f) In the performance of its duties, the special action  
7 team shall periodically consult with the Hawaii interagency  
8 council on homelessness.

9           SECTION 5. Annual reports. The special action team shall  
10 submit reports to the legislature of its findings,  
11 recommendations, and progress toward the ten-year plan no later  
12 than twenty days prior to the convening of the regular sessions  
13 of 2023, 2024, and 2025.

14           SECTION 6. Update to the Hawaii state planning act. The  
15 special action team shall submit legislation proposing an update  
16 to the Hawaii State Planning Act to include the state housing  
17 plan no later than twenty days prior to the convening of the  
18 regular session of 2023, in accordance with this Act.

19           SECTION 7. Appropriation. (a) There is appropriated out  
20 of the general revenues of the State of Hawaii the sum of  
21 \$                   or so much thereof as may be necessary for fiscal



1 year 2022-2023 for the administration and operation of the  
2 special action team on rental housing, including the  
3 establishment and filling of one full-time equivalent (1.0 FTE)  
4 temporary planner position, which shall be exempt from chapter  
5 76, Hawaii Revised Statutes, and to propose an update to the  
6 Hawaii State Planning Act to include the state housing plan, in  
7 accordance with this Act.

8 The sum appropriated shall be expended by the office of  
9 planning and sustainable development for the purposes of this  
10 Act.

11 (b) In addition to the appropriation under subsection (a),  
12 the office of planning and sustainable development may use other  
13 moneys appropriated to it relating to the purposes of this Act.

14 SECTION 8. This Act shall take effect upon its approval;  
15 provided that section 7 shall take effect on July 1, 2022.

16

INTRODUCED BY: 



# S.B. NO. 3167

**Report Title:**

Special Action Team on Rental Housing; Appropriation

**Description:**

Re-establishes a special action team on rental housing to issue reports on the affordable rental housing goals set forth in Act 127, Session Laws of Hawaii 2016. Appropriates funds.

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

