
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 Hawaii's shortage of
2 affordable housing continues to be one of the State's most
3 challenging social problems. A persistently low inventory of
4 housing stock has created a market where local residents have
5 consistently been priced out of rentals and unable to attain
6 homeownership.

7 The legislature further finds that one way to facilitate
8 the growth of the State's inventory of affordable housing units
9 is to promote the adaptive reuse of existing, underutilized
10 buildings for housing purposes. Adaptive reuse has been
11 successfully employed in many jurisdictions, including the
12 District of Columbia, New York, and Pittsburgh, to quickly and
13 sustainably repurpose existing structures to serve the evolving
14 needs of communities.

15 One opportunity to increase the State's stock of affordable
16 housing is through the acquisition of the Bethel Block, which
17 consists of three buildings located between Bethel Street,



1 Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu.
2 These buildings include the Ohia Building, also known as the
3 Bethel Building; Blaisdell Building; and Whitlow Building.

4 The purchase of these three buildings by the Hawaii housing
5 finance and development corporation would increase the
6 corporation's inventory of affordable housing units at a time
7 when the State needs affordable rental units more than ever.
8 The purchase would also ensure that the housing units remain
9 affordable in perpetuity.

10 The legislature finds that the State must examine all
11 opportunities to invest in the creation and preservation of
12 affordable housing, especially in urban centers. The
13 legislature further finds that the acquisition of the Ohia
14 Building, Blaisdell Building, and Whitlow Building for
15 affordable housing purposes represents an exceptional
16 opportunity to create a large number of long-term, affordable
17 rental housing units in the heart of Honolulu's urban core.

18 Accordingly, the purpose of this Act is to appropriate
19 funds to the Hawaii housing finance and development corporation
20 to acquire real property, including buildings, structures, and



1 fixtures, located on the Bethel Block in Honolulu, Oahu, for
2 affordable housing purposes.

3 SECTION 2. (a) The Hawaii housing finance and development
4 corporation may acquire parcels located on the block between
5 Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane,
6 including the following parcels identified by tax map key (TMK)
7 number:

- 8 (1) TMK (1)2-1-003:008;
- 9 (2) TMK (1)2-1-003:009; and
- 10 (3) TMK (1)2-1-003:010.

11 The purchase of the parcels shall include any buildings,
12 structures, and fixtures on those parcels. Following the
13 acquisition, the Hawaii housing finance and development
14 corporation may plan, design, and construct any improvements
15 necessary to use the parcels for affordable housing purposes.

16 (b) All housing units created or preserved on the parcels
17 purchased pursuant to subsection (a) shall be offered for rent
18 at rates that are affordable to households having an income that
19 does not exceed per cent of the area median income as
20 determined by the United States Department of Housing and Urban
21 Development; provided that the project shall target households



1 having an income that does not exceed sixty per cent of the area
2 median income. The affordability restrictions shall apply in
3 perpetuity.

4 (c) Contracts awarded pursuant to this Act shall use the
5 competitive sealed proposal method of procurement pursuant to
6 section 103D-303, Hawaii Revised Statutes.

7 SECTION 3. In accordance with section 9 of article VII, of
8 the Constitution of the State of Hawaii and sections 37-91 and
9 37-93, Hawaii Revised Statutes, the legislature has determined
10 that the appropriation contained in this Act will cause the
11 state general fund expenditure ceiling for fiscal year 2024-2025
12 to be exceeded by \$, or per cent. The reasons
13 for exceeding the general fund expenditure ceiling are that the
14 appropriation made in this Act is necessary to serve the public
15 interest and to meet the needs provided for by this Act.

16 SECTION 4. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2024-2025 for
19 the Hawaii housing finance and development corporation to:

20 (1) Acquire the parcels identified in section 2 of this
21 Act; and



1 (2) Plan, design, and construct any improvements necessary
2 to use the parcels for affordable housing purposes.

3 The sum appropriated shall be expended by the Hawaii
4 housing finance and development corporation for the purposes of
5 this Act.

6 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

HHFDC; Affordable Housing; Long-Term Rental Units; Bethel Street; Acquisition; Appropriation; Expenditure Ceiling

Description:

Appropriates funds to the Hawaii Housing Finance and Development Corporation to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu, for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed a percentage of the area median income. Effective 7/1/3000. (SD1)

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

