A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. The legislature finds that Hawaii's shortage of
 affordable housing continues to be one of the State's most
 challenging social problems. A persistently low inventory of
 housing stock has created a market where local residents have
 consistently been priced out of rentals and unable to attain
 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 New York; Washington, D.C.; and Pittsburgh; to quickly and sustainably 12 13 repurpose existing structures to serve the evolving needs of 14 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,



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Pauahi Street, Fort Street, and Chaplain Lane. These buildings
 include the Ohia Building, also known as the Bethel Building;
 Blaisdell Building; and Whitlow Building.

The purchase of these three buildings by the Hawaii public
housing authority would increase the authority's inventory of
affordable housing units at a time when the State needs
affordable rental units more than ever. The purchase would also
ensure that the housing units remain affordable in perpetuity.

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

Accordingly, the purpose of this Act is to appropriate moneys to the Hawaii public housing authority to acquire real property, including buildings, structures, and fixtures, located on the Bethel Block for affordable housing purposes.



1 SECTION 2. (a) The Hawaii public housing authority may 2 acquire parcels located on the block between Bethel Street, 3 Pauahi Street, Fort Street, and Chaplain Lane, including the 4 following parcels identified by tax map key (TMK) number: 5 (1)TMK (1)2-1-3-8; 6 (2) TMK (1)2-1-3-9; and 7 (3) TMK (1)2-1-3-10. 8 The purchase of the parcels shall include any buildings, 9 structures, and fixtures on those parcels. Following the 10 acquisition, the authority may plan, design, and construct any 11 improvements necessary to use the parcels for affordable housing 12 purposes. 13 (b) All housing units created or preserved on the parcels 14 purchased pursuant to subsection (a) shall be offered for rent at rates that are affordable to households having an income that 15 16 does not exceed per cent of the area median income as 17 determined by the United States Department of Housing and Urban 18 Development; provided that the project shall target households 19 having an income that does not exceed sixty per cent of the area 20 median income. The affordability restrictions shall apply in 21 perpetuity.



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(c) Notwithstanding section 103D-302(h), Hawaii Revised
 Statutes, or any other law to the contrary, contracts awarded
 pursuant to this Act shall be exempt from any law requiring a
 contract to be awarded to the lowest bidder.

5 SECTION 3. In accordance with section 9 of article VII, of 6 the Constitution of the State of Hawaii and sections 37-91 and 7 37-93, Hawaii Revised Statutes, the legislature has determined 8 that the appropriation contained in this Act will cause the 9 state general fund expenditure ceiling for fiscal year 2024-2025 10 to be exceeded by \$, or per cent. The 11 reasons for exceeding the general fund expenditure ceiling are 12 that the appropriation made in this Act is necessary to serve 13 the public interest and to meet the needs provided for by this 14 Act.

15 SECTION 4. There is appropriated out of the general 16 revenues of the State of Hawaii the sum of \$30,000,000 or so 17 much thereof as may be necessary for fiscal year 2024-2025 for 18 the Hawaii public housing authority to:

19 (1) Acquire the parcels identified in section 2 of this20 Act; and

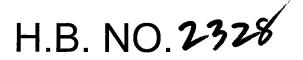


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5	SECTION 5. This Act shall take effect on July 1, 2024.
4	housing authority for the purposes of this Act.
3	The sum appropriated shall be expended by the Hawaii public
2	to use the parcels for affordable housing purposes.
1	(2) Plan, design, and construct any improvements necessary

INTRODUCED BY:

JAN 2 2 2024





Report Title:

Affordable Housing; Long-Term Rental Units; Bethel Street; Acquisition; Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Appropriates moneys to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed an unspecified percentage of the area median income, as determined by the United States Department of Housing and Urban Development, in perpetuity. Exempts contracts from low-bid requirements. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

