
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the State is facing
2 an affordable housing crisis. Although significant efforts have
3 been made to facilitate the production of more housing and
4 remove barriers to the development of affordable housing, these
5 developments have had the unintended consequence of displacing
6 and dislocating the tenants who were living in rental housing
7 marked for redevelopment.

8 The legislature further finds that displacement, whether
9 due to redevelopment, rising rents, or other factors, has
10 profound impacts on individuals, families, and communities.
11 Tenants forced out of their housing due to redevelopment face
12 the loss of social networks and economic stability in addition
13 to their loss of housing. These disruptions are most keenly
14 felt by vulnerable populations, who face the loss of critical
15 support systems that buffer the effects of economic and social
16 disadvantage.



1 The legislature additionally finds that residential
2 instability caused by displacement is linked to numerous
3 negative health and social outcomes, particularly for children
4 and youth. Studies show that frequent moves are correlated with
5 decreased academic performance, increased drug and alcohol use,
6 behavioral issues, and diminished health outcome. In addition
7 to harming the individual, these outcomes also erode social
8 support networks and communities, making it harder for families
9 to thrive and neighborhoods to remain resilient. Communities
10 that are able to maintain long-term stability provide vital
11 connections to resources, support systems, a sense of belonging,
12 and access to upward mobility.

13 The legislature believes that while the State must continue
14 to prioritize the production of affordable housing, it is
15 equally important to ensure that these developments do not
16 result in the unnecessary displacement of the communities meant
17 to benefit from the creation of additional affordable housing.

18 Accordingly, the purpose of this Act is to require
19 developers developing affordable housing projects under the
20 Hawaii housing development and finance corporation completed



1 with state or federal funds that result in the eviction or
2 displacement of tenants in existing rental properties to:

3 (1) Grant certain persons displaced or evicted by the
4 proposed affordable housing project the right of first
5 refusal of a comparable unit in the housing project at
6 an affordable rate or establish a fund to provide
7 relocation benefits and offer assistance to the
8 tenants;

9 (2) Provide information, either directly or through a
10 contracted service, on how to obtain assistance and
11 exercise the right of first refusal; and

12 (3) Establish procedures to maintain communication with
13 displaced and evicted tenants.

14 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) The corporation may develop on behalf of the State or
17 with an eligible developer, or may assist under a government
18 assistance program in the development of, housing projects that
19 shall be exempt from all statutes, charter provisions,
20 ordinances, and rules of any government agency relating to
21 planning, zoning, construction standards for subdivisions,



1 development and improvement of land, and the construction of
2 dwelling units thereon; provided that either:

3 (1) The housing projects meet the following conditions:

4 (A) The corporation finds the housing project is
5 consistent with the purpose and intent of this
6 chapter, and meets minimum requirements of health
7 and safety;

8 (B) The development of the proposed housing project
9 does not contravene any safety standards,
10 tariffs, or rates and fees approved by the public
11 utilities commission for public utilities or of
12 the various boards of water supply authorized
13 under chapter 54;

14 (C) The legislative body of the county in which the
15 housing project is to be situated has approved
16 the project with or without modifications:

17 (i) The legislative body shall approve, approve
18 with modification, or disapprove the project
19 by resolution within forty-five days after
20 the corporation has submitted the
21 preliminary plans and specifications for the



1 project to the legislative body. If on the
2 forty-sixth day a project is not
3 disapproved, it shall be deemed approved by
4 the legislative body;

5 (ii) No action shall be prosecuted or maintained
6 against any county, its officials, or
7 employees on account of actions taken by
8 them in reviewing, approving, modifying, or
9 disapproving the plans and specifications;
10 and

11 (iii) The final plans and specifications for the
12 project shall be deemed approved by the
13 legislative body if the final plans and
14 specifications do not substantially deviate
15 from the preliminary plans and
16 specifications. The final plans and
17 specifications for the project shall
18 constitute the zoning, building,
19 construction, and subdivision standards for
20 that project. For purposes of sections 501-
21 85 and 502-17, the executive director of the



1 corporation or the responsible county
 2 official may certify maps and plans of lands
 3 connected with the project as having
 4 complied with applicable laws and ordinances
 5 relating to consolidation and subdivision of
 6 lands, and the maps and plans shall be
 7 accepted for registration or recordation by
 8 the land court and registrar; ~~and~~

9 (D) The land use commission has approved, approved
 10 with modification, or disapproved a boundary
 11 change within forty-five days after the
 12 corporation has submitted a petition to the
 13 commission as provided in section 205-4. If, on
 14 the forty-sixth day, the petition is not
 15 disapproved, it shall be deemed approved by the
 16 commission; ~~or~~ and

17 (E) If the proposed housing project will result in
 18 the displacement or eviction of tenant households
 19 living in units whose value is affordable to
 20 families earning one hundred forty per cent or



1 below of the applicable area median income, the
2 developer of the proposed housing project shall:
3 (i) Offer the displaced or evicted tenants the
4 right of first refusal for a comparable unit
5 available in the proposed housing project at
6 a rate no greater than the amount the tenant
7 was paying in the existing development,
8 subject to inflation or establish a fund and
9 create a relocation program to provide
10 relocation benefits and offer assistance to
11 the displaced or evicted tenants; provided
12 that if the developer opts to provide
13 relocation benefits, the displaced or
14 evicted tenant may choose to receive either
15 three separate payments with each payment
16 equal to no less than one month's rent in a
17 comparable unit or a lump sum equal to no
18 less than three month's rent; provided
19 further that relocation benefits may be
20 provided either as a rent waiver or as a
21 direct cash payment;



1 (ii) Provide, either directly or through a
2 contracted service, information to the
3 displaced or evicted tenants on how to
4 obtain relocation assistance, and how to
5 exercise their right of first refusal upon
6 completion of the proposed housing project;
7 and
8 (iii) Establish procedures to track and maintain
9 communication with the displaced or evicted
10 tenants; provided that communication under
11 this clause shall commence one hundred
12 twenty days prior to the developer sending
13 the notice to vacate and shall last
14 throughout completion of the proposed
15 housing project, at which time the developer
16 shall offer and implement the right of first
17 refusal to the displaced or evicted tenants.
18 Communication required under this clause
19 shall end only when all displaced or evicted
20 tenants have either declined to exercise or
21 have exercised the right of first refusal.



1 For purposes of this clause, tenants are
2 considered relocated only when they have
3 moved into the new project;
4 provided that for projects developed under
5 federal programs for affordable housing that
6 offer relocation payments and other relocation
7 assistance to displaced and evicted tenants, the
8 federal regulations that offer greater
9 protections to tenants shall control. Nothing in
10 this subparagraph shall be construed to confer
11 less protection to displaced or evicted tenants
12 than that which is currently available under
13 federal or state law, regulations, or rules; or

- 14 (2) The housing projects:
- 15 (A) Meet the conditions of paragraph (1);
 - 16 (B) Do not impose stricter income requirements than
 - 17 those adopted or established by the State; and
 - 18 (C) For the lifetime of the project, require one
 - 19 hundred per cent of the units in the project be
 - 20 exclusively for qualified residents."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

HHFDC; Affordable Housing Projects; Tenants; Right of First Refusal; Relocation Assistance

Description:

Requires developers developing an affordable housing project under HHFDC to assist certain tenants who are subject to displacement or eviction by the proposed project by: granting those tenants the right of first refusal of a comparable unit in the housing project at an affordable rate or establishing a fund to provide relocation benefits and offer assistance; providing information, either directly or through a contracted service, on how to obtain assistance and exercise the right of first refusal; and establishing procedures to track and maintain communication with those tenants. Effective 7/1/3000. (HD1)

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