

JAN 17 2025

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 a critical shortage of affordable housing, with rising rental
3 costs placing a severe burden on low-income individuals and
4 families. This housing crisis threatens the stability and well-
5 being of many residents, particularly vulnerable populations
6 such as seniors, low-income workers, and families with children.
7 To address this ongoing issue, the State must adopt stronger
8 measures to ensure that affordable rental units are available
9 and preserved for those in need.

10 The legislature further finds that other states have
11 successfully implemented policies to increase and sustain
12 affordable housing availability. For example, New York City's
13 mandatory inclusionary housing program requires that a portion
14 of units in new developments be permanently affordable, ensuring
15 long-term housing equity and access for low-income residents.
16 Similarly, California's low-income housing tax credit program
17 mandates affordability requirements for a minimum of fifty-five



1 years, creating a lasting impact on housing availability for
2 underserved populations. These programs demonstrate the
3 viability and necessity of long-term affordability requirements
4 and establish precedent for the State to adopt similar measures.

5 The legislature recognizes that increasing the required
6 percentage of affordable units in rental housing projects
7 supported by the Hawaii housing finance and development
8 corporation (HHFDC) aligns with successful policies in other
9 states and reflects a commitment to equitable housing
10 development. The legislature finds that it is critical for the
11 State to take meaningful steps to address its housing crisis and
12 ensure that public resources dedicated to housing development
13 benefit those most in need.

14 Accordingly, the purpose of this Act is to increase the
15 supply of affordable rental housing in the State by requiring
16 that rental housing projects maintain in perpetuity at least
17 fifty per cent, rather than the current twenty per cent, of
18 their units for certain low-income tenants to receive assistance
19 under HHFDC's rental assistance program. This measure will
20 promote housing equity, ensure long-term affordability, and



1 align the State with other states with proven practices to
2 address the housing needs of its residents.

3 SECTION 2. Section 201H-122, Hawaii Revised Statutes, is
4 amended by amending the definition of "eligible project" to read
5 as follows:

6 ""Eligible project" means a rental housing project that:

7 (1) Is financed by the corporation pursuant to subpart B
8 or D, or that the corporation determines will require
9 rental assistance to make it financially feasible;

10 (2) Is subject to a regulatory agreement with the
11 corporation;

12 (3) Maintains in perpetuity at least [~~twenty~~] fifty per
13 cent of its units for eligible tenants; and

14 (4) Meets other qualifications as established by rules
15 adopted by the corporation.

16 Notwithstanding any provision to the contrary, "eligible
17 project" may also include a rental housing project that is
18 financed by the corporation pursuant to subpart A."

19 SECTION 3. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun before its effective date.

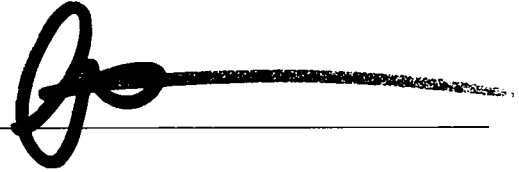


1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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S.B. NO. 749

Report Title:

HHFDC; Rental Assistance Program; Reserve Percentage

Description:

Requires rental housing projects to maintain, in perpetuity, fifty per cent of the project's units for certain low-income tenants to be eligible for assistance under the Hawaii Housing Finance and Development Corporation's rental assistance program.

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