
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:

- 19 (1) Require developers of all housing projects that
20 receive any development assistance from the Hawaii
21 housing finance and development corporation, including



1 funding, incentives, and waivers, that result in the
2 displacement or eviction of tenants in existing rental
3 properties to:

4 (A) Grant certain tenants displaced or evicted by the
5 proposed housing project the right of first offer
6 of a comparable unit in the proposed housing
7 project;

8 (B) Provide a replacement housing payment to the
9 displaced tenants; provided that the payment will
10 be the lesser of three months' rent or an amount
11 equivalent to three months' rent that is
12 affordable to a two-person household at sixty per
13 cent of the applicable area median income;

14 (C) Provide information to the tenants, either
15 directly or through a contracted service, on how
16 to obtain assistance and exercise the right of
17 first offer; and

18 (D) Establish procedures to maintain communication
19 with displaced and evicted tenants; and



1 (2) Specify that a developer's failure to comply shall
2 subject the developer to certain actions by the Hawaii
3 housing finance and development corporation.

4 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§201H-38 Housing development; exemption from statutes,
7 ordinances, charter provisions, and rules. (a) The corporation
8 may develop on behalf of the State or with an eligible
9 developer, or may assist under a government assistance program
10 in the development of, housing projects that shall be exempt
11 from all statutes, charter provisions, ordinances, and rules of
12 any government agency relating to planning, zoning, construction
13 standards for subdivisions, development and improvement of land,
14 and the construction of dwelling units thereon; provided that
15 either:

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

17 (A) The corporation finds the housing project is
18 consistent with the purpose and intent of this
19 chapter, and meets minimum requirements of health
20 and safety;



1 (B) The development of the proposed housing project
2 does not contravene any safety standards,
3 tariffs, or rates and fees approved by the public
4 utilities commission for public utilities or of
5 the various boards of water supply authorized
6 under chapter 54;

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

10 (i) The legislative body shall approve, approve
11 with modification, or disapprove the project
12 by resolution within forty-five days after
13 the corporation has submitted the
14 preliminary plans and specifications for the
15 project to the legislative body. If on the
16 forty-sixth day a project is not
17 disapproved, it shall be deemed approved by
18 the legislative body;

19 (ii) No action shall be prosecuted or maintained
20 against any county, its officials, or
21 employees on account of actions taken by



1 them in reviewing, approving, modifying, or
2 disapproving the plans and specifications;
3 and
4 (iii) The final plans and specifications for the
5 project shall be deemed approved by the
6 legislative body if the final plans and
7 specifications do not substantially deviate
8 from the preliminary plans and
9 specifications. The final plans and
10 specifications for the project shall
11 constitute the zoning, building,
12 construction, and subdivision standards for
13 that project. For the purposes of sections
14 501-85 and 502-17, the executive director of
15 the corporation or the responsible county
16 official may certify maps and plans of lands
17 connected with the project as having
18 complied with applicable laws and ordinances
19 relating to consolidation and subdivision of
20 lands, and the maps and plans shall be



1 accepted for registration or recordation by
2 the land court and registrar; [~~and~~]

3 (D) The land use commission has approved, approved
4 with modification, or disapproved a boundary
5 change within forty-five days after the
6 corporation has submitted a petition to the
7 commission as provided in section 205-4. If, on
8 the forty-sixth day, the petition is not
9 disapproved, it shall be deemed approved by the
10 commission; [~~or~~] and

11 (E) If the proposed housing project will result in
12 the displacement or eviction of tenant households
13 living in units affordable to families earning
14 one hundred forty per cent or below the
15 applicable area median income, the developer of
16 the proposed housing project shall:

17 (i) Offer the displaced or evicted tenants the
18 right of first offer for a comparable unit
19 available in the proposed housing project;

20 (ii) Provide a replacement housing payment to the
21 displaced tenants; provided that the payment



1 shall be the lesser of three months' rent
2 the displaced tenant was paying before being
3 displaced or evicted or an amount equivalent
4 to three months' rent that is affordable to
5 a two-person household at sixty per cent of
6 the applicable area median income;
7 (iii) Provide, either directly or through a
8 contracted service, information to the
9 displaced or evicted tenants on how to
10 obtain relocation assistance, and how to
11 exercise their right of first offer upon
12 completion of the proposed housing project;
13 and
14 (iv) Establish procedures to track and maintain
15 communication with the displaced or evicted
16 tenants; provided that communication under
17 this clause shall commence one hundred
18 twenty days before the developer sends the
19 notice to vacate and shall last throughout
20 completion of the proposed housing project,
21 at which time the developer shall offer and



1 implement the right of first offer to the
2 displaced or evicted tenants. Communication
3 required under this clause shall end only
4 when all displaced or evicted tenants have
5 either declined to exercise or have
6 exercised the right of first offer;

7 provided that for projects developed under
8 federal programs for affordable housing that
9 offer relocation payments and other relocation
10 assistance to displaced and evicted tenants, the
11 federal regulations that offer greater
12 protections to tenants shall control. Nothing in
13 this subparagraph shall be construed to confer
14 less protection to displaced or evicted tenants
15 than that which is currently available under
16 federal or state law, regulations, or rules; or

17 (2) The housing projects:

18 (A) Meet the conditions of paragraph (1);

19 (B) Do not impose stricter income requirements than
20 those adopted or established by the State; and



1 (C) For the lifetime of the project, require one
2 hundred per cent of the units in the project be
3 exclusively for qualified residents.

4 (b) If a developer fails to comply with the requirements
5 in subsection (a) (1) (E), the corporation shall:

6 (1) Delay or fail threshold review of the developer's
7 application for funding;

8 (2) Halt relocation until non-compliance is cured;

9 (3) Withhold disbursements of program funds until non-
10 compliance is cured; or

11 (4) Deem the developer ineligible to participate in all
12 corporation programs for no less than one year.

13 [~~b~~] (c) For the purposes of this section, "government
14 assistance program" means a housing program qualified by the
15 corporation and administered or operated by the corporation or
16 the United States or any of their political subdivisions,
17 agencies, or instrumentalities, corporate or otherwise."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

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



Report Title:

HHFDC; Housing Projects; Tenants; Right of First offer;
Replacement Housing Payments

Description:

Requires developers developing a housing project under the Hawaii Housing Finance and Development Corporation to assist certain tenants who are subject to displacement or eviction by the proposed project by: granting those tenants the right of first offer of a comparable unit in the housing project and providing replacement housing payments; providing information, either directly or through a contracted service, on how to obtain assistance and exercise the right of first offer; and establishing procedures to track and maintain communication with those tenants. Establishes consequences for a developer's noncompliance. Effective 7/1/3000. (HD1)

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