A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. The legislature recognizes that Hawaii is experiencing a severe affordable housing crisis with a lack of affordable rental and sale units. Government must do all it can to support affordable housing. Hawaii must build at least twenty-two thousand affordable rental housing units by 2026.

According to the "Affordable Rental Housing Report and Ten-Year Plan", prepared by the department of business, economic development, and tourism (July 2018), housing demand is projected to reach 64,693 units by 2025, with nearly seventy percent, 43,828 units, needed for households earning eighty percent or less of the area median income.

The purpose of this Act is to authorize cash payments by developers made in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii community development authority to be deposited into the rental housing revolving fund.
SECTION 2. Section 206E-15, Hawaii Revised Statutes, is amended to read as follows:

"206E-15 Residential projects; cooperative agreements.

(a) If the authority deems it desirable to develop a residential project, it may enter into an agreement with qualified persons to construct, maintain, operate, or otherwise dispose of the residential project. Sale, lease, or rental of dwelling units in the project shall be as provided by the rules established by the authority. The authority may enter into cooperative agreements with the Hawaii housing finance and development corporation for the financing, development, construction, sale, lease, or rental of dwelling units and projects.

(b) The authority may transfer the housing fees collected from private residential developments for the provision of housing for residents of low- or moderate-income to the Hawaii housing finance and development corporation for the financing, development, construction, sale, lease, or rental of such housing within or without the community development districts. The fees shall be used only for projects owned by the State or owned or developed by a qualified nonprofit organization. For
the purposes of this section, "nonprofit organization" means a corporation, association, or other duly chartered organization registered with the State, which organization has received charitable status under the Internal Revenue Code of 1986, as amended.

(c) Cash payments made by developers in lieu of providing the required reserved housing units may be deposited into the rental housing revolving fund established under section 201H-202."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2025.
Report Title:
HCDA; Reserved Housing; Cash-In-Lieu Payments; Deposit

Description:
Authorizes cash payments made by developers in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii community development authority to be deposited into the rental housing revolving fund. Effective 7/1/2025. (HD1)

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