A BILL FOR AN ACT

RELATING TO HOUSING.

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

SECTION 1. The legislature finds that there is a dire need for affordable rental housing in the county of Hawaii. In particular, the east side of the county lacks sufficient affordable housing relative to demand. The legislature further finds that a 15.418-acre parcel in Honokaa, county of Hawaii, identified as TMK No. (3) 4-5-010:122, may be suitable to address the county's need for affordable rental housing.

In 1993, the 15.418-acre parcel was deeded to the then Hawaii housing authority, subject to a covenant running with the land restricting its use to solely for an affordable or elderly housing project, or both. The name of the Hawaii housing authority was changed and its functions and duties transferred to the housing and community development corporation of Hawaii. Subsequently, the functions and duties of the housing and community development corporation of Hawaii were transferred to the Hawaii public housing authority and Hawaii housing finance and development corporation.
The mission of the Hawaii housing finance and development corporation is to facilitate the development of affordable housing statewide. The 15.418-acre parcel remains undeveloped. The legislature finds that the parcel may be suitable for an affordable rental housing project and as such, should be transferred, together with any improvements thereon, to the corporation.

The purpose of this Act is to:

1. Direct the Hawaii housing finance and development corporation to take title to the 15.418-acre parcel identified as TMK No. (3) 4-5-010:122; provided that the Hawaii housing finance and development corporation determines, upon completion of its due diligence, that the parcel is suitable for residential development.

and

2. Require the Hawaii housing finance and development corporation to conduct a feasibility study to determine whether the 15.418-acre parcel is suitable for an affordable rental housing project.

SECTION 2. The Hawaii housing finance and development corporation shall take title to the 15.418-acre parcel
identified as TMK No. (3) 4-5-010:122; provided that the Hawaii housing finance and development corporation determines, upon completion of its due diligence, that the parcel is suitable for residential development. The Hawaii housing finance and development corporation shall be responsible for properly documenting any change in title.

SECTION 3. The Hawaii housing finance and development corporation shall conduct a feasibility study to determine whether the 15.418-acre parcel in Honokaa, county of Hawaii, identified as TMK No. (3) 4-5-010:122, is suitable for an affordable rental housing project. The feasibility study shall include:

(1) Plans and designs for housing on the parcel, including affordable rental housing for essential workers or elderly households, or both;

(2) Performance of a market study to determine the demands and needs of population sectors in Hawaii county by price-point and type of housing units, including affordable rental housing for essential workers or elderly households;
(3) Legal impediments requiring a judicial or legislative remedy, including condemnation, access, and environmental issues;

(4) The feasibility of developing the 15.418-acre parcel through a public-private partnership, including the necessary incentives to encourage a public-private partnership; and

(5) Funding requirements, including the means of financing and projected total cost, to develop the 15.418-acre parcel project.

The feasibility study shall be submitted to the governor and legislature no later than twenty days prior to the convening of the regular session of 2021.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of $750,000 or so much thereof as may be necessary for fiscal year 2020-2021 for the feasibility study required by section 3 of this Act.
The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2025.
Report Title:
HHFDC; Honokaa, Hawaii County; Affordable Rental Housing; Appropriation

Description:
Directs the HHFDC to take title to a specified 15.418-acre parcel in Honokaa, Hawaii county, if HHFDC finds, after its due diligence, that the parcel is suitable for residential development. Requires HHFDC to document any change in title. Requires HHFDC to conduct a feasibility study to determine whether the parcel is suitable for residential development. Appropriates funds for the feasibility study. Takes effect on 7/1/2025. (HD1)

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