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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1           SECTION 1. The legislature finds that the State faces an  
2           unprecedented economic crisis due to the coronavirus disease  
3           2019 (COVID-19) pandemic, which has decimated Hawaii's economy  
4           and caused its gross domestic product to plummet. By some  
5           measures, Hawaii's economy has been hit harder than any other  
6           state in the nation.

7           The legislature also finds that this drastic decline in  
8           economic activity has disproportionately affected the State's  
9           most vulnerable populations. The pandemic forced the shutdown  
10          of many sectors of the State's economy, triggering mass layoffs  
11          and furloughs and causing the State's seasonally adjusted  
12          unemployment to surge from 2.4 per cent in March 2020 to a  
13          historical high of 22.3 per cent in April 2020. Despite efforts  
14          to reopen the economy, Hawaii still had the second-highest  
15          unemployment rate in the nation as of November 2020. With the  
16          COVID-19 pandemic continuing to rage throughout the world, most  
17          countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at  
2 least 2024, the State will continue to feel the economic impacts  
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the  
5 pandemic, renter households in the State already suffered from  
6 deleteriously high housing cost burdens, and that the economic  
7 impacts of the COVID-19 pandemic significantly exacerbated this  
8 situation. Recent data from the university of Hawaii economic  
9 research organization (UHERO) showed that more than eleven  
10 thousand Hawaii tenants have fallen behind on their rent  
11 payments and that forty per cent of rental tenants have lost  
12 their jobs. Modeling from UHERO indicates that up to seventeen  
13 thousand households may face an unsustainable change in their  
14 housing cost burden by the second quarter of 2021, even as the  
15 State's economy slowly recovers. Even in a best-case scenario,  
16 the number of individuals facing homelessness will continue to  
17 rise in the face of the pandemic. UHERO concluded that, from a  
18 policy standpoint, "doing nothing is not a viable option."

19 Accordingly, the legislature finds that it must take  
20 immediate action to mitigate the affordable housing crisis  
21 through legislation.



1           The purpose of this Act is to exempt workforce development  
2 projects from paying school impact fees for the development of  
3 workforce housing if at least ninety per cent of the residential  
4 units that are set aside for purchase or rent for residents in  
5 the low-income or moderate-income ranges are set aside  
6 specifically for public school teachers.

7           SECTION 2. Section 302A-1603, Hawaii Revised Statutes, is  
8 amended by amending subsection (b) to read as follows:

9           "(b) The following shall be exempt from this section:

- 10           (1) Any form of housing permanently excluding school-aged  
11 children, with the necessary covenants or declarations  
12 of restrictions recorded on the property;
- 13           (2) Any form of housing that is or will be paying the  
14 transient accommodations tax under chapter 237D;
- 15           (3) All nonresidential development; [~~and~~]
- 16           (4) Any development with an executed education  
17 contribution agreement or other like document with the  
18 agency for the contribution of school sites or payment  
19 of fees for school land or school construction[~~-~~]; and
- 20           (5) Any development of workforce housing, where at least  
21 ninety per cent of the residential units that are set



1           aside for purchase or rent for residents in the low-  
 2           income or moderate-income ranges are set aside  
 3           specifically for residents who are public school  
 4           teachers who:

5           (A) Hold a certificate or license in good standing  
 6           from the Hawaii teacher standards board; and

7           (B) Have been continuously employed by the department  
 8           of education or a public charter school for at  
 9           least one year.

10           For the purposes of this paragraph, "workforce housing" has  
 11           the same meaning as in section 206E-2."

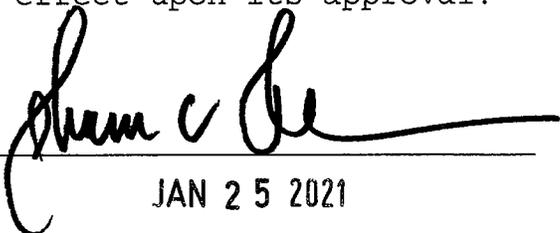
12           SECTION 3. This Act does not affect rights and duties that  
 13 matured, penalties that were incurred, and proceedings that were  
 14 begun before its effective date.

15           SECTION 4. Statutory material to be repealed is bracketed  
 16 and stricken. New statutory material is underscored.

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

18

INTRODUCED BY:

  
 \_\_\_\_\_  
 JAN 25 2021



# H.B. NO. 745

**Report Title:**

Workforce Housing; Public School Teachers; Educators

**Description:**

Exempts workforce development projects from paying school impact fees for the development of workforce housing if at least 90% of the residential units that are set aside for purchase or rent for residents in the low-income or moderate-income ranges are set aside specifically for public school teachers.

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