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

SECTION 1. The legislature finds that Hawaii's shortage of affordable housing continues to be one of the State's most challenging social problems. A persistently low inventory of housing stock has created a market where local residents have consistently been priced out of rentals and unable to attain homeownership.

The legislature further finds that one way to facilitate the growth of the State's inventory of affordable housing units is to promote the adaptive reuse of existing, underutilized buildings for housing purposes. Adaptive reuse has been successfully employed in many jurisdictions, including the District of Columbia, New York, and Pittsburgh, to quickly and sustainably repurpose existing structures to serve the evolving needs of communities.

One opportunity to increase the State's stock of affordable housing is through the acquisition of the Bethel Block, which consists of three buildings located between Bethel Street,
Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu. These buildings include the Ohia Building, also known as the Bethel Building; Blaisdell Building; and Whitlow Building.

The purchase of these three buildings by the Hawaii public housing authority would increase the authority's inventory of affordable housing units at a time when the State needs affordable rental units more than ever. The purchase would also ensure that the housing units remain affordable in perpetuity.

The legislature finds that the State must examine all opportunities to invest in the creation and preservation of affordable housing, especially in urban centers. The legislature further finds that the acquisition of the Ohia Building, Blaisdell Building, and Whitlow Building for affordable housing purposes represents an exceptional opportunity to create a large number of long-term, affordable rental housing units in the heart of Honolulu's urban core.

Accordingly, the purpose of this Act is to appropriate funds to the Hawaii public housing authority to acquire real property, including buildings, structures, and fixtures, located on the Bethel Block in Honolulu, Oahu, for affordable housing purposes.
SECTION 2. (a) The Hawaii public housing authority may acquire parcels located on the block between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane, including the following parcels identified by tax map key (TMK) number:

1. TMK (1)2-1-003:008;
2. TMK (1)2-1-003:009; and
3. TMK (1)2-1-003:010.

The purchase of the parcels shall include any buildings, structures, and fixtures on those parcels. Following the acquisition, the Hawaii public housing authority may plan, design, and construct any improvements necessary to use the parcels for affordable housing purposes.

(b) All housing units created or preserved on the parcels purchased pursuant to subsection (a) shall be offered for rent at rates that are affordable to households having an income that does not exceed six per cent of the area median income as determined by the United States Department of Housing and Urban Development; provided that the project shall target households having an income that does not exceed sixty per cent of the area median income. The affordability restrictions shall apply in perpetuity.
(c) Contracts awarded pursuant to this Act shall use the competitive sealed proposal method of procurement pursuant to section 103D-303, Hawaii Revised Statutes.

SECTION 3. In accordance with section 9 of article VII, of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2024-2025 to be exceeded by $, or per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs provided for by this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of $ or so much thereof as may be necessary for fiscal year 2024-2025 for the Hawaii public housing authority to:

(1) Acquire the parcels identified in section 2 of this Act; and

(2) Plan, design, and construct any improvements necessary to use the parcels for affordable housing purposes.
The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 3000.
Report Title:
Affordable Housing; Long-Term Rental Units; Bethel Street; Acquisition; Appropriation; Expenditure Ceiling

Description:
Appropriates funds to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu, for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed a percentage of the area median income. Effective 7/1/3000. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.