HB 2069 proposes to amend HRS Chapter 46 by adding a new section that would require developers of transient accommodations, under specified circumstances, to provide affordable housing for persons who will work in the transient accommodations.

Our statement on this bill does not represent an institutional position of the University of Hawaii.

Section 1 of HB 2069 correctly reflects the ongoing and increasing scarcity of affordable housing and its affect on local and state economies. Section 2 provides specific language to address the problem.

We have frequently called attention to the social impacts related to the development of transient accommodations and in particular to the need for affordable housing for the workers. Other essential infrastructure needs such as schools, sewage treatment facilities, roads, and social services have also been cited in our reviews of these types of developments.

HB 2069 attempts to solve the housing problem by requiring developers of transient accommodations to build affordable housing for their workers. While we certainly concur with the intent of the bill, we do have some concerns with regard to the appropriateness of the legislation as presently drafted.
It is our understanding that some counties have existing programs requiring housing for workers when resort developments are approved. It is not clear how this bill would affect these existing county practices. Certainly in some areas, such as Kaanapali on Maui for example, affordable housing for employees is urgently needed. However, there may be some areas where the existing housing can absorb the worker's housing needs, or where other private housing developers can provide sufficient housing. A blanket requirement for the developer to build a set number of affordable units, to rent or sell those units at a county determined price, and to post a bond of twice the cost of the housing, with no option for local determination of the housing needs consistent with the community involved does not seem appropriate. Amendment to reflect the intent of the legislation through providing guidelines for county action rather than setting statewide absolute numbers would seem more likely to meet local community housing needs.