



RESOLUTION

URGING THE STATE OF HAWAII TO AMEND HAWAII REVISED STATUTES SECTION 46-16.8.

WHEREAS, the City and County of Honolulu and the State of Hawaii continues to have a shortage of affordable workforce housing; and

WHEREAS, the Council recognizes that the affordable workforce housing problem is a complex one that must be addressed on a number of fronts using a variety of creative solutions; and

WHEREAS, the construction of affordable workforce housing supports the State of Hawaii's goals to address Hawaii's homeless and affordable housing crises; and

WHEREAS, the State owns approximately 2,000 acres of land within a half-mile radius of the 21 planned rail stations, and the construction of direly needed affordable workforce housing supports the State's goal of enhancing Oahu's urban environment through transit-oriented development (TOD); and

WHEREAS, the development of affordable workforce housing in close proximity to the City's rail transit stations will encourage greater use of the Honolulu Rail Transit Project (Rail Project), cutting many workers' travel time between home and work and, in some cases, eliminating workers' families' need for a car or a second car; and

WHEREAS, Act 240, Session Laws of Hawaii 2015, amended Section 46-16.8 of the Hawaii Revised Statutes (HRS), to provide for a five year extension of the general excise and use tax surcharge beyond December 31, 2022 to December 31, 2027 if certain requirements are met, and limit the City's use of surcharge monies to capital costs of a locally preferred alternative for a mass transit project and related expenses to comply with the Americans with Disabilities Act of 1990; and

WHEREAS, proposed Bill 23 (2015), CD1, which amends Ordinance 05-27 and extends the surcharge pursuant to Act 240 provides, among other things, that a maximum amount of \$4.58 billion of surcharge moneys levied from January 1, 2007 to December 31, 2027 may be expended on the minimum operable segment (MOS) of the locally preferred alternative for a mass transit project; and

WHEREAS, this expenditure limitation is based on the projection of surcharge collections and expenditures in the final financial plan for the full funding grant agreement for the Rail Project between the City and the Federal Transit Authority (FTA), and the \$910 million budget shortfall reported by the Honolulu Authority for Rapid Transportation (HART); and

EXHIBIT A

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to address the county
2 surcharge on state general excise and use taxes.

3 More specifically, this Act expands, for counties with a
4 population greater than five hundred thousand, the permitted
5 uses of surcharge revenues to include workforce housing
6 development costs.

7 SECTION 2. This Act shall not affect the validity or
8 effect of any surcharge on state tax adopted pursuant to Act
9 247, Session Laws of Hawaii 2005, prior to the effective date of
10 this Act.

11 SECTION 3. Section 46-16.8, Hawaii Revised Statutes, is
12 amended by amending subsection (e) to read as follows:

13 "(e) Each county with a population greater than five
14 hundred thousand that adopts or extends a county surcharge on
15 state tax ordinance pursuant to subsection (a) or (b) shall use
16 the surcharges received from the State for:

17 (1) Capital costs of a locally preferred alternative for
18 a mass transit project;

____.B. NO. _____

1 (2) Expenses in complying with the Americans with
2 Disabilities Act of 1990 with respect to paragraph
3 (1); and

4 (3) Workforce housing development costs such as:

5 (A) Land Acquisition;

6 (B) Planning;

7 (C) Design;

8 (D) Construction;

9 (E) Inspection;

10 (F) Equipment; and

11 (G) Relocation."

12 SECTION 4. New statutory material is underscored.

13 SECTION 5. This Act shall take effect upon approval.

14 INTRODUCED BY: _____

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