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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING DEVELOPMENT.

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

1           SECTION 1. The legislature finds that one of the barriers  
2 to the development of affordable housing is the regulatory  
3 process that exists in Hawaii. Duplication, fragmentation, and  
4 the lack of standards or predictability are the cost-generating,  
5 and supply-reducing, consequences that result from Hawaii's  
6 regulatory process.

7           The purpose of this Act is to increase the supply of  
8 affordable housing by providing an incentive to counties that  
9 streamline the application process for building, construction,  
10 or development-related permits.

11           SECTION 2. Chapter 225M, Hawaii Revised Statutes, is  
12 amended by adding a new section to be appropriately designated  
13 and to read as follows:

14           "§225M-       Incentive and streamlining grants program. (a)

15 There is created within the office of planning the incentive and  
16 streamlining grants program to assist the counties in  
17 streamlining the permit and approvals regulatory process for  
18 construction and development-related permits for affordable



1 housing developments. Counties may apply for financial grants  
2 from the office to develop and implement plans that will reduce  
3 regulatory barriers to affordable housing development. Counties  
4 shall contract with outside consultants to develop the plans,  
5 and may incorporate the following considerations as options to  
6 reducing regulatory impediments:

- 7       (1) Establishing mandatory review time frames;
- 8       (2) Eliminating duplicative reviews and services;
- 9       (3) Assessing developer fees for expedited reviews;
- 10       (4) Assuming responsibility for district  
11           reclassifications;
- 12       (5) Creating a housing expediter position for affordable  
13           housing projects;
- 14       (6) Providing development incentives, including:
  - 15           (A) Density bonuses;
  - 16           (B) Height bonuses;
  - 17           (C) Cluster zoning;
  - 18           (D) Waiving connection fees;
  - 19           (E) Tax credits;
  - 20           (F) Waiving or modifying certain infrastructure  
21               requirements;
  - 22           (G) Reducing parking requirements;



- 1            (H) Ensuring that in-lieu fees are dedicated to
- 2            affordable housing development, maintenance, and
- 3            preservation;
- 4            (I) Allowing adjustments to floor area ratios for
- 5            affordable housing units;
- 6            (J) Amending county building codes to allow
- 7            accelerated building techniques;
- 8            (K) Promoting mixed-use development in urban and
- 9            rural districts;
- 10           (L) Allowing residential use in commercial and
- 11           industrial zoned areas; and
- 12           (M) Establishing growth districts, increasing density
- 13           in those districts, and targeting infrastructure
- 14           resources into those districts;
- 15           and
- 16           (7) Establishing a procedure for the priority processing
- 17           of a permit application for a project containing
- 18           affordable housing units.
- 19           Counties may contract with outside sources or use managed
- 20           competition to implement elements of the plans.



1        (b) There is established within the state treasury the  
2 incentive and streamlining grants special fund, into which shall  
3 be deposited:

4        (1) Legislative appropriations;

5        (2) State, county, and federal funds designated to the  
6 fund; and

7        (3) Private contributions and any other funds designated  
8 to the fund.

9        (c) Moneys in the fund shall be used for the purposes of  
10 the incentive and streamlining grants program; provided that:

11        (1) One-half of the fund balance on July 1, 2007, shall be  
12 awarded as grants to assist counties with developing  
13 plans to streamline county regulatory processes; and

14        (2) One-half of the fund balance on July 1, 2007, and any  
15 supplemental funds deposited into the fund after  
16 July 1, 2007, shall be awarded as grants to assist  
17 counties with implementing plans to streamline county  
18 regulatory processes."

19 The office of planning shall administer the incentive and  
20 streamlining grants special fund.

21        (d) The office of planning shall adopt rules pursuant to  
22 chapter 91 to effectuate the purposes of this section, including



1 the grant application process for the incentive and streamlining  
2 grants program."

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$10,000,000 or so  
5 much thereof as may be necessary for fiscal year 2007-2008 for  
6 deposit into the incentive and streamlining grants special fund  
7 for the purposes of the incentive and streamlining grants  
8 program.

9 The sum appropriated shall be expended by the office of  
10 planning for the purposes of this Act.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2007.

13

INTRODUCED BY: 

JAN 22 2007



**Report Title:**

Affordable Housing Development; Incentive and Streamlining Grants Program

**Description:**

Establishes the Incentive and Streamlining Grants Program to assist counties in streamlining the permit and approval process for construction and development of affordable housing.

