# <u>H</u>.B. NO. 2528

## A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. The legislature finds that the lack of 1 2 affordable housing in Hawaii remains an obstacle to significantly reducing the cost of living for many residents. 3 Α 2008 report from the Affordable Housing Regulatory Barriers Task 4 5 Force found that one obstacle to affordable housing development is a delay caused when counties fail to affirmatively accept or 6 reject public infrastructure improvements that are developed as 7 part of a housing project. This delay increases the costs of 8 9 the project, which in turn increases the cost of homes.

In 2009 the Legislature passed Act 142 to require counties to accept a dedication of infrastructure request for affordable housing within a specified time and under certain conditions, or the infrastructure is deemed dedicated. The purpose of this Act is to clarify the provisions of Act 142 to facilitate the expeditious development of affordable housing.

SECTION 2. Section 46-15.25, Hawaii Revised Statutes, is
amended by amending subsection (a) to read as follows:

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Infrastructure for affordable housing shall be deemed "(a) 1 dedicated to the county if the county does not accept or reject 2 the request for dedication of infrastructure within [ninety] 3 sixty days of the filing of the dedication request; provided 4 that: 5 6 (1) Applicable meter and connection fees and utility costs relating to the dedicated infrastructure have been 7 paid; and 8 (2) The dedicated infrastructure conforms to applicable 9 county standards in effect at the time of 10 construction[+ and 11 (3) The completion of the improvements comprising a 12 dedicated infrastructure-is-granted approval by the 13 county]." 14 SECTION 3. Statutory material to be repealed is bracketed 15 and stricken. New statutory material is underscored. 16 SECTION 4. This Act shall take effect upon its approval. 17 18 19 INTRODUCED BY: 20 BY REOUEST

JAN 2 5 2010

Report Title: Counties; Affordable Housing; Infrastructure

#### Description:

Requires counties within 60 days to accept or reject a public infrastructure dedication, under specified conditions, as part of an affordable housing project, or the infrastructure is deemed dedicated.

#### JUSTIFICATION SHEET

DEPARTMENT:

TITLE:

**PURPOSE:** 

Business, Economic Development and Tourism

A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING

The purpose of this bill is to shorten the timeframe for the dedication of infrastructure that is part of an affordable housing development.

MEANS:

Amend section 46-15.25(a), Hawaii Revised Statutes.

JUSTIFICATION:

In 2007, Governor Lingle convened the Affordable Housing Regulatory Barriers Task Force in response to the U.S. Department of Housing and Urban Development's National Call to Action. The Task Force's main objective is to identify regulatory barriers to affordable housing development in Hawaii and to recommend appropriate solutions.

The Task Force discovered that in some cases counties do not act to affirmatively accept public infrastructure that has been developed as part of an affordable housing project. When infrastructure dedication is delayed project financing may be jeopardized.

Accordingly, this bill clarifies the timeframe established in Act 142, Session Laws of Hawaii 2009, for counties to accept public infrastructure that is part of an affordable housing development when the infrastructure is built in accordance with county standards. This will ensure that affordable housing projects progress within reasonable lengths of time and the housing needs of the state are continuing to be met. <u>Impact on the public</u>: Clarifies the timeframe for public infrastructure dedication will ensure expeditious delivery of affordable housing to the public.

Impact on the department and other agencies: A clear standard for the treatment of affordable housing infrastructure will assist counties in the execution of their work.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: Department of Hawaiian Home Lands, and Counties.

Upon approval.

EFFECTIVE DATE:

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