

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1           SECTION 1. The legislature finds that in August 2007,  
2 Hawaii accepted an invitation by the United State Department of  
3 Housing and Urban Development to join the National Call to  
4 Action for Affordable Housing through Regulatory Reform. The  
5 Call to Action presented an opportunity for Hawaii to receive  
6 technical assistance from the federal government and collaborate  
7 with other states, counties, municipalities, and organizations  
8 to knock down the barriers imposed by governments in hopes of  
9 building more affordable housing. Governor Lingle convened a  
10 statewide task force comprised of representatives from the  
11 counties, business, labor, developers, architects, nonprofit  
12 providers of services, the State, and the legislature to carry  
13 out the mission of the Call to Action and recommend solutions to  
14 address barriers to affordable housing.

15           The legislature recognizes that the need for more  
16 affordable housing in Hawaii remains a significant problem  
17 affecting all segments of society. The development of



1 residential housing is bridled by significant varying  
2 regulations placed on the industry at both the state and county  
3 levels. Recent analysis shows that regulations and conditions  
4 placed on developers can potentially delay a project for up to  
5 seven years. This delay in time leads to a level of uncertainty  
6 for the housing industry, adds cost to the total development  
7 project, jeopardizes funding streams for affordable housing  
8 projects, and ultimately results in a more expensive home for  
9 the homebuyer or renter. In addition, impact fees, connection  
10 fees, and other conditions that are imposed on housing  
11 developers during this uncertain time of permit approvals can  
12 increase the cost of the home or rental unit by \$10,000 to  
13 \$50,000.

14 The purpose of this Act is to implement the legislative  
15 recommendations of the task force by providing incentives for  
16 the development of affordable housing.

17 SECTION 2. Section 46-14.5, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "~~§46-14.5 [Land use density]~~ Affordable housing;  
20 incentives and infrastructure [~~low income rental units~~].

21 Notwithstanding any other law to the contrary, the counties [are  
22 authorized to] shall provide [~~flexibility in land use~~]



1 incentives for the development of affordable housing that may  
 2 include, but are not limited to density [provisions and]  
 3 bonuses, height waivers, cluster zoning, reduction of parking  
 4 requirements, greater design flexibility, procurement  
 5 exemptions, waiving state wage requirements, waiving water and  
 6 sewer connection fees, waiving public facilities set-asides and  
 7 fees, priority infrastructure financing, and site flexibility.  
 8 Counties shall provide flexibility in public facility  
 9 requirements to encourage the development of [any rental]  
 10 affordable housing [project where at least a portion of the  
 11 rental units are set aside for persons and families with incomes  
 12 at or below one hundred forty per cent of the area median family  
 13 income, of which twenty per cent are set aside for persons and  
 14 families with incomes at or below eighty per cent of the area  
 15 median family income.] as defined in section 201H-57."

16 SECTION 3. Statutory material to be repealed is bracketed  
 17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

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**Report Title:**

Affordable Housing; Fees; Incentives

**Description:**

Provides incentives for the development of affordable housing.

