
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that there exists in the
2 State a critical need for the development and construction of
3 affordable housing units. Act 127, Session Laws of Hawaii 2016,
4 established a goal of developing at least 22,500 rental housing
5 units ready for occupancy between 2017 and 2026. The
6 legislature further finds that the transit-oriented development
7 associated with the construction of a rail transit system in
8 Honolulu has the potential to fulfill this housing goal.
9 Because the State is the largest landowner of properties along
10 the rail transit line, the State has the opportunity to utilize
11 its resources to significantly increase the inventory of
12 affordable housing units.

13 The legislature additionally finds that Act 130, Session
14 Laws of Hawaii 2016, established the Hawaii interagency council
15 for transit-oriented development to create a strategic plan
16 that, among other things, identifies financing and prioritizes
17 state financing for the public infrastructure, facility, and



1 service investments required to support transit-oriented
 2 development, mixed use projects, and affordable and rental
 3 housing project plans. The legislature also finds that
 4 requiring an affordable housing component as part of development
 5 and redevelopment of state properties along the rail transit
 6 line will not only increase the affordable housing stock, but
 7 also support rail ridership goals by locating denser, mixed use
 8 developments along the rail transit line.

9 The purpose of this Act is to require the strategic plan
 10 developed by the Hawaii interagency council for transit-oriented
 11 development to require that affordable housing be included as
 12 part of the development or redevelopment plan for any state
 13 property located within one-half mile of the Honolulu rail
 14 transit system.

15 SECTION 2. Section 226-63, Hawaii Revised Statutes, is
 16 amended by amending subsection (c) to read as follows:

17 "(c) The strategic plan developed by the Hawaii
 18 interagency council for transit-oriented development shall:

- 19 (1) Coordinate with the counties on transit-oriented
- 20 development;



- 1 (2) For each county, compile an inventory of state,
2 county, and private sector transit-oriented
3 development projects lacking infrastructure,
4 identifying the type of infrastructure each project
5 lacks, and the approximate timeframe when additional
6 capacity is needed;
- 7 (3) Prioritize the development of transit-oriented
8 development projects, including mixed use and
9 affordable and rental housing projects, on state
10 lands;
- 11 (4) Identify financing and prioritize state financing for
12 the public infrastructure, facility, and service
13 investments required to support transit-oriented
14 development, mixed use, and affordable and rental
15 housing project plans; [~~and~~]
- 16 (5) Encourage and promote partnerships between public and
17 private entities to identify, renovate, and secure
18 affordable housing options on state lands within
19 county-designated transit-oriented development areas
20 or within a one-half mile radius of public transit



1 stations, if a county has not designated transit-
2 oriented development zones[-]; and

3 (6) Require that every development or redevelopment plan
4 for any state property located within one-half mile of
5 the Honolulu rail transit system evaluate the
6 suitability for housing units based on the following
7 specifications:

8 (A) For construction on-site:

9 (i) Fifteen per cent of the rental units shall
10 be reserved for households with an income
11 less than or equal to eighty per cent of the
12 area median income; and

13 (ii) Twenty per cent of the for-sale units shall
14 be reserved for households with an income
15 less than or equal to one hundred twenty per
16 cent of the area median income;

17 (B) For construction off-site:

18 (i) Fifteen per cent of the rental units shall
19 be reserved for households with an income
20 less than or equal to eighty per cent of the
21 area median income; and



1 (ii) Twenty-five per cent of the for-sale units
2 shall be reserved for households with an
3 income less than or equal to one hundred
4 twenty per cent of the area median income;
5 and
6 (C) In lieu of construction fee or land dedication,
7 cash contribution or improved land in lieu of
8 building affordable units shall be \$45 per
9 finished square foot;
10 unless the council determines that housing is not
11 feasible or desirable on a particular property;
12 provided that a developer may build less than the
13 required percentages of affordable housing under this
14 paragraph at one state parcel if the developer builds
15 the remainder of the required housing at another state
16 parcel within one-half mile of the rail station;
17 provided further that properties owned or controlled
18 by the Hawaii public housing authority or the
19 department of Hawaiian home lands shall be exempt from
20 the requirements of this paragraph."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2019.



Report Title:

Interagency Council for Transit-oriented Development;
Development or Redevelopment Plans; State Lands; Affordable
Housing

Description:

Requires the strategic plan developed by the Hawaii Interagency Council for Transit-oriented Development to require that every development or redevelopment plan for any state property within one-half mile of the Honolulu rail transit system evaluate the suitability for affordable housing based on certain specifications, unless the council determines that housing is not feasible or desirable on a particular property. Allows a developer to build fewer housing units than required at one state parcel if the developer builds additional housing at another state parcel within one-half mile of a rail station to offset the reduction. (SB1147 HD1)

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