# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

- 1 SECTION 1. Chapter 171, Hawaii Revised Statutes, is 2 amended by adding a new section to subpart D of part II to be 3 appropriately designated and to read as follows: 4 "§171- Affordable housing; county-designated 5 transit-oriented development zone. (a) For a leasehold 6 residential development project subject to section 171-60(a), 7 the board shall require in its development contract with the 8 developer or developers that, if the development project is 9 located on public land that is wholly- or partially-situated 10 within a county-designated transit-oriented development zone, 11 then no less than per cent of the residential units in the 12 development project shall be sold or rented only to low-income 13 residents for the entire term of the developer's or developers' 14 leasehold interest in the land. 15 (b) For the purposes of this section, a "low-income resident" means an individual who is a resident of the State 16
  - HB2142 HD1 HMS 2018-1811

17

and:

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1	(1)	Is the only member of a family of one and has an
2		income of not more than per cent of the area
3		median income for a family of one; or
4	(2)	Is part of a family with an income of not more than
5		per cent of the area median income for a family
6		of the same size."
7	SECT	TON 2. Chapter 201H, Hawaii Revised Statutes, is
8	amended b	y adding a new section to part II to be appropriately
9	designate	d and to read as follows:
10	" <u>§20</u>	1H- Affordable housing; county-designated
11	transit-o	riented development zone. (a) In addition to the
12	restricti	ons under section 201H-47, if the real property to be
13	developed	and sold is located wholly- or partially-situated
14	within a	county-designated transit-oriented development zone,
15	the corpo	ration shall:
16	(1)	Sell only a leasehold interest in the real property;
17		and
18	(2)	Require in the lease that no less than per cent
19		of the dwelling units in the development project shall
20		be sold or rented only to low-income residents for the

1		entire term of the purchaser's leasehold interest in
2		the real property.
3	(b)	For the purposes of this section, a "low-income
4	resident"	means an individual who is a resident of the State
5	and:	
6	(1)	Is the only member of a family of one and has an
7		income of not more than per cent of the area
8		median income for a family of one; or
9	(2)	Is part of a family with an income of not more than
10		per cent of the area median income for a family
11		of the same size."
12	SECT	ION 3. Chapter 206E, Hawaii Revised Statutes, is
13	amended b	y adding a new section to part I to be appropriately
14	designated and to read as follows:	
15	"§206E- Affordable housing; county-designated	
16	transit-oriented development zone. (a) In addition to the	
17	authority	granted under section 206E-15, if the authority deems
18	it desira	ble to develop and transfer to qualified persons a
19	residential project that is:	
20	(1)	Located on public land that is under the control and
21		management of the authority; and

1	(2)	Wholly- or partially-situated within a county-
2		designated transit-oriented development zone,
3	then the p	project shall be subject to the requirements of
4	subsection	n (b).
5	(b)	The authority shall:
6	(1)	Transfer to qualified persons only a leasehold
7		interest in the land; and
8	(2)	Require in the leasehold agreement with the qualified
9		persons that no less than per cent of the
10		residential units in the project shall be sold or
11		rented only to low-income residents for the entire
12		term of the leasehold interest in the public land.
13	<u>(c)</u>	For the purposes of this section, a "low-income
14	resident"	means an individual who is a resident of the State
15	and:	
16	(1)	Is the only member of a family of one and has an
17		income of not more than per cent of the area
18		median income for a family of one; or
19	(2)	Is part of a family with an income of not more than
20		per cent of the area median income for a family
21		of the same size."

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- 1 SECTION 4. This Act does not affect rights and duties that
- 2 matured, penalties that were incurred, and proceedings that were
- 3 begun before its effective date.
- 4 SECTION 5. New statutory material is underscored.
- 5 SECTION 6. This Act shall take effect on January 1, 2050.

### Report Title:

Affordable Housing; County-Designated Transit-Oriented Development Zone

### Description:

Requires reservation of a percentage of units in a housing development on public land or real property in a county-designated transit-oriented development zone and under the control of the Board of Land and Natural Resources, the Hawaii Housing Finance and Development Corporation, or the Hawaii Community Development Authority for low-income residents. Limits allowable transfer of interest in the real property to a developer to transfer of only leasehold interest. (HB2142 HD1)

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