HOUSE RESOLUTION

REQUESTING THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION TO STUDY THE VIABILITY OF INCREASING THE
MINIMUM PERCENTAGE OF AFFORDABLE HOUSING UNITS IN A PROJECT
REQUIRED TO BE SET ASIDE TO QUALIFY FOR AN EXEMPTION UNDER
CHAPTER 201, HAWAII REVISED STATUTES.

WHEREAS, the Hawaii Housing Finance and Development Corporation serves as the State housing finance and development agency; and

WHEREAS, the Hawaii Housing Finance and Development Corporation is authorized to, on its own behalf or with an eligible developer, develop fee simple or leasehold property, construct dwelling units thereon, and sell, lease, or rent the dwelling units at the lowest possible price to qualified residents, nonprofit organizations, or governmental agencies; and

WHEREAS, existing law authorizes the Hawaii Housing Finance and Development Corporation to develop affordable housing projects that are exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon if the council of the county in which the project is situated approves the project, with or without modifications; and

WHEREAS, county councils have approved valuable financial incentives for eligible projects, including waiver or deferral of plan review fees, building permit fees, grading and grubbing permit fees, wastewater system facility charges, water system facility fees, park dedication requirements, and height restrictions; and

WHEREAS, the State must balance the significant need for more housing, and the exemptions to the various construction requirements enacted to help provide more housing, with the competing interests of current residents desiring to retain the character of their neighborhoods, not increase congestion, keep street parking availability, and refrain from overloading the sewer and water infrastructure; and

WHEREAS, the Hawaii Housing Finance and Development Corporation establishes a maximum income limit at one hundred forty percent of the applicable area median income, which for urban Honolulu was \$182,440 for a family of four in 2022, for priority to purchase affordable dwelling units and the same income amount for eligibility to rent corporation-owned dwelling units; and

 WHEREAS, in the City and County of Honolulu, at least fifty-one percent of the units in projects with more than thirty units must be set at rents or sale prices at amounts affordable for low- and moderate-income households as follows:

(1) Twenty percent of the units in an eligible project must be set aside for households earning annual incomes of less than eighty percent of the area median income for the Honolulu Metropolitan Statistical Area, which was \$104,500 for a family of four in 2022; and

(2) Thirty-one percent of the units in an eligible project must be set aside for households earning annual incomes of eighty-one percent to one hundred twenty percent of the area median income for the Honolulu Metropolitan Statistical Area, which was \$104,500 to \$156,700 for a family of four in 2022; and

WHEREAS, in the City and County of Honolulu, affordable dwelling units must remain affordable for at least thirty years; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, that the Hawaii Housing Finance and Development Corporation is requested to study the viability of increasing

the minimum percentage of units in a project that a developer must set aside for low- and moderate-income households to qualify for an exemption under chapter 201H, Hawaii Revised Statutes; and

 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and Development Corporation is requested to submit a report of its findings and recommendations, including any proposed legislation, from the study to the Legislature no later than twenty days prior to the convening of the Regular Session of 2024; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor and Executive Director of the Hawaii Housing Finance and Development Corporation.