

JAN 19 2011

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 rapid transit
2 systems address traffic congestion and offer expanded mobility
3 options. Rapid transit systems can be a major influence in
4 regional and neighborhood economic development, strongly
5 influencing where development, redevelopment, and revitalization
6 occur. In addition, transit systems promote affordable housing.
7 Development around transit stations is relatively more intense
8 mixed use development, which reduces the costs of constructing
9 affordable housing, especially since less parking is provided.
10 With daily goods and services located within walking distance,
11 households located near transit stations can considerably reduce
12 transportation costs.

13 The legislature further finds that if insufficient
14 incentives are provided for affordable housing, the
15 "gentrification" of the neighborhood may occur, resulting in
16 significantly more expensive market housing replacing existing
17 affordable housing. Therefore, it is important that transit-



1 oriented development be encouraged to provide new affordable
2 housing and retain existing affordable housing.

3 The purpose of this Act is to:

4 (1) Authorize the Hawaii housing and finance development
5 corporation to facilitate the delivery of affordable
6 housing as part of transit-oriented development by
7 making grants-in-aid to counties to expedite permit
8 processing through the use of county third party
9 review programs; and

10 (2) Make an appropriation to the Hawaii housing and
11 finance development corporation to make grants-in-aid
12 to counties in accordance with this Act.

13 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
14 amended by adding a new section to part II to be appropriately
15 designated and to read as follows:

16 "§201H- Expedited approval of county permits for
17 affordable housing; transit-oriented development. (a) The
18 corporation shall encourage the development of affordable
19 housing, as defined in section 201H-57, that is located in or
20 near transit-oriented development. The corporation shall
21 collaborate with county permitting agencies to facilitate the
22 timely processing of county permits with the appropriate county



1 agency responsible for approving, monitoring, and enforcing the
2 terms and conditions of the permit in accordance with the permit
3 plan.

4 (b) For purposes of this section, the corporation may make
5 grants-in-aid to counties from moneys appropriated by the
6 legislature for a county to contract with third parties to
7 conduct reviews and certifications of county permit
8 applications."

9 SECTION 3. Section 201H-32, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By adding a new definition to be appropriately inserted
12 and to read:

13 "Transit-oriented development" refers to a mixed-use
14 residential or commercial area designed to maximize access to
15 public transportation. A transit-oriented development may
16 incorporate features to encourage transit ridership. A transit-
17 oriented development includes a transit station or stop
18 surrounded by affordable housing development."

19 2. By amending the definition of "develop" or
20 "development" to read:

21 "Develop" or "development" means the planning, financing
22 and acquisition of real and personal property; demolition of



1 existing structures and clearance of real property;
2 construction, reconstruction, alteration, or repairing of
3 approaches, streets, sidewalks, utilities, and services, or
4 other site improvements; construction, reconstruction, repair,
5 remodeling, extension, equipment, or furnishing of buildings or
6 other structures; or any combination of the foregoing, of any
7 housing project. It also includes any and all undertakings
8 necessary therefor, and the acquisition of any housing, in whole
9 or in part [-], including undertakings to facilitate transit-
10 oriented development that includes affordable housing
11 development."

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$500,000 or so much
14 thereof as may be necessary for fiscal year 2011-2012 and the
15 same sum or so much thereof as may be necessary for fiscal year
16 2012-2013 for the Hawaii housing finance and development
17 corporation to make grants-in-aid to appropriate county agencies
18 for the sole purpose of contracting for the third party review
19 and certification of county permit applications to expedite the
20 processing and issuance of building permits for affordable
21 housing projects that are certified by a county to be part of a
22 transit-oriented development; provided that the grants-in-aid



1 for third party review shall be limited to not more than \$10,000
2 per affordable housing unit; and provided further that:

3 (1) Each affordable housing project includes a minimum of
4 thirty units, with no less than half of the total
5 units dedicated to affordable housing units for rent
6 or sale; and

7 (2) Priority in awarding grants shall be given to housing
8 development projects in the following order of
9 priority:

10 (A) Those that reserve at least fifty per cent of the
11 total number of units for households with incomes
12 at or below eighty per cent of the median family
13 income, notwithstanding the definition of
14 affordable housing under section 201H-57, Hawaii
15 Revised Statutes; and

16 (B) Those that offer affordable housing units to
17 qualifying households that are dislocated as a
18 result of redevelopment.

19 The sums appropriated shall be expended by the Hawaii
20 housing finance and development corporation for the purposes of
21 this Act.

S.B. NO. 12

1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

[Handwritten Signature]



Report Title:

Affordable Housing; Transit-Oriented Development; Appropriation

Description:

Authorizes the Hawaii housing and finance development corporation to facilitate the delivery of affordable housing as part of transit-oriented development by making grants-in-aid to counties to expedite permit processing through the use of county third party review programs. Makes appropriation for grants-in-aid.

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