

JAN 21 2011

S.B. NO. 697

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 **PART I**

2 SECTION 1. In August 2007, Hawaii accepted an invitation
3 by the United State Department of Housing and Urban Development
4 to join the National Call to Action for Affordable Housing
5 through Regulatory Reform. The Call to Action presented an
6 opportunity for Hawaii to receive technical assistance from the
7 federal government and collaborate with other states, counties,
8 municipalities, and organizations to knock down the barriers
9 imposed by governments in hopes of building more affordable
10 housing.

11 The purpose of this Act is to provide incentives for
12 affordable housing by:

13 (1) Establishing a commission on transit-oriented
14 development to facilitate affordable housing in
15 transit-oriented developments by better coordinating
16 transportation and housing planning and programs; and



1 (2) Requiring the counties to provide fee waivers and
2 other incentives for the development of affordable
3 housing.

4 **PART II**

5 SECTION 2. The Hawaii Revised Statutes is amended by
6 adding a new chapter to be appropriately designated and to read
7 as follows:

8 **"CHAPTER**

9 **COMMISSION ON TRANSIT-ORIENTED DEVELOPMENT**

10 § -1 **Definitions.** The following terms, wherever used or
11 referred to in this chapter, shall have the following respective
12 meanings, unless a different meaning clearly appears from the
13 context:

14 "Affordable housing" means housing units for households
15 with incomes at or below one hundred forty per cent of the
16 median family income, as determined by the United States
17 Department of Housing and Urban Development.

18 "Commission" means the commission on transit-oriented
19 development.

20 "Rapid transit system" means a grade-separated, high
21 capacity, high frequency transportation system used primarily to
22 transport people.



1 "Transit-oriented development" means compact, mixed-use
2 development near new or existing public transit facilities that
3 serves housing, transportation, and neighborhood goals.

4 "Transit-oriented development zone" means an area in
5 proximity to a transit station, within the jurisdiction of a
6 county government or a legislatively established special
7 district, which is designated by the commission for state or
8 county incentives and programs.

9 § -2 **Commission on transit-oriented development;**

10 **establishment, staff.** (a) There is established the commission
11 on transit-oriented development under the department of
12 business, economic development, and tourism for administrative
13 purposes and staffed by the Hawaii housing finance and
14 development corporation.

15 (b) The commission shall consist of at least thirteen
16 members; provided that each county that develops a rapid transit
17 system shall be represented on the commission as follows.

18 Members shall include:

- 19 (1) Two members of the county council, one of whom
20 represents an area that has or plans to have rapid
21 transit stations, to be appointed by the chairperson
22 of the council;



- 1 (2) Two members of the state senate, one of whom shall be
- 2 the chairperson of the senate committee with primary
- 3 responsibility for housing issues, to be appointed by
- 4 the president of the senate;
- 5 (3) Two members of the state house of representatives, one
- 6 of whom shall be the chairperson of the committee with
- 7 primary responsibility for housing issues, to be
- 8 appointed by the speaker of the house of
- 9 representatives;
- 10 (4) The state director of finance or the director's
- 11 designee;
- 12 (5) The executive director of the Hawaii housing finance
- 13 and development corporation or the executive
- 14 director's designee;
- 15 (6) The director of the state office of planning or the
- 16 director's designee;
- 17 (7) The county director of planning or the director's
- 18 designee;
- 19 (8) The county director of budget and fiscal services or
- 20 the director's designee;
- 21 (9) The county housing director or the director's
- 22 designee; and



1 (10) The executive director of the metropolitan planning
2 organization or the director's designee.

3 (c) Each member of the commission who is a member of the
4 state legislature or the legislative body of the county shall
5 serve for the same term as the term of office for which the
6 member is elected. Vacancies that occur on the commission shall
7 be filled in the same manner in which the original member was
8 appointed.

9 (d) The commission shall select a chairperson and vice
10 chairperson from among its members. Seven members shall
11 constitute a quorum, whose affirmative vote shall be necessary
12 for all actions by the commission.

13 (e) The members shall receive no compensation for
14 services.

15 § -3 Functions of the commission on transit-oriented
16 development. (a) The commission shall serve in an advisory
17 capacity to the state legislature, the legislative body of each
18 county, and the appropriate state and county agencies
19 responsible for carrying out a continuing, comprehensive,
20 transit-oriented development planning process.

21 (b) The commission shall:



- 1 (1) Identify regulatory barriers to housing near transit
2 stations;
- 3 (2) Identify ways to improve coordination of housing and
4 transportation planning including the United States
5 Department of Housing and Urban Development's
6 Consolidated Plan and Public Housing Agency Plan, and
7 the United States Department of Transportation's
8 transportation planning requirements;
- 9 (3) Identify strategies for addressing area housing and
10 transportation needs including the designation of
11 transit-oriented development zones;
- 12 (4) Identify ways to improve the leveraging of housing and
13 transportation funds;
- 14 (5) Identify financial incentives for funding mixed-income
15 and affordable housing near transit, as well as land
16 use and other incentives to expand housing choices in
17 proximity of new and existing transit stations;
- 18 (6) Identify tax incentives for the development or
19 rehabilitation of community health care facilities
20 within mixed-use transit-oriented development
21 projects;



1 (7) Monitor outcomes and continually update goals and
2 objectives; and

3 (8) Undertake any other functions as may be appropriate in
4 an advisory capacity to ensure a joint planning
5 process between the county and the State, and advise
6 appropriate legislative bodies and agencies, as
7 necessary.

8 § -4 **Jurisdictional responsibilities.** Nothing in this
9 chapter is intended to change the basic jurisdictions for
10 planning, regulating, financing, and permitting responsibilities
11 under the purview of state and county agency statutes and
12 ordinances that were in existence prior to the enactment of this
13 chapter. The State and counties shall cooperate with the
14 commission by providing guidance based on their planning
15 processes and regulatory functions."

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2011-2012 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2012-2013 for the operations of the commission on transit-
21 oriented development.



1 The sums appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this Act.

4 PART III

5 SECTION 4. Section 46-14.5, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "~~§46-14.5~~ [Land use density] Incentives and
8 infrastructure [~~;~~ ~~low-income rental units~~]. Notwithstanding any
9 other law to the contrary, the counties [~~are authorized to~~]
10 shall provide [flexibility in land use density provisions and]
11 incentives for the development of affordable housing that may
12 include density bonuses, height waivers, cluster zoning, greater
13 design flexibility, waiving water and sewer connection fees,
14 priority infrastructure financing, and site flexibility;
15 provided that the counties may establish priorities for the
16 development of affordable housing in transit-oriented
17 developments. The counties shall provide flexibility in public
18 facility requirements to encourage the development of any rental
19 housing project where at least a portion of the rental units are
20 set aside for persons and families with incomes at or below one
21 hundred [~~forty~~] per cent of the area median family income, of
22 which [~~twenty~~] forty per cent are set aside for persons and

1 families with incomes at or below eighty per cent of the area
2 median family income."

3 PART IV

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

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

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INTRODUCED BY:

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Report Title:

Affordable Housing; Fees; Incentives; Appropriation

Description:

Establishes a commission on transit-oriented development to facilitate affordable housing in transit-oriented developments by better coordinating transportation and housing planning and programs; requires counties to offer incentives for affordable housing development; authorizes counties to establish priorities for affordable housing in transit-oriented developments; requires counties to provide flexibility in public facility requirements for rental housing projects to set aside a percentage of units for tenants at or below median income levels and tenants with incomes eighty per cent or below the median, respectively.

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