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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING DEVELOPMENT.

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

1           SECTION 1. The legislature finds that one of the barriers  
2 to the development of housing affordable to the general  
3 workforce is the regulatory process that exists in Hawaii.  
4 Duplication, fragmentation, and the lack of standards or  
5 predictability are the cost-generating and supply-reducing  
6 consequences of Hawaii's regulatory process.

7           The purpose of this Act is to increase the supply of  
8 housing affordable to the general workforce by providing an  
9 incentive to counties that streamline the application process  
10 for building, construction, or development-related permits.

11           SECTION 2. Chapter 225M, Hawaii Revised Statutes, is  
12 amended by adding a new section to be appropriately designated  
13 and to read as follows:

14           "§225M-        Incentive and streamlining grants program;  
15 incentive and streamlining grants special fund; established.

16           (a) There is created within the office of planning the  
17 incentive and streamlining grants program to assist the counties  
18 in streamlining the permit and approval regulatory process for



1 construction and development-related permits for housing  
2 developments affordable to the general workforce. Counties may  
3 apply for financial grants from the office to develop and  
4 implement plans that will reduce regulatory barriers to the  
5 development of housing for the general workforce. Counties  
6 shall develop the plans and may incorporate the following  
7 considerations as options to expedite development:

- 8       (1) Establishing mandatory review time frames;
- 9       (2) Eliminating duplicative reviews and services;
- 10       (3) Assessing developer fees for expedited reviews;
- 11       (4) Assuming responsibility for district  
12           reclassifications;
- 13       (5) Creating a housing expediter position for workforce  
14           housing projects;
- 15       (6) Providing development incentives, including:
  - 16           (A) Density bonuses for developments in the urban  
17               core;
  - 18           (B) Height bonuses for developments in the urban  
19               core;
  - 20           (C) Cluster zoning;
  - 21           (D) Waiving connection fees;
  - 22           (E) Tax credits;



- 1           (F) Waiving or modifying certain infrastructure
- 2           requirements;
- 3           (G) Reducing parking requirements;
- 4           (H) Ensuring that in-lieu fees are dedicated to the
- 5           development of housing affordable for the general
- 6           workforce and the maintenance and preservation
- 7           thereof;
- 8           (I) Allowing adjustments to floor area ratios for
- 9           units in housing affordable to the general
- 10           workforce;
- 11           (J) Amending county building codes to allow
- 12           accelerated building techniques;
- 13           (K) Promoting mixed-use development in urban and
- 14           rural districts;
- 15           (L) Allowing residential use in commercial and
- 16           industrial zoned areas; and
- 17           (M) Establishing growth districts, increasing density
- 18           in those districts, and targeting infrastructure
- 19           resources into those districts;
- 20           and



1        (7) Establishing a procedure for the priority processing  
2                    of a permit application for a project containing units  
3                    that are affordable to the general workforce.

4        (b) The office of planning shall establish an incentive to  
5 participating counties under this section that improves the  
6 processing time of permits for workforce housing by prioritizing  
7 and providing funding for state regional infrastructure projects  
8 that are consistent with that county's growth management plans.

9        (c) There is established within the state treasury the  
10 incentive and streamlining grants special fund, into which shall  
11 be deposited:

12        (1) Legislative appropriations;  
13        (2) State, county, and federal funds designated to the  
14                    fund;

15        (3) Private contributions; and  
16        (4) Any other funds designated to the fund.

17        (d) Moneys in the fund shall be used for the purposes of  
18 the incentive and streamlining grants program; provided that:

19        (1) Up to one-half of the fund balance after July 1, 2008,  
20                    shall be awarded as grants to assist counties with  
21                    developing plans to streamline county regulatory  
22                    processes; and



1       (2) Up to one-half of the fund balance on July 1, 2008,  
 2       and any supplemental funds deposited into the fund  
 3       after July 1, 2008, shall be awarded as grants to  
 4       assist counties with implementing plans to streamline  
 5       county regulatory processes.

6       The office of planning shall administer the incentive and  
 7       streamlining grants special fund.

8       (e) The office of planning shall adopt rules pursuant to  
 9       chapter 91 to effectuate the purposes of this section, including  
 10       the grant application process for the incentive and streamlining  
 11       grants program.

12       (f) Nothing in subsection (a) shall be construed to exempt  
 13       developments under this section from chapter 343 and other  
 14       environmental laws."

15       SECTION 3. There is appropriated out of the general  
 16 revenues of the State of Hawaii the sum of \$10,000,000 or so  
 17 much thereof as may be necessary for fiscal year 2008-2009 for  
 18 deposit into the incentive and streamlining grants special fund  
 19 for the purposes of the incentive and streamlining grants  
 20 program.

21       The sum appropriated shall be expended by the office of  
 22 planning for the purposes of this Act.



- 1 SECTION 4. New statutory material is underscored.
- 2 SECTION 5. This Act shall take effect on July 1, 2008.



**Report Title:**

Workforce Housing Development; Incentive and Streamlining Grants Program

**Description:**

Establishes the Incentive and Streamlining Grants Program to assist counties in streamlining the permit and approval process for construction and development of workforce housing. (HB3401 HD1)

