

JAN 20 2010

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 recognizes that the need for
2 more affordable housing in Hawaii remains a significant problem
3 affecting all segments of society. Although there is a process
4 in place that provides an opportunity for expedited state and
5 county land use and zoning approvals for affordable housing
6 projects, the ministerial permits that are issued subsequent to
7 project approval may take a significant amount of time to issue.
8 This delay adds costs to the affordable housing project,
9 ultimately affecting the buyer or renter, and lengthens the time
10 it takes for the unit to be constructed and occupied.

11 In August 2007, Hawaii accepted an invitation by the United
12 States Department of Housing and Urban Development to join the
13 National Call to Action for Affordable Housing Through
14 Regulatory Reform. The Call to Action presented an opportunity
15 for Hawaii to receive technical assistance from the federal
16 government and collaborate with other states, counties,
17 municipalities, and organizations to knock down the barriers



1 imposed by governments in hopes of building more affordable
2 housing. The governor convened a statewide task force comprised
3 of representatives from the counties, business, labor,
4 developers, architects, non-profit providers of services, the
5 executive branch, and the legislature to carry out the mission
6 of the Call to Action and recommend solutions to address
7 barriers to affordable housing. One of the task force's
8 proposed solutions is to require state and county agencies to
9 provide expedited reviews for affordable housing projects.

10 The purpose of this Act is to implement the legislative
11 recommendation of the Call to Action task force by placing a
12 standard timeframe on agency issuance of ministerial permits for
13 approved affordable housing projects.

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

17 "§201H- Ministerial permits; state and county review
18 deadline. (a) State and county agencies shall issue any
19 ministerial permit associated with any project approved pursuant
20 to section 201H-38 or section 46-15.1 within forty-five days
21 from the date of acceptance of the permit application; provided



1 that a state or county agency shall perform no more than two
2 comprehensive reviews of ministerial permits per year.

3 (b) For purposes of this section, "ministerial permit"
4 means any nondiscretionary permit for which the permit
5 administrator needs to determine conformity with applicable
6 ordinances before approving the project."

7 SECTION 3. Section 46-15.1, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§46-15.1 Housing; county powers.** (a) Any law to the
10 contrary notwithstanding, any county shall have and may exercise
11 the same powers, subject to applicable limitations, as those
12 granted the Hawaii housing finance and development corporation
13 pursuant to chapter 201H insofar as those powers may be
14 reasonably construed to be exercisable by a county for the
15 purpose of developing, constructing, and providing low- and
16 moderate-income housing; provided that no county shall be
17 empowered to cause the State to issue general obligation bonds
18 to finance a project pursuant to this section; provided further
19 that county projects shall be granted an exemption from general
20 excise or receipts taxes in the same manner as projects of the
21 Hawaii housing finance and development corporation pursuant to
22 section 201H-36; and provided further that section 201H-16 shall



1 not apply to this section unless federal guidelines specifically
2 provide local governments with that authorization and the
3 authorization does not conflict with any state laws. The powers
4 shall include the power, subject to applicable limitations, to:

- 5 (1) Develop and construct dwelling units, alone or in
6 partnership with developers;
- 7 (2) Acquire necessary land by lease, purchase, exchange,
8 or eminent domain;
- 9 (3) Provide assistance and aid to a public agency or other
10 person in developing and constructing new housing and
11 rehabilitating existing housing for elders of low- and
12 moderate-income, other persons of low- and moderate-
13 income, and persons displaced by any governmental
14 action, by making long-term mortgage or interim
15 construction loans available;
- 16 (4) Contract with any eligible bidders to provide for
17 construction of urgently needed housing for persons of
18 low- and moderate-income;
- 19 (5) Guarantee the top twenty-five per cent of the
20 principal balance of real property mortgage loans,
21 plus interest thereon, made to qualified borrowers by
22 qualified lenders;



1 (6) Enter into mortgage guarantee agreements with
2 appropriate officials of any agency or instrumentality
3 of the United States to induce those officials to
4 commit to insure or to insure mortgages under the
5 National Housing Act, as amended;

6 (7) Make a direct loan to any qualified buyer for the
7 downpayment required by a private lender to be made by
8 the borrower as a condition of obtaining a loan from
9 the private lender in the purchase of residential
10 property;

11 (8) Provide funds for a share, not to exceed fifty per
12 cent, of the principal amount of a loan made to a
13 qualified borrower by a private lender who is unable
14 otherwise to lend the borrower sufficient funds at
15 reasonable rates in the purchase of residential
16 property; and

17 (9) Sell or lease completed dwelling units.

18 For purposes of this section, a limitation is applicable to
19 the extent that it may reasonably be construed to apply to a
20 county.

21 (b) Each county shall issue any ministerial permit
22 associated with any project approved pursuant to section 201H-38



1 or this section within forty-five days from the date of
2 acceptance of the permit application; provided that a county
3 agency shall perform no more than two comprehensive reviews of
4 ministerial permits per year.

5 ~~[(b)]~~ (c) Each county shall issue affordable housing
6 credits to the department of Hawaiian home lands with respect to
7 existing and future Hawaiian home lands projects upon a request
8 for such credits by the department of Hawaiian home lands. The
9 credits shall be transferable and shall be issued on a one-unit
10 for one-unit basis. The credits may be applied county-wide
11 within the same county in which the credits were earned to
12 satisfy affordable housing obligations imposed by the county on
13 market priced residential and non-residential developments.

14 ~~[(e)]~~ (d) Any law to the contrary notwithstanding, any
15 county may:

- 16 (1) Authorize and issue bonds under chapter 47 and chapter
17 49 to provide moneys to carry out the purposes of this
18 section or section 46-15.2, including the satisfaction
19 of any guarantees made by the county pursuant to this
20 section;
- 21 (2) Appropriate moneys of the county to carry out the
22 purposes of this section;



- 1 (3) Obtain insurance and guarantees from the State or the
- 2 United States, or subsidies from either;
- 3 (4) Designate, after holding a public hearing on the
- 4 matter and with the approval of the respective
- 5 council, any lands owned by it for the purposes of
- 6 this section;
- 7 (5) Provide interim construction loans to partnerships of
- 8 which it is a partner and to developers whose projects
- 9 qualify for federally assisted project mortgage
- 10 insurance, or other similar programs of federal
- 11 assistance for persons of low and moderate income; and
- 12 (6) Adopt rules pursuant to chapter 91 as are necessary to
- 13 carry out the purposes of this section.

14 [~~(d)~~] (e) The provisions of this section shall be
15 construed liberally so as to effectuate the purpose of this
16 section in facilitating the development, construction, and
17 provision of low- and moderate-income housing by the various
18 counties.

19 [~~(e)~~] (f) For purposes of this section [~~,"low]~~ :
20 "Low and moderate income housing" means any housing project
21 that meets the definition of "low- and moderate-income housing
22 project" in section 39A-281.



1 "Ministerial permit" means any nondiscretionary permit for
 2 which the permit administrator needs to determine conformity
 3 with applicable ordinances before approving the project."

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

6 SECTION 5. This Act shall take effect upon its approval.

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S.B. NO. 2110

Report Title:

Affordable Housing; Forty-Five-Day Review

Description:

Expedites the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the state or county within forty-five days of acceptance of the permit application for the project.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

