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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1           SECTION 1. In August 2007, Hawaii accepted an invitation  
2 by the United State Department of Housing and Urban Development  
3 to join the National Call to Action for Affordable Housing  
4 through Regulatory Reform. The Call to Action presented an  
5 opportunity for Hawaii to receive technical assistance from the  
6 federal government and collaborate with other states, counties,  
7 municipalities, and organizations to knock down the barriers  
8 imposed by governments in hopes of building more affordable  
9 housing. Governor Lingle convened a statewide task force  
10 comprised of representatives from the counties, business, labor,  
11 developers, architects, nonprofit providers of services, the  
12 State, and the legislature to carry out the mission of the Call  
13 to Action and recommend solutions to address barriers to  
14 affordable housing. Accordingly, the purpose of this Act is to  
15 implement the legislative recommendations of the task force.

16           The State recognizes that the need for more affordable  
17 housing in Hawaii remains a significant problem affecting all  
18 segments of society. The development of residential housing is



1 bridled by significant varying regulations placed on the  
2 industry at both the state and county levels. Recent analysis  
3 shows that regulations and conditions placed on developers can  
4 potentially delay a project for up to seven years. This delay  
5 in time leads to a level of uncertainty for the housing  
6 industry, adds cost to the total development project,  
7 jeopardizes funding streams for affordable housing projects, and  
8 ultimately results in a more expensive home for the home buyer  
9 or renter. The State recognizes that impact fees, connection  
10 fees, and other conditions that are imposed on housing  
11 developers during this uncertain time of permit approvals can  
12 increase the cost of the home or rental unit by \$10,000 to  
13 \$50,000. Accordingly, the purpose of this Act is to provide fee  
14 waivers and other incentives for the development of affordable  
15 housing.

16 SECTION 2. Section 46-14.5, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "~~§46-14.5~~ [~~Land use density~~] Incentives and  
19 infrastructure [~~; low-income rental units~~]. Notwithstanding any  
20 other law to the contrary, the counties [~~are authorized to~~]  
21 shall provide [~~flexibility in land use density provisions and~~]  
22 incentives for the development of affordable housing that may



1 include density bonuses, height waivers, cluster zoning, greater  
2 design flexibility, waiving water and sewer connection fees,  
3 priority infrastructure financing, and site flexibility.  
4 Counties shall provide flexibility in public facility  
5 requirements to encourage the development of any rental housing  
6 project where at least a portion of the rental units are set  
7 aside for persons and families with incomes at or below one  
8 hundred [~~forty~~] per cent of the area median family income, of  
9 which [~~twenty~~] forty per cent are set aside for persons and  
10 families with incomes at or below eighty per cent of the area  
11 median family income."

12 SECTION 3. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2020.



**Report Title:**

Affordable Housing; Fees; Incentives

**Description:**

Requires counties to offer incentives for affordable housing development. Requires counties to provide flexibility in public facility requirements for rental housing projects with units for tenants at or below median income levels, 40 percent of which units are for tenants with incomes 80 percent or below the median. (HB363 HD2)

