

JAN 23 2009

A BILL FOR AN ACT

RELATING TO TRANSIT ORIENTED DEVELOPMENT.

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

1 SECTION 1. The legislature finds that rapid transit
2 systems can be a major influence in regional and neighborhood
3 economic development, strongly influencing where development,
4 redevelopment, and revitalization occur. In addition, transit
5 systems can promote affordable housing. Development around
6 transit stations is often more intensive, mixed-use development,
7 which may help reduce the cost of constructing affordable
8 housing, and require fewer parking options. With daily goods
9 and services located within walking distance, developing
10 households near transit stations can reduce transportation costs
11 considerably.

12 The legislature further finds, however, that if incentives
13 are not provided for the development of affordable housing,
14 "gentrification" of the neighborhood - meaning significantly
15 more expensive market housing that replaces existing affordable
16 housing - may occur. 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 encourage the delivery of
4 affordable housing as part of transit oriented development by
5 offering faster permit processing through funding the use of
6 third-party review programs.

7 SECTION 2. (a) Notwithstanding any provisions of chapter
8 201H, Hawaii Revised Statutes, the Hawaii housing finance and
9 development corporation may grant funds to affordable housing
10 developers for the purpose of contracting for third-party review
11 and certification, as offered by the respective county, to
12 expedite the processing and issuance of building permits for an
13 affordable housing project that is part of a transit oriented
14 development; provided that no more than \$10,000 may be expended
15 for third-party review for each affordable housing project.

16 Affordable housing projects shall include a minimum of
17 thirty units, of which at least half shall be affordable units
18 for rent or for sale.

19 Third-party review and certification may apply to
20 inspections and other ministerial permits as allowed by the
21 respective county.



1 The counties shall certify that the project is in a transit
2 oriented zone in order for this subsection to apply.

3 (b) In processing requests for third-party review and
4 certification, the Hawaii housing finance and development
5 corporation shall give priority:

6 (1) First, to projects that reserve at least fifty per
7 cent of the total number of units for households with
8 incomes at or below eighty per cent of the median
9 family income; and

10 (2) Second, to projects that offer affordable housing
11 units to qualifying households dislocated as a result
12 of redevelopment.

13 (c) For the purposes of this section, "affordable housing"
14 means housing units for households with incomes at or below one
15 hundred forty per cent of the median family income, as
16 determined by the United States Department of Housing and Urban
17 Development.

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$500,000 or so much
20 thereof as may be necessary for fiscal year 2009-2010 and the
21 same sum or so much thereof as may be necessary for fiscal year



1 2010-2011 for grants to affordable housing developers for the
2 purpose of contracting for third-party review and certification.

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

6 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY: Norman Sakomfi



Report Title:

Affordable Housing; Transit Oriented Development; Third-Party Review; Appropriation

Description:

Authorizes the Hawaii housing finance and development corporation to grant funds to affordable housing developers to contract for third-party review and certification to expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development; appropriates moneys for the grants.

