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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. 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 the invitation by the  
12 United States Department of Housing and Urban Development to  
13 join the 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  
18 imposed by governments in hopes of building more affordable



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

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

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

16 "§201H- Ministerial permits; state and county review  
17 deadline. (a) State and county agencies shall issue every  
18 ministerial permit associated with any project approved pursuant  
19 to section 201H-38 or section 46-15.1 within sixty days from the  
20 date of receipt of a permit application deemed to be complete by  
21 the receiving state or county agency.



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

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

7        "**§46-15.1 Housing; county powers.** (a) Any law to the  
8 contrary notwithstanding, any county shall have and may exercise  
9 the same powers, subject to applicable limitations, as those  
10 granted the Hawaii housing finance and development corporation  
11 pursuant to chapter 201H insofar as those powers may be  
12 reasonably construed to be exercisable by a county for the  
13 purpose of developing, constructing, and providing low- and  
14 moderate-income housing; provided that no county shall be  
15 empowered to cause the State to issue general obligation bonds  
16 to finance a project pursuant to this section; provided further  
17 that county projects shall be granted an exemption from general  
18 excise or receipts taxes in the same manner as projects of the  
19 Hawaii housing finance and development corporation pursuant to  
20 section 201H-36; and provided further that section 201H-16 shall  
21 not apply to this section unless federal guidelines specifically  
22 provide local governments with that authorization and the



1 authorization does not conflict with any state laws. The powers  
2 shall include the power, subject to applicable limitations, to:

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



1 of the United States to induce those officials to  
2 commit to insure or to insure mortgages under the  
3 National Housing Act, as amended;

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

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

15 (9) Sell or lease completed dwelling units.

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

19 (b) Each county shall issue every ministerial permit  
20 associated with any project approved pursuant to section 201H-38  
21 or this section within sixty days from the date of receipt of a



1 permit application deemed to be complete by the receiving county  
2 agency.

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

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

14       (1) Authorize and issue bonds under chapter 47 and chapter  
15           49 to provide moneys to carry out the purposes of this  
16           section or section 46-15.2, including the satisfaction  
17           of any guarantees made by the county pursuant to this  
18           section;

19       (2) Appropriate moneys of the county to carry out the  
20           purposes of this section;

21       (3) Obtain insurance and guarantees from the State or the  
22           United States, or subsidies from either;



1 (4) Designate, after holding a public hearing on the  
2 matter and with the approval of the respective  
3 council, any lands owned by it for the purposes of  
4 this section;

5 (5) Provide interim construction loans to partnerships of  
6 which it is a partner and to developers whose projects  
7 qualify for federally assisted project mortgage  
8 insurance, or other similar programs of federal  
9 assistance for persons of low and moderate income; and

10 (6) Adopt rules pursuant to chapter 91 as are necessary to  
11 carry out the purposes of this section.

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

17 [~~(e)~~] (f) For purposes of this section[~~,"low~~]:

18 "Low- and [~~moderate-income~~] moderate-income housing" means  
19 any housing project that meets the definition of "low- and  
20 moderate-income housing 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 on July 1, 2011.

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INTRODUCED BY:  \_\_\_\_\_

JAN 26 2011





**Report Title:**

Affordable Housing; Ministerial Permits; Sixty-day Review

**Description:**

Requires ministerial permits to be issued by the State or any county within sixty days of receipt of a permit application deemed to be complete by the receiving State or county agency.

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

