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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 finds that rapid transit  
2 systems address traffic congestion and offer expanded mobility  
3 options. Rapid transit systems can be a major influence in  
4 regional and neighborhood economic development, strongly  
5 influencing where development, redevelopment, and revitalization  
6 occur. In addition, rapid transit systems promote affordable  
7 housing. Development around transit stations is relatively more  
8 intense mixed use development, which reduces the costs of  
9 constructing affordable housing, especially since less parking  
10 is provided. With daily goods and services located within  
11 walking distance, households located near transit stations can  
12 also considerably reduce transportation costs.

13           The legislature further finds that if insufficient  
14 incentives are provided for the development and maintenance of  
15 affordable housing, gentrification of these neighborhoods may  
16 occur, resulting in significantly more expensive market housing  
17 replacing affordable housing. Therefore, it is important to



1 encourage the construction of new affordable housing and  
2 maintenance of existing affordable housing in transit-oriented  
3 development projects.

4 The purpose of this Act is to authorize and appropriate  
5 funds to the Hawaii housing finance and development corporation  
6 to facilitate the delivery of affordable housing as part of  
7 transit-oriented development by making grants-in-aid to counties  
8 to expedite permit processing through county third party review  
9 programs.

10 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
11 amended by adding a new section to part II to be appropriately  
12 designated and to read as follows:

13 "§201H- Expedited approval of county permits for  
14 affordable housing; transit-oriented development. (a) The  
15 corporation shall encourage the development of affordable  
16 housing that is located within three miles of a transit-oriented  
17 development. The corporation shall collaborate with county  
18 permitting agencies to facilitate the timely processing of  
19 county permits and with the appropriate county agencies  
20 responsible for approving, monitoring, and enforcing the terms  
21 and conditions of the permit in accordance with the permit plan.



1        (b) For the purposes of this section, the corporation may  
2 make grants-in-aid to counties from moneys appropriated by the  
3 legislature for a county to contract with third parties to  
4 conduct reviews and certifications of county permit  
5 applications; provided that the grants-in-aid for third party  
6 review shall be limited to not more than \$10,000 per affordable  
7 housing unit; and provided further that:

8        (1) Each affordable housing project includes a minimum of  
9 thirty units, with not less than half of the total  
10 units dedicated as affordable housing units for rent  
11 or sale; and

12        (2) Priority in awarding grants-in-aid shall be given to  
13 housing development projects in the following order:

14        (A) Those that reserve at least fifty per cent of the  
15 total number of units for households with incomes  
16 at or below eighty per cent of the median family  
17 income; and

18        (B) Those that offer affordable housing units to  
19 qualifying households that are dislocated as a  
20 result of redevelopment or by natural disasters.

21        (c) For the purposes of this section:



1 "Affordable housing" shall have the same meaning as in  
2 section 201H-57.

3 "Third party review" means a county program that authorizes  
4 certified individuals, companies, or organizations to review  
5 permit applications on behalf of the county, as an alternative  
6 to review by county officials, for code compliance."

7 SECTION 3. Section 201H-32, Hawaii Revised Statutes, is  
8 amended as follows:

9 1. By adding a new definition to be appropriately inserted  
10 and to read:

11 "Transit-oriented development" means a residential or  
12 mixed-use residential project designed to maximize access to  
13 public transportation and encourage ridership, as designated by  
14 the respective county. "Transit-oriented development" may  
15 include a transit station or stop surrounded by affordable  
16 housing development."

17 2. By amending the definition of "develop" or  
18 "development" to read:

19 "Develop" or "development" means the planning, financing  
20 and acquisition of real and personal property; demolition of



1 existing structures and clearance of real property;  
2 construction, reconstruction, alteration, or repairing of  
3 approaches, streets, sidewalks, utilities, and services, or  
4 other site improvements; construction, reconstruction, repair,  
5 remodeling, extension, equipment, or furnishing of buildings or  
6 other structures; or any combination of the foregoing, of any  
7 housing project. It also includes any and all undertakings  
8 necessary therefor, including undertakings to facilitate  
9 transit-oriented development that includes affordable housing  
10 development, and the acquisition of any housing, in whole or in  
11 part."

12 SECTION 4. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$500,000 or so much  
14 thereof as may be necessary for fiscal year 2015-2016 and the  
15 same sum or so much thereof as may be necessary for  
16 fiscal year 2016-2017 for the Hawaii housing finance and  
17 development corporation to make grants-in-aid to appropriate  
18 county agencies for the sole purpose of contracting for the  
19 third party review and certification of county permit  
20 applications to expedite the processing and issuance of building



1 permits for affordable housing projects that are certified by a  
2 county to be part of transit-oriented development.

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 5. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Transit-Oriented Development; Affordable Housing; Expedited  
Approval of County Permits; Appropriation

**Description:**

Authorizes the Hawaii Housing Finance and Development  
Corporation to facilitate the development of affordable housing  
as part of transit-oriented development by making grants-in-aid  
to counties to expedite permit processing by using third party  
review programs. Appropriates funds. (HB829 HD2)

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not legislation or evidence of legislative intent.*

