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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1           SECTION 1. The legislature finds that the need for more  
2 affordable housing in Hawaii affects all segments of society.  
3 Nonetheless, the counties have delayed action on public  
4 infrastructure improvements that have been developed as part of  
5 affordable housing projects developed by the State, including  
6 the Villages of Kapolei master planned community.

7           The legislature also finds that in the late 1980s, the  
8 Hawaii housing finance and development corporation's  
9 predecessor, the housing finance and development corporation,  
10 began as the master developer of the eight hundred eighty-eight-  
11 acre Villages of Kapolei in the Ewa Plain for a planned, four  
12 thousand four hundred unit residential community. The housing  
13 finance and development corporation also developed major  
14 infrastructure for the Villages of Kapolei under Act 15, Session  
15 Laws of Hawaii 1988, which created exemptions from various  
16 zoning and subdivision laws to expedite affordable housing.



1           The legislature further finds that while the city and  
2 county of Honolulu has collected real property tax revenues from  
3 the Villages of Kapolei for the past thirty years, the city has  
4 still not accepted dedication of the infrastructure  
5 improvements. As a result, the State, through the Hawaii  
6 housing finance and development corporation, has had to pay for  
7 related maintenance and improvements, averaging more than  
8 \$1,000,000 per year. These expenses are paid for with moneys  
9 from the dwelling unit revolving fund instead of real property  
10 tax revenues collected by the city and county of Honolulu, which  
11 comes at an opportunity cost of funding infrastructure for new  
12 affordable housing development throughout the State.

13           The purpose of this Act is to condition the authority of a  
14 county whose population is greater than five hundred thousand to  
15 exercise the same state housing powers as those granted to the  
16 Hawaii housing finance and development corporation on a finding  
17 that the county has fulfilled its duty to accept dedication of  
18 public infrastructure constructed in accordance with all  
19 relevant codes and ordinances at the time of commencement of  
20 construction.



1 SECTION 2. Section 46-15.1, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Notwithstanding any law to the contrary, any county  
4 shall have and may exercise the same powers, subject to  
5 applicable limitations, as those granted the Hawaii housing  
6 finance and development corporation pursuant to chapter 201H  
7 insofar as those powers may be reasonably construed to be  
8 exercisable by a county for the purpose of developing,  
9 constructing, and providing low- and moderate-income housing;  
10 provided that no county shall be empowered to cause the State to  
11 issue general obligation bonds to finance a project pursuant to  
12 this section; provided further that county projects shall be  
13 granted an exemption from general excise or receipts taxes in  
14 the same manner as projects of the Hawaii housing finance and  
15 development corporation pursuant to section 201H-36; ~~and~~  
16 provided further that section 201H-16 shall not apply to this  
17 section unless federal guidelines specifically provide local  
18 governments with that authorization and the authorization does  
19 not conflict with any state laws[-]; provided further that the  
20 authority of a county whose population is greater than five  
21 hundred thousand to exercise these powers shall be contingent



1 upon the county's continued compliance with sections 46-15.25  
2 and 264-1(c)(1), with respect to accepting the dedication of  
3 infrastructure and public highways in affordable housing  
4 developments, as determined by the Hawaii housing finance and  
5 development corporation. The powers shall include the power,  
6 subject to applicable limitations, to:

- 7 (1) Develop and construct dwelling units, alone or in  
8 partnership with developers;
- 9 (2) Acquire necessary land by lease, purchase, exchange,  
10 or eminent domain;
- 11 (3) Provide assistance and aid to a public agency or other  
12 person in developing and constructing new housing and  
13 rehabilitating existing housing for elders of low- and  
14 moderate-income, other persons of low- and moderate-  
15 income, and persons displaced by any governmental  
16 action, by making long-term mortgage or interim  
17 construction loans available;
- 18 (4) Contract with any eligible bidders to provide for  
19 construction of urgently needed housing for persons of  
20 low- and moderate-income;



- 1           (5) Guarantee the top twenty-five per cent of the  
2           principal balance of real property mortgage loans,  
3           plus interest thereon, made to qualified borrowers by  
4           qualified lenders;
- 5           (6) Enter into mortgage guarantee agreements with  
6           appropriate officials of any agency or instrumentality  
7           of the United States to induce those officials to  
8           commit to insure or to insure mortgages under the  
9           National Housing Act, as amended;
- 10          (7) Make a direct loan to any qualified buyer for the  
11          downpayment required by a private lender to be made by  
12          the borrower as a condition of obtaining a loan from  
13          the private lender in the purchase of residential  
14          property;
- 15          (8) Provide funds for a share, not to exceed fifty per  
16          cent, of the principal amount of a loan made to a  
17          qualified borrower by a private lender who is unable  
18          otherwise to lend the borrower sufficient funds at  
19          reasonable rates in the purchase of residential  
20          property; and
- 21          (9) Sell or lease completed dwelling units.



1 For purposes of this section, a limitation is applicable to  
2 the extent that it may reasonably be construed to apply to a  
3 county."

4 SECTION 3. Section 46-15.25, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 **"§46-15.25 Infrastructure dedication; affordable housing.**

7 (a) Infrastructure for a development that primarily consists of  
8 affordable housing at the time that construction commences shall  
9 be deemed dedicated to the county if the county does not accept  
10 or reject the request for dedication of infrastructure within  
11 sixty days of the receipt by the appropriate county council of a  
12 completed application for dedication request[+]. Requests for  
13 dedication of infrastructure shall be accepted; provided that:

14 (1) Applicable meter and connection fees and utility costs  
15 relating to the dedicated infrastructure have been  
16 paid;

17 (2) The dedicated infrastructure [~~conforms to applicable~~  
18 ~~county standards in effect at the time of~~  
19 ~~construction;~~] does not contravene health or safety  
20 standards, as determined by the Hawaii housing finance  
21 and development corporation; and



1 (3) The completion of the improvements comprising a  
2 dedicated infrastructure is granted approval by the  
3 county[-] or a third-party reviewer.

4 (b) For the purposes of this section:

5 "Affordable housing" means housing that is affordable to  
6 households with incomes at or below one hundred forty per cent  
7 of the median family income as determined by the United States  
8 Department of Housing and Urban Development.

9 "Infrastructure" includes water, drainage, sewer, waste  
10 disposal and waste treatment systems, road, road landscaping,  
11 and street lighting that connect to the infrastructure of the  
12 county.

13 "Third-party reviewer" means an entity with the appropriate  
14 licenses, specialized knowledge, and experience that has been  
15 examined and registered by the county to perform plan reviews in  
16 a particular discipline or disciplines."

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

19 SECTION 5. This Act shall take effect on July 1, 3000;  
20 provided that the amendments made to section 46-15.1, Hawaii  
21 Revised Statutes, by section 2 of this Act shall not be repealed



1 when that section is reenacted on July 1, 2024, pursuant to  
2 sections 1 and 2 of Act 80, Session Laws of Hawaii 2019.





# H.B. NO. 668 H.D. 1

**Report Title:**

Infrastructure Dedication; Affordable Housing; Counties

**Description:**

Conditions the authority of a county whose population is greater than five hundred thousand to exercise state housing powers upon a county's continued compliance with provisions regarding acceptance of the dedication of infrastructure and public highways in affordable housing developments. Amends various provisions relating to the dedication of infrastructure to a county. Effective 7/1/3000. (HD1)

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

