

**ACT 166**

S.B. NO. 2603-76

A Bill for an Act Relating to the Establishment of the Council of Housing and Construction Industry.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1. Purpose.** The legislature of the State of Hawaii has unequivocally committed itself to the responsibility of seeing that the housing

needs of the citizenry of this State are adequately met. In furtherance of this commitment, such important legislation included in the Hawaii Revised Statutes as: the Department of Budget and Finance-Veterans Loans, Chapter 364; the Hawaii Housing Authority-Low Income Housing, Chapter 356; State Housing Projects, Chapter 359; Teachers Housing, Chapter 359A; Housing Projects, Chapter 359G; Department of Labor and Industrial Relations-Factory Built Housing, Chapter 359L; Federal Housing Projects, Chapter 357; Government Aid for Housing Projects, Chapter 358; County Housing Projects, Section 46-15.1, were enacted for this singular purpose. The latest program for housing development was the enactment of Act 105, Session Laws of Hawaii 1970, whereby the Hawaii Housing Authority was given the responsibility to try and resolve the complex problems of providing housing for the lower and middle income groups at a reasonable price. This program has met with moderate success but the agency's efforts thus far have been in low cost housing and are unable to come forward with the type of program or innovations that will be necessary to keep step with the increasing demand by all economic groups for housing at a reasonable price. It is reported that even the government housing program was too expensive for the lower or middle income groups to qualify.

The future of the housing and construction industry as well as government sponsored housing programs are faced with four known constants for the future—increased cost of land, capital, labor, and materials. If in the economy today an average price of a new home averages \$60,000, what then will be the price in five to ten years. The Act 105 objectives dealt with a program of having the government enter into the housing market and independently or in cooperation with private industry to provide lower cost homes. However, it was not given the task of seeking the research and analysis to find short and long range solutions for some of the known causes for the high cost of construction. The housing and construction industry operates within a market place with intense competition but all are subject to numerous governmental agencies that must give their prior approval before the first spade of dirt is dug. There is probably no industry that has to obtain so many different approvals of government authorities before it can proceed to do its work. The reason for the cost of housing then is not only the increased costs of land, capital, labor, and materials but also the innumerable expensive and time-consuming governmental agency's regulations which must be complied with. While these standards have no doubt created the finest homes in the world, there has to be a reappraisal of the standards, codes, and regulations now being imposed. The State of Hawaii must be vitally concerned with the serious consequences that the housing and construction industry is and will be faced with in meeting tomorrow's demands. The problems of the housing and construction industry and the governmental agencies that regulate the industry have to undergo a realistic reappraisal if the future generations are going to be able to buy homes that are reasonably priced. Otherwise homes may be priced out of the market place for all but a few consumers. To implement the above concerns a Council of Housing and Construction Industry is being established.

**SECTION 2. Council; composition; appointment; governing body.** There

is established within the office of the governor for administrative purposes an advisory council for housing and construction industry composed of twenty-four members, twelve to be appointed by the governor subject to section 26-34 as follows:

- (1) The governor's special assistant on housing; the director of planning and economic development; the director of health; the chairman of the land use commission; the chairman of the Hawaii housing authority; the director of the office of consumer protection; the President of the Senate or his designated representative; and the Speaker of the House of Representatives or his designated representative shall be ex-officio members of the council.
- (2) The mayor of each county or his designated representative shall sit as ex-officio members of the council.
- (3) Three other members from the community at large appointed by the governor.
- (4) Nine members of the council to be appointed from the private sector appointed from the following organizations: home builders association of Hawaii; developers association of Hawaii; general contractors' association; building and trades council—AFL-CIO; mortgage bankers association; american institute of architects; consulting engineers council; board of realtors; and savings and loan league. Each organization shall submit a list of three persons from its ranks from which the governor shall select one person pursuant to section 26-34, representing each organization to serve as a member of the council. The persons nominated by the respective organizations shall be both knowledgeable and have at least five years of experience to qualify as a member.

The chairman on the council shall be selected by its members. Each member shall serve without pay but shall be reimbursed for travel and for necessary expenses incurred while attending meetings or in the discharge of his duties. The council shall be an advisory body to the housing and construction industry.

**SECTION 3. Duties of council.** The council shall:

- (1) Survey the statewide needs for housing on a five, ten, and twenty year basis and analyze the cost of supporting services by government such as water, sewage, schools, streets, and other related services.
- (2) Determine some of the immediate problems that need remedial legislation to aid in the development of housing and construction and to further the economy of this State.
- (3) Analyze the state and county standards, rules, regulations, and codes, with a view to eliminating archaic, duplicative, or unreasonable requirements and recommend new standards, rules, regulations, and codes that will benefit both the industry and the consumer.
- (4) Determine if an administrative processing agency can be created whereby only one agency in the State and each county can be contacted for any planned housing or other development.

- (5) Investigate whether the state and county agencies involved in housing and construction can establish a single agency to coordinate all of the requirements for a housing or other development.
- (6) Analyze whether innovative construction methods or substitution of materials can be utilized in the future.
- (7) Analyze consumer attitudes as to whether changes in materials, design, or construction methods would be marketable and investigate whether smaller size lots, streets, and homes are required for the future.
- (8) Provide input to land use policies being developed by the department of planning and economic development, as it relates to the effect to the cost of housing and construction and also provide input to state or county agencies research or development programs on housing and construction industry.
- (9) Investigate whether a state department of housing and construction can be established and what its programs authorities and functions would be and how it can be coordinated with the counties' responsibilities.
- (10) Establish a clearing house of information for the housing and construction industry that will benefit both government and industry in their activities.
- (11) Review federal programs with the purpose of making certain that the State and county will obtain their fair share of federal funds for housing and construction and propose legislation to cure any defects in federal law that discriminates against the leasehold or other type of developments in this State.
- (12) Investigate whether the traditional methods of financing the purchase of homes can be changed to aid in the purchase of homes and also analyze the sources and availability of long term (twenty-five or more years) mortgage money market, whether this source will still be available in the future and how the government can help in assuring that market.
- (13) Such other matters of investigation as the council, in its discretion, believes worthwhile of their endeavors.
- (14) Prepare an annual report and submit it to the governor and legislature on its activities.
- (15) Recommend specific administrative and legislative programs and submit proposed legislation and rules to the governor which the council believes should be enacted by state and county legislative and administrative bodies.

SECTION 4. The departments of the state and county government shall make available to the council, at no cost, such data, facilities, records, and information as are necessary for it to perform its duties.

SECTION 5. The council may subject to resources available to it, enter into contracts with consultants for studies which it believes the state or county agencies are not equipped nor have the personnel to perform the work required.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 1, 1976.)