

Summary of Hawai'i's 201H Process



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HHFDC

Presentation to
the Waialae-Kahala Neighborhood Board No. 3

- The Hawai'i Housing Finance and Development Corporation's primary mission is to increase and preserve the supply of affordable housing across the state.
- It does this by offering financial incentives to affordable housing developers. These incentives include low-income housing tax credits, tax-exempt revenue bond allocations and low-interest loans.
- Chapter 201H of Hawai'i Revised Statutes also allows HHFDC to help developers process their requests to expedite the review process and/or to seek exemptions from certain laws and rules of any government agency relating to planning, zoning and construction standards. HHFDC does not initiate 201H requests; developers approach the corporation.

Developers initiate 201H expedited processing requests, not HHFDC or any other government agency

- Developers seek 201H expedited processing and exemptions to speed up their production timetables and to help their financial numbers pencil out.
- 201H exemptions offers developers tools that provide them with more design flexibility and cost savings for affordable housing projects. Examples include the waiver of sewer hookup and park dedication fees, as well general excise tax exemptions, increased height and density.
- The planning departments in the respective Hawai'i counties or HHFDC may process 201H requests.
- A 201H request sent to HHFDC staff is checked for compliance with 201H rules. If yes, a report is forwarded to the HHFDC Board of Directors, which decides if a recommendation is sent to the respective city or county councils.
- It's up to the city/county councils to make the final decisions on 201H applications.

50% plus one additional unit must be affordable

- No less than 50% plus one additional unit must be affordable to households with incomes at or below 140% of area median income (AMI) for both for-sale and rental projects.
- Must meet minimum health and safety requirements, and must not contravene any safety standards, tariffs, or rates and fees approved by government utility agencies.
- Affordable sales units must be subject to HHFDC buyback and shared appreciation requirements.
- Must hold at least one public meeting to solicit community input **prior to submittal** of an application. Additionally, the public may testify before the HHFDC Board and the city/county councils (or, when applicable, the Land Use Commission), and/or submit written testimony.

HHFDC does not make the final decisions on 201H requests, only processes and makes recommendations on them.

- The legislative bodies of the city/county governments (the city/county councils) make the final decisions on 201H applications pertaining to laws and rules tied to planning, zoning, construction and other standards for housing projects.
- City/county governments may establish their own affordability threshold criteria for 201H projects, so long as they are more stringent.
- The 140% AMI maximum threshold and the requirement that 201H applications must be acted on by the city/county councils within 45 days (or be deemed approved) are both stipulated in HRS.
- HHFDC also processes 201H applications pertaining to boundary change amendments overseen by the state Land Use Commission.
- As with 201H requests that go before city/county councils, 201H applications must be acted on by the LUC within 45 days or be deemed approved, as stipulated in HRS.

Thank You!

For more on 201H applications, go to HHFDC's 201H website at <https://dbedt.hawaii.gov/hhfdc/201h-development-assistance/>

For more information about HHFDC, go to: <https://dbedt.hawaii.gov/hhfdc/>

Contact HHFDC Housing Information Officer Gordon Pang with questions at gordon.pang@hawaii.gov or 808-587-0597.