

# **ISSUE PROFILE: EXEMPTING AFFORDABLE HOUSING PROJECTS FROM COUNTY DEVELOPMENT REGULATIONS**

## **In Brief**

This issue profile examines the City's use of a special governmental power granted by the Legislature to exempt affordable housing projects from zoning, construction standards, and other county development regulations.

## **Results**

Based on our review of recent exemption projects approved by the Council, we found the following:

- (1) The City has generally used the exemption program to serve Oahu households that are most in need of affordable housing.
- (2) The issuance of building permits for exemption projects appears unnecessarily time consuming.
- (3) Exemptions are used for government sponsored or financed housing projects, but not for projects by private for-profit developers.
- (4) Exemptions are used somewhat more often for multi-family projects to permit an increase in density, reduce costs and development time, and for single family projects to accelerate development of undeveloped land.
- (5) The Council has had a significant role in placing conditions on the exemptions approved.
- (6) The land use changes proposed in the exemptions have generally not been controversial. It appears that the Council and the public have been willing to set aside the City's land use policies for affordable housing, even though the projects often accelerate the urbanization of undeveloped land.

## **Policy Questions Raised**

Given market forces and/or logistics of housing development, is increased participation by private, for-profit developers in the exemption program feasible?

Given the lack of controversy over the deviations from land use policies permitted by the exemption program, should affordable housing be permitted in every land use district?

## **Report Objective**

This report sought to answer the following questions:

- (1) How has the program been used in terms of:
  - The need groups which have been assisted;
  - The types of developers which have used the exemptions; and
  - The types of exemptions which have been approved?
- (2) What policy issues are raised by the implementation of this program relating to its effectiveness, appropriateness, and implications for land use planning and regulation generally?

## **Scope and Methodology**

Applications for 201E exemptions approved by the Honolulu City Council during the five calendar years from 1990 through 1994 were analyzed. Interviews were conducted with the staff of the Department of Housing and Community Development, other City departments involved in processing exemption applications, private for-profit and not-for-profit housing developers, and neighbor island county housing staff. The enabling statutes and program rules were researched.