

# H.B. NO. 2331

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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. Hawaii's housing market suffers from a  
2 persistent shortage of housing, particularly housing that is  
3 affordable to Hawaii's workforce and lower income groups. Of  
4 the approximately 64,700 housing units that are forecasted to be  
5 needed between 2015 and 2025, nearly 89 per cent or about 57,500  
6 units will be needed by these working and lower income groups  
7 (i.e., those earning 140 per cent and below the area median  
8 income). Approximately 43,800 units are estimated to be needed  
9 for renter households. The special action team on affordable  
10 rental housing has determined that additional incentives are  
11 needed to spur on rental housing development to meet the  
12 considerable demand.

13       Chapter 201H, Hawaii Revised Statutes, provides for a  
14 forty-five-day approval process for affordable housing projects  
15 seeking district boundary amendments from the state land use  
16 commission, as well as for projects seeking county approvals and  
17 exemptions relating to planning, zoning, construction standards  
18 for subdivisions, development and improvement of land, and the

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1 construction of dwelling units thereon. Establishing a forty-  
2 five-day approval process for affordable housing projects  
3 seeking district boundary amendments for land areas of fifteen  
4 acres or less within the jurisdiction of the counties, as well  
5 as for lands under the control of the Hawaii community  
6 development authority could expedite governmental approvals and  
7 save time and money; thereby, creating a new incentive to spur  
8 housing development.

9 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) The corporation may develop on behalf of the State or  
12 with an eligible developer, or may assist under a government  
13 assistance program in the development of, housing projects that  
14 shall be exempt from all statutes, ordinances, charter  
15 provisions, and rules of any government agency relating to  
16 planning, zoning, construction standards for subdivisions,  
17 development and improvement of land, and the construction of  
18 dwelling units thereon; provided that:

19 (1) The corporation finds the housing project is  
20 consistent with the purpose and intent of this  
21 chapter, and meets minimum requirements of health and  
22 safety;

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1           (2) The development of the proposed housing project does  
2           not contravene any safety standards, tariffs, or rates  
3           and fees approved by the public utilities commission  
4           for public utilities or of the various boards of water  
5           supply authorized under chapter 54;

6           (3) The legislative body of the county in which the  
7           housing project is to be situated shall have approved  
8           the project with or without modifications:

9           (A) The legislative body shall approve, approve with  
10          modification, or disapprove the project by  
11          resolution within forty-five days after the  
12          corporation has submitted the preliminary plans  
13          and specifications for the project to the  
14          legislative body. If on the forty-sixth day a  
15          project is not disapproved, it shall be deemed  
16          approved by the legislative body;

17          (B) No action shall be prosecuted or maintained  
18          against any county, its officials, or employees  
19          on account of actions taken by them in reviewing,  
20          approving, modifying, or disapproving the plans  
21          and specifications; and

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(C) The final plans and specifications for the project shall be deemed approved by the legislative body if the final plans and specifications do not substantially deviate from the preliminary plans and specifications. The final plans and specifications for the project shall constitute the zoning, building, construction, and subdivision standards for that project. For purposes of sections 501-85 and 502-17, the executive director of the corporation or the responsible county official may certify maps and plans of lands connected with the project as having complied with applicable laws and ordinances relating to consolidation and subdivision of lands, and the maps and plans shall be accepted for registration or recordation by the land court and registrar; ~~and~~

(4) The land use commission shall approve, approve with modification, or disapprove a boundary change within forty-five days after the corporation has submitted a petition to the commission as provided in section 205-4. If, on the forty-sixth day, the petition is not

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1           disapproved, it shall be deemed approved by the

2           commission[~~-~~];

3       (5) The appropriate county land use decision-making  
4       authority in which the project is located, pursuant to  
5       section 205-3.1(b) and (c), shall approve, approve  
6       with modification, or disapprove a district boundary  
7       change involving land areas of fifteen acres or less  
8       within forty-five days after the corporation has  
9       submitted a petition to the county land use decision-  
10       making authority. If on the forty-sixth day the  
11       petition is not disapproved, it shall be deemed  
12       approved by the county land use decision-making  
13       authority; and

14       (6) The Hawaii community development authority shall, at a  
15       meeting, approve, approve with modifications, or  
16       disapprove, the corporation's request for project  
17       exemptions, within forty-five days after the  
18       corporation has submitted the request. If on the  
19       forty-sixth day the request is not disapproved, it  
20       shall be deemed approved by the Hawaii community  
21       development authority."

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1       SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3       SECTION 4. This Act, upon its approval, shall take effect  
4 on July 1, 2018.

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INTRODUCED BY: \_\_\_\_\_



7

BY REQUEST

JAN 22 2018

# H.B. NO. 2331

**Report Title:**

Housing; Expedited Approvals for Eligible Affordable Housing Projects

**Description:**

Establishes expedited approvals for affordable housing projects seeking district boundary amendments for land areas of fifteen acres or less under the jurisdiction of the counties, as well as expedited approvals by the Hawaii Community Development Authority.

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

## JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: To expedite the development of affordable housing by requiring (1) county land use decision-making bodies to act on district boundary amendments involving land areas of 15 acres or less within 45 days pursuant to section 205-3.1 and chapter 201H, Hawaii Revised Statutes (HRS), and (2) the Hawaii Community Development Authority (HCDA) to act on affordable housing projects on land within the HCDA's control within 45 days.

MEANS: Amend section 201H-38(a), HRS.

JUSTIFICATION: Hawaii's housing market suffers from a persistent shortage of housing, particularly housing that is affordable to Hawaii's workforce and lower income groups. Of the approximately 64,700 housing units that are forecasted to be needed between 2015 and 2025, nearly 89 percent or about 57,500 units will be needed by these working and lower income groups (i.e., those earning 140 percent and below the area median income). Approximately 43,800 units are estimated to be needed for renter households. The Special Action Team on Affordable Rental Housing has determined that additional incentives are needed to spur on rental housing development to meet the considerable demand.

Chapter 201H, HRS, provides for a 45-day approval process for affordable housing projects seeking district boundary amendments from the State Land Use Commission (LUC), as well as for projects seeking county approvals and exemptions relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of



dwelling units thereon. Establishing a 45-day approval process for affordable housing projects requiring district boundary amendments for land areas of fifteen acres or less within the jurisdiction of the counties, as well as for lands under the control of the HCDA could expedite governmental approvals and save time and money; thereby, creating a new incentive to spur housing development.

Impact on the public: Expedited delivery of affordable housing.

Impact on the department and other agencies: Will reduce the number of boundary amendment petitions heard by the LUC. Also, authorizes HCDA to approve affordable housing projects under an expedited process.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED 160.

OTHER AFFECTED  
AGENCIES: Land Use Commission; Hawaii Community  
Development Authority.

EFFECTIVE DATE: July 1, 2018.