### 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                |
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| 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 projected to be  |
| 5  | needed between 2015 and 2025, nearly eighty-nine per cent, about |
| 6  | 57,500 units, will be needed by these working and lower income   |
| 7  | groups who earn one-hundred forty per cent or less of the area   |
| 8  | median income. Of these, approximately 43,800 units will be      |
| 9  | needed for renter households. The special action team on         |
| 10 | affordable rental housing has determined that additional         |
| 11 | incentives are needed to spur rental housing development to meet |
| 12 | this considerable demand.  |
| 13 | The legislature finds that current law establishes a forty-      |
| 14 | five day entitlement approval process for affordable housing     |
| 15 | projects seeking district boundary amendments from the state     |
| 16 | land use commission or county approvals and exemptions relating  |
| 17 | to planning, zoning, subdivision construction standards, land    |

- 1 development and improvement, or construction of dwelling units.
- 2 However, the current statute does not address boundary amendment
- 3 applications for certain parcels of land of fifteen acres or
- 4 less, which are submitted to county agencies rather than to the
- 5 land use commission. Establishing a forty-five day approval
- 6 process for affordable housing projects seeking district
- 7 boundary amendments from the counties will expedite governmental
- 8 approvals and save time and money. These time and cost savings
- 9 will serve as an incentive to spur housing development.
- 10 The legislature also finds that there is a lack of clarity
- 11 in the entitlement application process for affordable housing
- 12 projects in a community development district administered by the
- 13 Hawaii community development authority. Requiring consultation
- 14 with the authority for construction, renovation, or improvement
- 15 of affordable housing projects in a community development
- 16 district, in the same way that consultation is currently
- 17 required for county and state public works projects, will
- 18 improve clarity and transparency in the process.
- 19 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
- 20 amended by amending subsection (a) to read as follows:

| 1  | "(a)      | The corporation may develop on behalf of the State or  |
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| 2  | with an e | ligible developer, or may assist under a government    |
| 3  | assistanc | e program in the development of, housing projects that |
| 4  | shall be  | exempt from all statutes, ordinances, charter          |
| 5  | provision | s, and rules of any government agency relating to      |
| 6  | planning, | zoning, construction standards for subdivisions,       |
| 7  | developme | nt and improvement of land, and the construction of    |
| 8  | dwelling  | units thereon; provided that:                          |
| 9  | (1)       | The corporation finds the housing project is           |
| 10 |           | consistent with the purpose and intent of this         |
| 11 |           | chapter, and meets minimum requirements of health and  |
| 12 |           | safety;  |
| 13 | (2)       | The development of the proposed housing project does   |
| 14 |           | not contravene any safety standards, tariffs, or rates |
| 15 |           | and fees approved by the public utilities commission   |
| 16 |           | for public utilities or of the various boards of water |
| 17 |           | supply authorized under chapter 54;                    |
| 18 | (3)       | The legislative body of the county in which the        |
| 19 |           | housing project is to be situated shall have approved  |

the project with or without modifications:

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| 1  | (A) | The legislative body shall approve, approve with |
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| 2  |     | modification, or disapprove the project by       |
| 3  |     | resolution within forty-five days after the      |
| 4  |     | corporation has submitted the preliminary plans  |
| 5  |     | and specifications for the project to the        |
| 6  |     | legislative body. If on the forty-sixth day a    |
| 7  |     | project is not disapproved, it shall be deemed   |
| 8  |     | approved by the legislative body;                |
| 9  | (B) | No action shall be prosecuted or maintained      |
| 10 |     | against any county, its officials, or employees  |
| 11 |     | on account of actions taken by them in reviewing |
| 12 |     | approving, modifying, or disapproving the plans  |
| 13 |     | and specifications; and                          |
| 14 | (C) | The final plans and specifications for the       |
| 15 |     | project shall be deemed approved by the          |
| 16 |     | legislative body if the final plans and          |
| 17 |     | specifications do not substantially deviate from |
| 18 |     | the preliminary plans and specifications. The    |
| 19 |     | final plans and specifications for the project   |
| 20 |     | shall constitute the zoning, building,           |
|    |     |  |

construction, and subdivision standards for that

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| 1  |     | project. For purposes of sections 501-85 and           |
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| 2  |     | 502-17, the executive director of the corporation      |
| 3  |     | or the responsible county official may certify         |
| 4  |     | maps and plans of lands connected with the             |
| 5  |     | project as having complied with applicable laws        |
| 6  |     | and ordinances relating to consolidation and           |
| 7  |     | subdivision of lands, and the maps and plans           |
| 8  |     | shall be accepted for registration or recordation      |
| 9  |     | by the land court and registrar; [and]                 |
| 10 | (4) | The land use commission shall approve, approve with    |
| 11 |     | modification, or disapprove a boundary change within   |
| 12 |     | forty-five days after the corporation has submitted a  |
| 13 |     | petition to the commission as provided in section 205- |
| 14 |     | 4. If, on the forty-sixth day, the petition is not     |
| 15 |     | disapproved, it shall be deemed approved by the        |
| 16 |     | commission[-]; and                                     |
| 17 | (5) | The appropriate county land use decision-making        |
| 18 |     | authority of the county in which the project is        |
| 19 |     | located shall approve, approve with modification, or   |
| 20 |     | disapprove a district boundary change involving land   |
| 21 |     | areas of fifteen acres or less as provided in section  |

| 1  | 205-3.1(b) and (c) within forty-five days after the            |
|----|--|
| 2  | corporation has submitted a petition to the county             |
| 3  | land use decision-making authority. If on the forty-           |
| 4  | sixth day the petition is not disapproved, it shall be         |
| 5  | deemed approved by the county land use decision-making         |
| 6  | authority."  |
| 7  | SECTION 3. Section 206E-13, Hawaii Revised Statutes, is        |
| 8  | amended to read as follows:                                    |
| 9  | "[4] §206E-13[4] Public projects. Any project or activity      |
| 10 | of any county or agency of the State, or an eligible housing   |
| 11 | project developed pursuant to section 201H-38, in a designated |
| 12 | district shall be constructed, renovated, or improved in       |
| 13 | consultation with the authority."                              |
| 14 | SECTION 4. Statutory material to be repealed is bracketed      |
| 15 | and stricken. New statutory material is underscored.           |
| 16 | SECTION 5. This Act shall take effect on July 1, 2019.         |
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INTRODUCED BY:

HB HMS 2018-4440



#### Report Title:

Affordable Housing; County District Boundary Amendments; Hawaii Community Development Authority

#### Description:

Establishes expedited county approvals for district boundary amendments for affordable housing projects on land areas fifteen acres or less. Requires consultation with the Hawaii Community Development Authority for affordable housing development within designated Community Development Districts.

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