
A BILL FOR AN ACT

RELATING TO LAND DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the State's
3 population has declined each year over the past three years, an
4 unprecedented situation that has not happened since Hawaii
5 became a state in 1959. A significant portion of this
6 population loss can be attributed to the State's high cost of
7 living and lack of affordable dwellings. The legislature
8 further finds that housing costs continue to rise, keeping
9 homeownership outside the reach of many Hawaii residents.

10 Accordingly, the purpose of this Act is to provide
11 solutions to expeditiously develop housing for working families
12 in the State.

13 PART II

14 SECTION 2. The purpose of this part is to:

15 (1) Create a residential leasehold program to increase
16 homeownership opportunities for Hawaii residents,
17 particularly working individuals and families. The



1 residential leasehold developments are envisioned to
2 offer lower-priced homes in quality neighborhoods that
3 promote smart growth principles; and

4 (2) Address some of the barriers to the development of
5 affordable housing, namely developable land and
6 infrastructure capacity.

7 SECTION 3. Chapter 201H, Hawaii Revised Statutes, is
8 amended by amending part II as follows:

9 1. By designating sections 201H-31 to 201H-34 as subpart
10 A, entitled "General Provisions";

11 2. By designating sections 201H-35 to 201H-70 as subpart
12 B, entitled "Development Programs"; and

13 3. By adding a new subpart to part II to be appropriately
14 designated and to read as follows:

15 " . RESIDENTIAL LEASEHOLD PROGRAM

16 **§201H- Residential leasehold project; definition.** As
17 used in this subpart, "residential leasehold project" means a
18 multi-family, affordable condominium development to be sold
19 under a lease term not to exceed ninety-nine years.

20 **§201H- Residential leasehold program.** (a) The
21 corporation, on behalf of the State or with eligible developers



1 and contractors, may develop residential leasehold projects on
2 state lands set aside by the governor or leased by any state
3 department or agency to the corporation. Residential leasehold
4 projects developed under this section shall have preferences for
5 lower-priced housing that is designed to address the State's
6 housing shortage.

7 (b) The corporation shall adopt rules pursuant to chapter
8 91, necessary for the purposes of this subpart. The rules shall
9 address eligibility criteria for homebuyers, the process and
10 criteria for the development of residential leasehold projects,
11 restrictions on the use, sale, and transfer of dwelling units,
12 residential leasehold terms, and other major provisions of the
13 residential leasehold program.

14 **§201H- Commercial, industrial, and other uses.** (a) In
15 connection with the development of residential leasehold
16 projects, the corporation may also develop commercial,
17 industrial, and other properties if it determines that the uses
18 can be an integral part of the development or can help to
19 enhance the lifestyles of residents of the development. The
20 corporation may designate any portions of the development for
21 commercial, industrial, or other use and shall have all the



1 powers granted under this chapter with respect thereto,
2 including the power to exempt a project from the requirements of
3 any statutes, ordinances, charter provisions, and rules of any
4 government agency pursuant to section 201H-38.

5 (b) The corporation shall adopt rules, pursuant to chapter
6 91, to effectuate the purposes of this section.

7 **§201H- Additional powers.** The powers conferred upon
8 the corporation by this subpart shall be in addition and
9 supplemental to the powers conferred by any other law, and
10 nothing in this subpart shall be construed as limiting any
11 powers, rights, privileges, or immunities so conferred."

12 SECTION 4. Section 171-2, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§171-2 Definition of public lands.** "Public lands" means
15 all lands or interest therein in the State classed as government
16 or crown lands previous to August 15, 1895, or acquired or
17 reserved by the government upon or subsequent to that date by
18 purchase, exchange, escheat, or the exercise of the right of
19 eminent domain, or in any other manner; including lands accreted
20 after May 20, 2003, and not otherwise awarded, submerged lands,
21 and lands beneath tidal waters that are suitable for



1 reclamation, together with reclaimed lands that have been given
2 the status of public lands under this chapter, except:

3 (1) Lands designated in section 203 of the Hawaiian Homes
4 Commission Act, 1920, as amended;

5 (2) Lands set aside pursuant to law for the use of the
6 United States;

7 (3) Lands being used for roads and streets;

8 (4) Lands to which the United States relinquished the
9 absolute fee and ownership under section 91 of the
10 Hawaiian Organic Act prior to the admission of Hawaii
11 as a state of the United States unless subsequently
12 placed under the control of the board of land and
13 natural resources and given the status of public lands
14 in accordance with the state constitution, the
15 Hawaiian Homes Commission Act, 1920, as amended, or
16 other laws;

17 (5) Lands to which the University of Hawaii holds title;

18 (6) Lands set aside by the governor or leased by any state
19 department or agency to the Hawaii housing finance and
20 development corporation for the primary purpose of
21 developing affordable housing or lands to which the



- 1 Hawaii housing finance and development corporation in
- 2 its corporate capacity holds title;
- 3 (7) Lands to which the Hawaii community development
- 4 authority in its corporate capacity holds title;
- 5 (8) Lands set aside by the governor to the Hawaii public
- 6 housing authority or lands to which the Hawaii public
- 7 housing authority in its corporate capacity holds
- 8 title;
- 9 (9) Lands to which the department of agriculture holds
- 10 title by way of foreclosure, voluntary surrender, or
- 11 otherwise, to recover moneys loaned or to recover
- 12 debts otherwise owed the department under chapter 167;
- 13 (10) Lands that are set aside by the governor to the Aloha
- 14 Tower development corporation; lands leased to the
- 15 Aloha Tower development corporation by any department
- 16 or agency of the State; or lands to which the Aloha
- 17 Tower development corporation holds title in its
- 18 corporate capacity;
- 19 (11) Lands that are set aside by the governor to the
- 20 agribusiness development corporation; lands leased to
- 21 the agribusiness development corporation by any

1 department or agency of the State; or lands to which
2 the agribusiness development corporation in its
3 corporate capacity holds title;

4 (12) Lands to which the Hawaii technology development
5 corporation in its corporate capacity holds title; and

6 (13) Lands to which the department of education holds
7 title;

8 provided that, except as otherwise limited under federal law and
9 except for state land used as an airport as defined in section
10 262-1, public lands shall include the air rights over any
11 portion of state land upon which a county mass transit project
12 is developed after July 11, 2005."

13 SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) This section applies to all lands or interest therein
16 owned or under the control of state departments and agencies
17 classed as government or crown lands previous to August 15,
18 1895, or acquired or reserved by the government upon or
19 subsequent to that date by purchase, exchange, escheat, or the
20 exercise of the right of eminent domain, or any other manner,
21 including accreted lands not otherwise awarded, submerged lands,



1 and lands beneath tidal waters that are suitable for
2 reclamation, together with reclaimed lands that have been given
3 the status of public lands under this chapter, including:

4 (1) Land set aside pursuant to law for the use of the
5 United States;

6 (2) Land to which the United States relinquished the
7 absolute fee and ownership under section 91 of the
8 Organic Act prior to the admission of Hawaii as a
9 state of the United States;

10 (3) Land to which the University of Hawaii holds title;

11 (4) Land that is set aside by the governor to the Hawaii
12 housing finance and development corporation, land
13 leased to the Hawaii housing finance and development
14 corporation by any department or agency of the State,
15 or land to which the Hawaii housing finance and
16 development corporation in its corporate capacity
17 holds title;

18 (5) Land to which the department of agriculture holds
19 title by way of foreclosure, voluntary surrender, or
20 otherwise, to recover moneys loaned or to recover
21 debts otherwise owed the department under chapter 167;



1 (6) Land that is set aside by the governor to the Aloha
2 Tower development corporation; or land to which the
3 Aloha Tower development corporation holds title in its
4 corporate capacity;

5 (7) Land that is set aside by the governor to the
6 agribusiness development corporation; or land to which
7 the agribusiness development corporation in its
8 corporate capacity holds title;

9 (8) Land to which the Hawaii technology development
10 corporation in its corporate capacity holds title;

11 (9) Land to which the department of education holds title;
12 and

13 (10) Land to which the Hawaii public housing authority in
14 its corporate capacity holds title."

15 SECTION 6. (a) The Hawaii housing finance and development
16 corporation shall submit a report to the legislature that:

17 (1) Identifies state lands that may be developed for
18 multi-unit dwellings;

19 (2) Includes the estimated cost of planning, designing,
20 and constructing multi-unit dwellings on the lands



1 identified in paragraph (1), including the costs of
2 installing necessary infrastructure; and

3 (3) Proposes a priority listing of the lands identified in
4 paragraph (1) based on:

5 (A) Cost of development;

6 (B) Demand for affordable housing in the county in
7 which the land is situated;

8 (C) Availability of existing infrastructure to
9 support the development; and

10 (D) Any other relevant factors.

11 (b) The Hawaii housing finance and development corporation
12 shall submit the report of its findings and recommendations,
13 including any proposed legislation, to the legislature no later
14 than twenty days prior to the convening of the regular session
15 of 2021.

16 (c) Each state or county agency shall provide to the
17 Hawaii housing finance and development corporation any
18 information the Hawaii housing finance and development
19 corporation deems necessary to prepare the report required by
20 this section.



1 SECTION 7. The Hawaii housing finance and development
2 corporation shall submit to the legislature a report that
3 addresses housing concerns, including but not limited to:

4 (1) Producing enough housing units to meet the demand of
5 Hawaii residents;

6 (2) Ensuring the lowest possible sales price of housing
7 units;

8 (3) Limiting housing units to Hawaii residents who are
9 owner-occupants and who own no other real property;

10 (4) Maximizing walkability and minimizing private vehicles
11 and traffic;

12 (5) Minimizing short-term rentals;

13 (6) Including the interest of native Hawaiians;

14 (7) Ensuring compliance with chapter 104, Hawaii Revised
15 Statutes, for construction of leasehold property;

16 (8) Maximizing availability to Hawaii residents at all
17 income levels;

18 (9) Minimizing the financial burden to state taxpayers,

19 (10) Ensuring the excellence of maintenance and repairs;

20 (11) Prioritizing, as residents in the housing units,
21 persons who are impacted by the development; and



1 (12) Preventing windfall profits at every resale to buyers
2 who resell their unit.

3 The Hawaii housing finance and development corporation
4 shall submit the report to the legislature no later than twenty
5 days prior to the convening of the regular session of 2021.

6 SECTION 8. The director of finance is authorized to issue
7 general obligation bonds in the sum of \$275,000,000 or so much
8 thereof as may be necessary and the same sum or so much thereof
9 as may be necessary is appropriated for fiscal year 2020-2021 to
10 be deposited into the dwelling unit revolving fund established
11 pursuant to section 201H-191, Hawaii Revised Statutes.

12 The appropriation shall not lapse at the end of the fiscal
13 biennium for which the appropriation is made.

14 SECTION 9. There is appropriated out of the dwelling unit
15 revolving fund the sum of \$200,000,000 or so much thereof as may
16 be necessary for fiscal year 2020-2021 for the establishment of
17 regional infrastructure for the primary purpose of supporting
18 development of housing on lands located within one mile of a
19 rail transit station, including lands owned by the University of
20 Hawaii that are near or adjacent to the University of Hawaii
21 West Oahu campus; provided that:



1 (1) The sum appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the
3 purposes of this part; and

4 (2) The appropriation shall not lapse at the end of the
5 fiscal biennium for which the appropriation is made.

6 SECTION 10. There is appropriated out of the dwelling unit
7 revolving fund the sum of \$75,000,000 or so much thereof as may
8 be necessary for fiscal year 2020-2021 for the establishment of
9 infrastructure to support the development for affordable housing
10 in counties with a population of less than five hundred
11 thousand; provided that:

12 (1) The sum appropriated shall be expended by the Hawaii
13 housing finance and development corporation for the
14 purposes of this part; and

15 (2) The appropriation shall not lapse at the end of the
16 fiscal biennium for which the appropriation is made.

17 SECTION 11. There is appropriated out of the dwelling unit
18 revolving fund the sum of \$500,000 or so much thereof as may be
19 necessary for fiscal year 2020-2021 to establish three full-time
20 equivalent (3.0 FTE) project manager positions; provided that
21 the amount appropriated and positions authorized pursuant to



1 this section shall be included in the base budget for the Hawaii
2 housing finance and development corporation in future fiscal
3 bienniums.

4 The sum appropriated shall be expended by the Hawaii
5 housing finance and development corporation for the purposes of
6 this part.

7 PART III

8 SECTION 12. The purpose of this part is to authorize any
9 person, including a state or county department or agency, to
10 petition the appropriate county land use decision-making
11 authority, rather than the land use commission, for a change in
12 the boundary of a district involving land areas between fifteen
13 acres and twenty-five acres where the majority of the
14 development for which the boundary amendment is sought shall be
15 for affordable housing and shall prioritize and give preference
16 to projects that are able to deliver more lower-priced housing.

17 SECTION 13. Chapter 205, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§205- Penalty. (a) Any petitioner for an amendment
21 to a district boundary that:



1 (1) After a hearing conducted in accordance with land use
2 commission rules and chapter 91, is found to have
3 violated a condition of the decision and order of the
4 land use commission with regard to a district boundary
5 amendment or any representation made therein; or
6 (2) Neglects, fails to conform to, or comply with this
7 chapter or any lawful order of the land use
8 commission,
9 may be subject to a civil penalty not to exceed \$50,000 per day
10 that the violation, neglect, or failure occurs, or reversion
11 pursuant to section 205-4(g), but not both. The civil penalty
12 shall be assessed by the land use commission after a hearing
13 conducted in accordance with chapter 91.
14 (b) Upon written application filed within fifteen days
15 after service of an order imposing a civil penalty pursuant to
16 this section, the land use commission may remit or mitigate the
17 penalty upon terms that it deems proper.
18 (c) If any civil penalty imposed pursuant to this section
19 is not paid within a time period as the land use commission may
20 direct, the attorney general shall institute a civil action for
21 recovery of the civil penalty in circuit court."



1 SECTION 14. Section 201H-12, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The corporation may develop public land in an
4 agricultural district subject to the prior approval of the land
5 use commission, when developing lands greater than fifteen acres
6 in size, and public land in a conservation district subject to
7 the prior approval of the board of land and natural
8 resources[-]; provided that the corporation may use the process
9 established pursuant to section 205-3.1(e) to develop lands
10 having an area between fifteen acres and twenty-five acres. The
11 corporation shall not develop state monuments, historical sites,
12 or parks. When the corporation proposes to develop public land,
13 it shall file with the department of land and natural resources
14 a petition setting forth the purpose for the development. The
15 petition shall be conclusive proof that the intended use is a
16 public use superior to that which the land has been
17 appropriated."

18 SECTION 15. Section 205-3.1, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§205-3.1 Amendments to district boundaries.** (a)
21 District boundary amendments involving lands in the conservation



1 ~~district[, land areas greater than fifteen acres,]~~ or lands
2 delineated as important agricultural lands shall be processed by
3 the land use commission pursuant to section 205-4. District
4 boundary amendments of all other lands greater than fifteen
5 acres shall be processed by the land use commission pursuant to
6 section 205-4, except as provided in subsection (e).

7 (b) Any department or agency of the State, and department
8 or agency of the county in which the land is situated, or any
9 person with a property interest in the land sought to be
10 reclassified may petition the appropriate county land use
11 decision-making authority of the county in which the land is
12 situated for a change in the boundary of a district involving
13 lands less than fifteen acres presently in the rural and urban
14 districts and lands less than fifteen acres in the agricultural
15 district that are not designated as important agricultural
16 lands.

17 (c) District boundary amendments involving land areas of
18 fifteen acres or less, except as provided in subsection (b),
19 shall be determined by the appropriate county land use decision-
20 making authority for the district and shall not require
21 consideration by the land use commission pursuant to section



1 205-4; provided that [~~such~~] the boundary amendments and approved
2 uses are consistent with this chapter. The appropriate county
3 land use decision-making authority may consolidate proceedings
4 to amend state land use district boundaries pursuant to this
5 subsection, with county proceedings to amend the general plan,
6 development plan, zoning of the affected land, or [~~such~~] other
7 proceedings. Appropriate ordinances and rules to allow
8 consolidation of [~~such~~] proceedings may be developed by the
9 county land use decision-making authority.

10 (d) The county land use decision-making authority shall
11 serve a copy of the application for a district boundary
12 amendment to the land use commission and the department of
13 business, economic development, and tourism and shall notify the
14 commission and the department of the time and place of the
15 hearing and the proposed amendments scheduled to be heard at the
16 hearing. A change in the state land use district boundaries
17 pursuant to this subsection shall become effective on the day
18 designated by the county land use decision-making authority in
19 its decision. Within sixty days of the effective date of any
20 decision to amend state land use district boundaries by the
21 county land use decision-making authority, the decision and the



1 description and map of the affected property shall be
2 transmitted to the land use commission and the department of
3 business, economic development, and tourism by the county
4 planning director.

5 (e) Notwithstanding any other provision of this section to
6 the contrary, a person may petition the appropriate county
7 decision making authority in the county in which the land is
8 situated for a change in the boundary of a district involving
9 lands that are not designated as conservation lands or important
10 agricultural lands, or with soil classified by the land study
11 bureau's detailed land classification as overall (master)
12 productivity rating class A or B and comprising twenty-five
13 acres or less; provided that the majority of the development for
14 which the boundary amendment is sought shall be for affordable
15 housing and shall prioritize and give preference to projects
16 that are able to deliver more lower-priced housing; provided
17 further that the district boundary amendments shall be limited
18 to lands contiguous to the urban district.

19 (f) Parceling of lands for development shall be prohibited
20 for the purposes of subsection (e). If lands that have been
21 parceled or proposed to be parceled, and are proposed for



1 reclassification, the petition for reclassification shall be
2 processed as lands greater than fifteen or twenty-five acres,
3 pursuant to section 205-4.

4 (g) Before a county land use decision-making authority
5 grants a petition for reclassification pursuant to subsection
6 (e), the county land use decision-making authority shall make a
7 clear finding, based on the evidence submitted, that the land
8 subject to a petition for reclassification has not been parceled
9 or proposed to be parceled.

10 (h) As used in this section, "parceling" means the
11 subdivision of lands greater than twenty-five acres into two or
12 more parcels, more than one of which is then proposed for
13 reclassification within a ten-year period from the date of the
14 subdivision."

15 SECTION 16. Section 205-4, Hawaii Revised Statutes, is
16 amended as follows:

17 1. By amending subsection (a) to read:

18 "(a) Any department or agency of the State, any department
19 or agency of the county in which the land is situated, or any
20 person with a property interest in the land sought to be
21 reclassified[7] may petition the land use commission for a



1 change in the boundary of a district. This section applies to
2 all petitions for changes in district boundaries of lands within
3 conservation districts, lands designated or sought to be
4 designated as important agricultural lands, and lands greater
5 than fifteen acres in the agricultural, rural, and urban
6 districts, except as provided in [~~section~~] sections 201H-38[-]
7 and 205-3.1(e). The land use commission shall adopt rules
8 pursuant to chapter 91 to implement section 201H-38."

9 2. By amending subsection (g) to read:

10 "(g) Within a period of not more than three hundred sixty-
11 five days after the proper filing of a petition, unless
12 otherwise ordered by a court, or unless a time extension, which
13 shall not exceed ninety days, is established by a two-thirds
14 vote of the members of the commission, the commission, by filing
15 findings of fact and conclusions of law, shall act to approve
16 the petition, deny the petition, or to modify the petition by
17 imposing conditions necessary to uphold the intent and spirit of
18 this chapter or the policies and criteria established pursuant
19 to section 205-17 or to assure substantial compliance with
20 representations made by the petitioner in seeking a boundary
21 change. The commission may provide by condition that absent



1 substantial commencement of use of the land in accordance with
2 ~~[such representations,]~~ representations made to the commission,
3 or absent substantial compliance with the conditions imposed
4 under this chapter, the commission, on its own motion or upon
5 motion by any part or interested person, shall issue and serve
6 upon the party bound by the condition an order to show cause why
7 the property should not revert to its former land use
8 classification or be changed to a more appropriate
9 classification. ~~[Such conditions,]~~ If the commission finds,
10 after a hearing conducted in accordance with commission rules
11 and chapter 91, that the petitioner's failure to adhere to or
12 comply with the representations or conditions does not warrant
13 reversion to the land's former land use classification,
14 including by reason of ineligibility, or if there has been
15 substantial commencement of use of the land, the commission may:
16 (1) Record a notice of noncompliance on the land with the
17 bureau of conveyances;
18 (2) Modify the existing conditions or impose new
19 conditions to ensure compliance with the decision and
20 order; or



1 (3) Provide by decision and order that the petitioner or
 2 its successor in interest shall be subject to the
 3 civil penalty set forth in section 205- .

4 All conditions imposed under this subsection, if any, shall
 5 run with the land and be recorded in the bureau of conveyances.

6 All motions requesting an order to show cause based on an
 7 alleged failure to perform a condition, representation, or
 8 commitment on the part of a petitioner, may be filed only by the
 9 commission or a person who was a party to the proceedings,
 10 including successful intervenors, that resulted in the
 11 reclassification."

PART IV

13 SECTION 17. The purpose of this part is to allow the
 14 department of land and natural resources state historic
 15 preservation division to delegate the responsibility of historic
 16 preservation project reviews to the respective counties.

17 SECTION 18. Section 6E-42, Hawaii Revised Statutes, is
 18 amended to read as follows:

19 "**S6E-42 Review of proposed projects.** (a) Except as
 20 provided in section 6E-42.2, before any agency or officer of the
 21 State or its political subdivisions approves any project



1 involving a permit, license, certificate, land use change,
2 subdivision, or other entitlement for use[~~—which~~] that may
3 affect historic property, aviation artifacts, or a burial site,
4 the agency or office shall advise the department and prior to
5 any approval allow the department an opportunity for review and
6 comment on the effect of the proposed project on historic
7 properties, aviation artifacts, or burial sites, consistent with
8 section 6E-43, including those listed in the Hawaii register of
9 historic places. If:

- 10 (1) The proposed project consists of corridors or large
11 land areas;
12 (2) Access to properties is restricted; or
13 (3) Circumstances dictate that construction be done in
14 stages,

15 the department's review and comment may be based on a phased
16 review of the project; provided that there shall be a
17 programmatic agreement between the department and the project
18 applicant that identifies each phase and the estimated timelines
19 for each phase.

20 (b) The department shall inform the public of any project
21 proposals submitted to it under this section that are not



1 otherwise subject to the requirement of a public hearing or
2 other public notification.

3 (c) The department may delegate responsibility for review
4 and comment of projects pursuant to this section, and any
5 administrative rules adopted thereunder, to the respective
6 counties; provided that the department has certified that the
7 county has:

8 (1) Adopted an ordinance to govern the county's review
9 process in accordance with the procedures set forth in
10 this chapter and the department's applicable
11 administrative rules;

12 (2) Hired qualified professional staff who meet standards
13 established by the department to conduct the reviews;

14 (3) Established sufficient internal organizational
15 controls to ensure that the qualified professional
16 staff can make independent determinations regarding
17 the effects of projects on historic properties;

18 (4) Ensured that the qualified professional staff can
19 function in a manner that does not create a conflict
20 of interest or an appearance of a conflict of
21 interest; and



1 (5) Provided for appropriate public notification in a
2 manner consistent with standards established by the
3 department;
4 provided that the delegation of authority shall automatically be
5 suspended or terminated if the county fails to retain its
6 qualified professional staff or if it becomes apparent that the
7 county does not have sufficient staffing capacity to complete
8 the delegated reviews in a timely manner.

9 (d) The department shall not delegate reviews or comments
10 to the county for projects affecting properties listed in the
11 Hawaii register of historic places or the national register of
12 historic places, or for projects subject to review under section
13 6E-43.

14 (e) The department shall not delegate any of the
15 responsibilities established by sections 6E-43, 6E-43.5 and
16 6E-43.6 as it relates to burials; nor shall the authority of the
17 burial councils be diminished in any way.

18 (f) The department may establish a program to certify
19 third-party individuals and organizations to review documents
20 prior to submission of the documents to the department for
21 review. The department shall maintain a list of certified



1 third-party reviewers. A review by a third party shall ensure
2 that the information submitted is complete and complies with the
3 department's documentation requirements and that any
4 accompanying data and analysis supports recommendations made in
5 the submission. All third-party reviews shall be conducted in
6 accordance with the following requirements:

7 (1) The department shall select the third-party reviewers
8 for each project;

9 (2) Third-party reviewers who conduct the reviews shall
10 meet professional qualifications and standards
11 established by the department;

12 (3) Third-party reviewers that apply for certification
13 shall demonstrate that they have established
14 sufficient internal organizational controls to ensure
15 that the qualified professional staff can make
16 independent determinations regarding the effects of
17 projects on historic properties and can function in a
18 manner that does not create a conflict of interest or
19 an appearance of a conflict of interest; and



1 concurrent with the term of the governor. This appointment
2 shall not be subject to senate confirmation.

3 (b) The housing advocate shall develop, advocate for, and
4 implement policies to solve Hawaii's housing shortage by:

5 (1) Analyzing solutions and programs to address the
6 State's need for housing that is affordable for all
7 economic segments of the State, including but not
8 limited to programs or proposals regarding the:

- 9 (A) Financing, acquisition, rehabilitation,
10 preservation, conversion, or construction of
11 housing;
- 12 (B) Use of publicly owned land and buildings as sites
13 for affordable housing;
- 14 (C) Identification of state and local regulatory
15 barriers to the development and placement of
16 housing;
- 17 (D) Stimulation of public and private sector and
18 intergovernmental cooperation in the development
19 of housing;
- 20 (E) Equitable geographic distribution of housing for
21 all economic segments;



- 1 (F) Examination of successful housing policies from
2 jurisdictions, nationally and internationally,
3 and methods to adapt these policies to the State;
- 4 (G) Unique circumstances for special needs
5 populations;
- 6 (H) Provision of infrastructure for existing and
7 future housing needs;
- 8 (I) Preservation and enhancement of the character of
9 the State's unique cultures and communities;
- 10 (J) Correction of distortions in the housing market;
- 11 (K) Prevention of the erosion of housing stock due to
12 speculation, transient accommodations and short-
13 term vacation rentals, and other phenomena; and
- 14 (L) Diversity of communities across the State;
- 15 (2) Considering homeownership and rental housing as viable
16 options for the provision of housing;
- 17 (3) Considering various types of residential construction
18 and innovation housing options, including manufactured
19 housing;
- 20 (4) Reviewing, evaluating, and making recommendations
21 regarding existing and proposed housing programs and



- 1 initiatives, including tax policies, land use
2 policies, and financing programs;
- 3 (5) Incorporating feedback and concerns from all
4 stakeholders in the State's housing crisis;
- 5 (6) Attracting and retaining future generations and
6 industries through the provision of abundant and
7 affordable housing;
- 8 (7) Engaging and educating the public on housing policies
9 and programs;
- 10 (8) Facilitating the development process by serving as a
11 comprehensive guide for housing developers through all
12 parts of the development process;
- 13 (9) Establishing a consolidated permit application and
14 process to facilitate the expedited processing of
15 affordable housing development projects; and
- 16 (10) Encouraging state and county housing agencies to
17 explore the potential or expanded use of development
18 and hold mechanisms, such as community land trusts,
19 land banks, and master leases, to preserve public
20 lands under long term leases or in perpetuity for
21 affordable housing."



1 SECTION 21. One full-time equivalent (1.0 FTE) position
2 within the department of business, economic development, and
3 tourism shall be transferred to the office of the housing
4 advocate established pursuant to section 20 of this part to
5 establish one full-time equivalent (1.0 FTE) position of the
6 housing advocate.

7 PART VI

8 SECTION 22. The purpose of this part is to remove the
9 statutory cap on the amount of conveyance tax revenues that are
10 deposited into the rental housing revolving fund each fiscal
11 year.

12 SECTION 23. Section 247-7, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§247-7 Disposition of taxes.** All taxes collected under
15 this chapter shall be paid into the state treasury to the credit
16 of the general fund of the State, to be used and expended for
17 the purposes for which the general fund was created and exists
18 by law; provided that of the taxes collected each fiscal year:

19 (1) Ten per cent or \$6,800,000, whichever is less, shall
20 be paid into the land conservation fund established
21 pursuant to section 173A-5; and



1 (2) Fifty per cent [~~or \$38,000,000, whichever is less,~~]
2 shall be paid into the rental housing revolving fund
3 established by section 201H-202."

4 PART VII

5 SECTION 24. This Act does not affect rights and duties
6 that matured, penalties that were incurred, and proceedings that
7 were begun before its effective date.

8 SECTION 25. If any provision of this Act, or the
9 application thereof to any person or circumstance, is held
10 invalid, the invalidity does not affect other provisions or
11 applications of the Act that can be given effect without the
12 invalid provision or application, and to this end the provisions
13 of this Act are severable.

14 SECTION 26. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 27. This Act shall take effect on July 1, 2020.



Report Title:

Affordable Housing; HHFDC; Lease of State Lands; Boundary Amendments; SHPD; Historic Preservation; Counties; Condominiums; Rental Housing Revolving Fund; Appropriation

Description:

Establishes a residential leasehold program within the Hawaii Housing Finance and Development Corporation. Exempts from the definition of public lands, lands set aside by the Governor or leased by any state department or agency to the Hawaii Housing Finance and Development Corporation, for the primary purposes of developing affordable housing. Requires the Hawaii Housing Finance and Development Corporation to submit a report to the Legislature that identifies all state lands that may be developed for multi-unit dwellings. Requires the Hawaii Housing Finance and Development Corporation to submit a report to the Legislature that addresses various housing concerns, including the steps necessary to end the State's housing shortage. Authorizes the issuance of \$275,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing. Appropriates \$500,000 for 3 full-time equivalent (3.0 FTE) project manager positions. Authorizes a person to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing. Authorizes the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county. Establishes the Office of the Housing Advocate. Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year. (SD2)

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