
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that Hawaii has been
2 struggling with the issue of affordable housing for decades.
3 Challenges range from land and infrastructure costs to funding,
4 over-regulation, and permitting. According to the department of
5 business, economic development, and tourism report, "Measuring
6 Housing Demand in Hawaii, 2015-2025", the forecast demand for
7 additional housing units in the counties totals 64,693 during
8 the 2015-2025 period. The legislature recognizes the immense
9 housing supply problem in the State and that creative solutions
10 are needed to build more housing at all price points.

11 The legislature further finds that the land use commission
12 is responsible for the classification of certain land parcels
13 into the urban, rural, agricultural, and conservation districts.
14 The land use commission also acts on land use district boundary
15 amendment petitions involving the reclassification of lands in
16 the conservation district, land areas greater than fifteen
17 acres, and lands delineated as important agricultural lands.



1 Enabling the counties to reclassify certain lands intended
2 for affordable housing development will make larger scale
3 projects economically feasible for infrastructure to be built,
4 such as a water treatment plant or connectivity to an existing
5 sewer system, which are added costs that smaller projects cannot
6 absorb. Opening up land for affordable housing projects will
7 also facilitate the State's goal of increasing the supply of
8 much needed affordable housing while being budget neutral to the
9 State.

10 The purpose of this Act is to allow the counties to
11 reclassify certain rural, urban, and agricultural lands that
12 are:

13 (1) Fifty acres in certain rural, urban, and agricultural
14 districts in which fifty per cent of the housing units
15 on the land to be classified are set aside for persons
16 and families with incomes at or below one hundred
17 forty per cent of the area median income if fifty per
18 cent of the housing units are set aside for households
19 with incomes at one hundred forty per cent of the area
20 median income; and



1 (2) Seventy-five acres in certain rural, urban, and
2 agricultural districts in which one hundred per cent
3 of the housing units on the land to be classified are
4 set aside for persons and families with incomes at or
5 below one hundred forty per cent of the area median
6 income if one hundred per cent of the housing units
7 are set aside for households with incomes at one
8 hundred forty per cent of the area median income.

9 SECTION 2. Chapter 205, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§205- Penalty. (a) Any petitioner for an amendment
13 to a district boundary that:

14 (1) After a hearing conducted in accordance with land use
15 commission rules and chapter 91, is found to have
16 violated a condition of the decision and order of the
17 land use commission with regard to a district boundary
18 amendment or any representation made therein; or



1 (2) Neglects, fails to conform to, or comply with this
2 chapter or any lawful order of the land use
3 commission,
4 may be subject to a civil penalty not to exceed \$50,000 for each
5 day that the violation, neglect, or failure occurs, or reversion
6 pursuant to section 205-4(g), but not both. The civil penalty
7 shall be assessed by the land use commission after a hearing
8 conducted in accordance with chapter 91.

9 (b) Upon written application filed within fifteen days
10 after service of an order imposing a civil penalty pursuant to
11 this section, the land use commission may remit or mitigate the
12 penalty upon terms that the commission deems proper.

13 (c) If any civil penalty imposed pursuant to this section
14 is not paid within a time period as directed by the land use
15 commission, the attorney general shall institute a civil action
16 for recovery of the civil penalty in circuit court."

17 SECTION 3. Section 205-3.1, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§205-3.1 Amendments to district boundaries.** (a)

20 ~~[District]~~ Except for lands under subsection (b) (3) and (b) (4),



1 district boundary amendments involving lands in the conservation
2 district, land areas greater than fifteen acres, or lands
3 delineated as important agricultural lands shall be processed by
4 the land use commission pursuant to section 205-4.

5 (b) Any department or agency of the State, and department
6 or agency of the county in which the land is situated, or any
7 person with a property interest in the land sought to be
8 reclassified may petition the appropriate county land use
9 decision-making authority of the county in which the land is
10 situated for a change in the boundary of a district involving
11 lands [~~less~~]:

12 (1) Less than fifteen acres presently in the rural and
13 urban districts [~~and lands less~~];

14 (2) Less than fifteen acres in the agricultural district
15 that are not designated as important agricultural
16 lands[~~-~~];

17 (3) Fifty acres in the rural and urban districts and fifty
18 acres in the agricultural district that are not
19 designated as important agricultural lands; provided
20 that fifty per cent of the housing units on the land



1 sought to be reclassified under this paragraph are set
2 aside for persons and families with incomes at or
3 below one hundred forty per cent of the area median
4 income; and

5 (4) Seventy-five acres in the rural and urban districts
6 and seventy-five acres in the agricultural district
7 that are not designated as important agricultural
8 lands; provided that one hundred per cent of the
9 housing units on the land sought to be reclassified
10 under this paragraph are set aside for persons and
11 families with incomes at or below one hundred forty
12 per cent of the area median income.

13 Any county reclassification of lands under paragraphs (3) or (4)
14 shall be consistent with county general plans and community
15 development plans.

16 Lands in the agricultural district that are not designated
17 as important agricultural lands under paragraphs (3) or (4)
18 refers to lands in which the soil is classified by the land
19 study bureau's detailed land classification as overall (master)



1 productivity rating class C or lesser, and the land is
2 contiguous to the urban district.

3 (c) District boundary amendments involving land areas [~~of~~
4 ~~fifteen acres or less, except as provided~~] described in
5 subsection (b) [~~7~~] shall be determined by the appropriate county
6 land use decision-making authority for the district and shall
7 not require consideration by the land use commission pursuant to
8 section 205-4; provided that such boundary amendments and
9 approved uses are consistent with this chapter. The appropriate
10 county land use decision-making authority may consolidate
11 proceedings to amend state land use district boundaries pursuant
12 to this subsection, with county proceedings to amend the general
13 plan, development plan, zoning of the affected land, or such
14 other proceedings. Appropriate ordinances and rules to allow
15 consolidation of such proceedings may be developed by the county
16 land use decision-making authority.

17 (d) The county land use decision-making authority shall
18 serve a copy of the application for a district boundary
19 amendment to the land use commission and the department of
20 business, economic development, and tourism and shall notify the



1 commission and the department of the time and place of the
2 hearing and the proposed amendments scheduled to be heard at the
3 hearing. A change in the state land use district boundaries
4 pursuant to this subsection shall become effective on the day
5 designated by the county land use decision-making authority in
6 its decision. Within sixty days of the effective date of any
7 decision to amend state land use district boundaries by the
8 county land use decision-making authority, the decision and the
9 description and map of the affected property shall be
10 transmitted to the land use commission and the department of
11 business, economic development, and tourism by the county
12 planning director.

13 (e) Parceling of lands for development shall be prohibited.
14 As used in this subsection, "parceling" means the subdivision of
15 lands under subsection (b) (3) and (b) (4) into two or more
16 parcels, more than one of which is then proposed for
17 reclassification within a ten-year period from the date of the
18 subdivision."

19 SECTION 4. Section 205-4, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Any department or agency of the State, any department
2 or agency of the county in which the land is situated, or any
3 person with a property interest in the land sought to be
4 reclassified, may petition the land use commission for a change
5 in the boundary of a district. This section applies to all
6 petitions for changes in district boundaries of lands within
7 conservation districts, lands designated or sought to be
8 designated as important agricultural lands, and lands greater
9 than fifteen acres in the agricultural, rural, and urban
10 districts, except as provided in [~~section~~] sections 201H-38[-],
11 205-3.1(b) (3), and 205-3.1(b) (4). The land use commission shall
12 adopt rules pursuant to chapter 91 to implement
13 section 201H-38."

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Land Use; Land Use Commission; Counties; Reclassification;
District Boundaries; Housing; Penalties

Description:

Authorizes the counties to reclassify lands fifty acres or seventy-five acres in certain rural, urban, and agricultural districts; provided that a certain percentage of the housing units on the land sought to be reclassified are set aside for persons and families with incomes at or below one hundred forty percent of the area median income. Establishes penalties for violations related to land use commission district boundary amendments. Effective 7/1/2050. (HD1)

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

