
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. The legislature finds that the State faces an
2 unprecedented economic crisis due to the coronavirus disease
3 2019 (COVID-19) pandemic, which has decimated Hawaii's economy
4 and caused its gross domestic product to plummet. By some
5 measures, Hawaii's economy has been hit harder than any other
6 state in the nation.

7 The legislature also finds that this drastic decline in
8 economic activity has disproportionately affected the State's
9 most vulnerable populations. The pandemic forced the shutdown
10 of many sectors of the State's economy, triggering mass layoffs
11 and furloughs and causing the State's seasonally adjusted
12 unemployment to surge from 2.4 per cent in March 2020 to a
13 historical high of 22.3 per cent in April 2020. Despite efforts
14 to reopen the economy, Hawaii still had the second-highest
15 unemployment rate in the nation as of November 2020. With the
16 COVID-19 pandemic continuing to rage throughout the world, most
17 countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at
2 least 2024, the State will continue to feel the economic impacts
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the
5 pandemic, renter households in the State already suffered from
6 deleteriously high housing cost burdens, and that the economic
7 impacts of the COVID-19 pandemic significantly exacerbated this
8 situation. Recent data from the university of Hawaii economic
9 research organization (UHERO) showed that more than eleven
10 thousand Hawaii tenants have fallen behind on their rent
11 payments and that forty per cent of rental tenants have lost
12 their jobs. Modeling from UHERO indicates that up to seventeen
13 thousand households may face an unsustainable change in their
14 housing cost burden by the second quarter of 2021, even as the
15 State's economy slowly recovers. Even in a best-case scenario,
16 the number of individuals facing homelessness will continue to
17 rise in the face of the pandemic. UHERO concluded that, from a
18 policy standpoint, "doing nothing is not a viable option."

19 Accordingly, the legislature finds that it must take
20 immediate action to mitigate the affordable housing crisis
21 through legislation.



1 The purpose of this Act is to temporarily exempt affordable
2 housing projects by the Hawaii housing finance and development
3 corporation from specific state and county fees and exactions
4 related to discretionary approval or ministerial permitting,
5 except application fees payable to the Hawaii housing finance
6 and development corporation; provided that the housing units are
7 exclusively for qualified residents who are owner or renter
8 occupants and who own no other real property.

9 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§201H-38 Housing development; exemption from statutes,**
12 **ordinances, charter provisions, and rules.** (a) The corporation
13 may develop on behalf of the State or with an eligible
14 developer, or may assist under a government assistance program
15 in the development of, housing projects that shall be exempt
16 from all statutes, ordinances, charter provisions, and rules of
17 any government agency relating to planning, zoning, construction
18 standards for subdivisions, development and improvement of land,
19 and the construction of dwelling units thereon; provided that:

20 (1) The corporation finds the housing project is
21 consistent with the purpose and intent of this



1 chapter, and meets minimum requirements of health and
2 safety;

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

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

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

19 (B) No action shall be prosecuted or maintained
20 against any county, its officials, or employees
21 on account of actions taken by them in reviewing,



1 approving, modifying, or disapproving the plans
2 and specifications; and
3 (C) The final plans and specifications for the
4 project shall be deemed approved by the
5 legislative body if the final plans and
6 specifications do not substantially deviate from
7 the preliminary plans and specifications. The
8 final plans and specifications for the project
9 shall constitute the zoning, building,
10 construction, and subdivision standards for that
11 project. For purposes of sections 501-85 and
12 502-17, the executive director of the corporation
13 or the responsible county official may certify
14 maps and plans of lands connected with the
15 project as having complied with applicable laws
16 and ordinances relating to consolidation and
17 subdivision of lands, and the maps and plans
18 shall be accepted for registration or recordation
19 by the land court and registrar; and
20 (4) The land use commission shall approve, approve with
21 modification, or disapprove a boundary change within



1 forty-five days after the corporation has submitted a
 2 petition to the commission as provided in section
 3 205-4. If, on the forty-sixth day, the petition is
 4 not disapproved, it shall be deemed approved by the
 5 commission.

6 (b) Affordable housing projects developed pursuant to this
 7 section shall be exempt from all state and county fees and
 8 exactions related to discretionary approval or ministerial
 9 permitting relating to planning, development, and improvement of
 10 land, and the construction of dwelling units thereon; provided
 11 that the exemption under this subsection shall not apply to fees
 12 and costs payable to the corporation; provided further that the
 13 dwelling units developed as part of a fee-exempted affordable
 14 housing project shall be exclusively made available to:

- 15 (1) Qualified residents, as defined by section 201H-32;
- 16 (2) Who are owner or renter occupants; and
- 17 (3) Who own no other real property.

18 ~~(b)~~ (c) For the purposes of this section, "government
 19 assistance program" means a housing program qualified by the
 20 corporation and administered or operated by the corporation or



1 the United States or any of their political subdivisions,
2 agencies, or instrumentalities, corporate or otherwise."

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

5 SECTION 4. This Act shall take effect upon its approval;
6 provided that on June 30, 2027, this Act shall be repealed and
7 section 201H-38, Hawaii Revised Statutes, shall be reenacted in
8 the form in which it read on the day before the effective date
9 of this Act.



Report Title:

Hawaii Housing Finance and Development Corporation; Affordable Housing; State Fees

Description:

Temporarily exempts affordable housing projects from specific state and county fees and exactions related to discretionary approval or ministerial permitting, except application fees; provided that the units are exclusively for qualified residents who are owner/renter occupants and own no other real property. Sunsets on 6/30/2027. (SD1)

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