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# HOUSE RESOLUTION

URGING ALL STATE AND COUNTY AGENCIES TO FOLLOW THE TRUE INTENT OF CHAPTER 201H, HAWAII REVISED STATUTES, AND THE EXPRESS PROVISIONS OF SECTION 201H-38, HAWAII REVISED STATUTES, RATHER THAN IMPOSE ADDITIONAL RESTRICTIONS AND PROCESSES, TO ADDRESS THE SHORTAGE OF AFFORDABLE HOUSING IN HAWAII.

1 WHEREAS, as early as 1935, the Territory of Hawaii  
2 recognized the severe shortfall of affordable housing in the  
3 Territory when it passed Act 190, Session Laws of Hawaii 1935,  
4 creating the Hawaii Housing Authority (HHA); and  
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6 WHEREAS, in Act 105, Session Laws of Hawaii 1970, the State  
7 recognized the expense added by government regulation as one of  
8 the causes for the high cost of housing in Hawaii; and  
9

10 WHEREAS, through Act 225, Session Laws of Hawaii 1976, the  
11 Legislature granted HHA the authority to develop, on its own  
12 behalf or in partnership with a qualified partner, housing  
13 projects that are exempt from all statutes, ordinances, charter  
14 provisions, and rules of any governmental agency relating to  
15 zoning and construction standards for subdivisions, development  
16 and improvement of land, and the construction and sale of homes  
17 thereon; and  
18

19 WHEREAS, the State has continued to recognize its role in  
20 maintaining, financing, and developing affordable housing by the  
21 enactment of myriad statutes creating, reorganizing, and  
22 granting development powers to successor state agencies to HHA;  
23 and  
24

25 WHEREAS, this process culminated in the enactment of  
26 chapter 201H, Hawaii Revised Statutes (HRS), which established  
27 the Hawaii Housing Finance and Development Corporation (HHFDC),  
28 the current successor governmental entity to HHA; and  
29



1 WHEREAS, HHFDC serves as the State's housing and finance  
2 development agency and is authorized by chapter 201H, HRS, to,  
3 on its own behalf or with an eligible developer, develop fee  
4 simple or leasehold property; construct dwelling units thereon;  
5 and sell, lease, or rent the dwelling units at the lowest  
6 possible price to qualified residents, nonprofit organizations,  
7 or governmental agencies; and  
8

9 WHEREAS, pursuant to section 201H-38, HRS, HHFDC may  
10 develop affordable housing projects that are "exempt from all  
11 statutes, ordinances, charter provisions, and rules of any  
12 government agency relating to planning, zoning, construction  
13 standards for subdivisions, development and improvement of land,  
14 and the construction of dwelling units thereon"; provided that  
15 the housing projects are consistent with the purpose and intent  
16 of chapter 201H, HRS; do not contravene any safety standards,  
17 tariffs, or rates approved by the Public Utilities Commission  
18 for public utilities; and receive certain approvals; and  
19

20 WHEREAS, it was and is the unequivocal policy of the  
21 Legislature and the stated purpose of section 201H-38, HRS, that  
22 qualifying affordable housing projects be exempt from all laws,  
23 rules, and regulations that impact development; and  
24

25 WHEREAS, section 46-15.1, HRS, grants the counties the same  
26 housing powers and authority as those granted to HHFDC pursuant  
27 to chapter 201H, HRS, "insofar as those powers may be reasonably  
28 construed to be exercisable by a county for the purpose of  
29 developing, constructing, and providing low- and moderate-income  
30 housing"; and  
31

32 WHEREAS, pursuant to section 46-15.1(f), HRS, the  
33 provisions of section 46-15.1, HRS, must be "construed liberally  
34 so as to effectuate the purpose of [section 46-15.1, HRS] in  
35 facilitating the development, construction, and provision of  
36 low- and moderate-income housing by the various counties"; and  
37

38 WHEREAS, the term "low- and moderate-income housing", as  
39 used in section 46-15.1, HRS, applies to any housing project in  
40 which:  
41



- 1 (1) All project units are offered for rent, of which at
- 2 least:
- 3
- 4 (A) Twenty percent of the units are rented to
- 5 households with an income of up to fifty percent
- 6 of the area median income as determined by the
- 7 United States Department of Housing and Urban
- 8 Development (AMI);
- 9
- 10 (B) Forty percent of the units are rented to
- 11 households with an income of up to eighty percent
- 12 of AMI; or
- 13
- 14 (C) Sixty percent of the units are rented to
- 15 households with an income of up to one hundred
- 16 forty percent of AMI;
- 17
- 18 (2) All project units are offered for sale, of which at
- 19 least fifty percent of the units are sold to
- 20 households with an income of up to one hundred forty
- 21 percent of AMI; and
- 22
- 23 (3) The project qualifies for federal tax exempt status
- 24 under title 26 United States Code section 142(a) (7)
- 25 and (d); and
- 26

27 WHEREAS, section 201H-57, HRS, defines the term "affordable  
 28 housing" as "housing that is affordable to households with  
 29 incomes at or below one hundred forty per cent of the median  
 30 family income as determined by the United States Department of  
 31 Housing and Urban Development"; and

32  
 33 WHEREAS, chapter 15-307, Hawaii Administrative Rules, which  
 34 implements chapter 201H, HRS, requires, as a condition to  
 35 processing pursuant to chapter 201H, HRS, that more than fifty  
 36 percent of the total dwelling units in a project be reserved for  
 37 persons or families whose incomes are identified as one hundred  
 38 forty percent or less of AMI; and

39  
 40 WHEREAS, pursuant to the authority granted under section  
 41 46-15.1, HRS, the City and County of Honolulu and County of



1 Kauai implemented their own county-level programs pursuant to  
2 chapter 201H, HRS (chapter 201H program); and

3  
4 WHEREAS, the City and County of Honolulu's chapter 201H  
5 program, among other things, does not include as "affordable  
6 housing" units that are affordable to families with income  
7 levels greater than one hundred forty percent of AMI; and

8  
9 WHEREAS, certain state and county agencies have been  
10 reluctant to provide the great deference required by the express  
11 provisions of section 201H-38, HRS, to housing projects  
12 qualified under chapter 201H, HRS, when applying statutes,  
13 ordinances, charter provisions, and rules of any governmental  
14 agencies relating to planning, zoning, construction standards  
15 for subdivision, development and improvement of land, and the  
16 construction of dwelling units thereon; and

17  
18 WHEREAS, HHFDC commissioned the "Hawaii Housing Planning  
19 Study, 2019", which found that the State will need about 50,000  
20 more housing units between 2020 and 2025; and

21  
22 WHEREAS, according to the Honolulu Board of REALTORS, the  
23 median sales price for single-family homes on Oahu for the month  
24 of January 2022 was \$1,050,000; and

25  
26 WHEREAS, data from the United States Census Bureau  
27 indicates that about 14,500 residents left Hawaii from July 2020  
28 to July 2021; and

29  
30 WHEREAS, Hawaii ranked fourth in the nation for the highest  
31 percentage decline in population for 2020 to 2021; and

32  
33 WHEREAS, the loss of Hawaii's population is being driven,  
34 in part, by the high cost of living, including the high cost of  
35 housing; and

36  
37 WHEREAS, according to a January 2021 Department of  
38 Business, Economic Development, and Tourism report titled "Brain  
39 Drain: Characteristics of Hawai'i-Born Adults on the U.S.  
40 Mainland", the residents leaving Hawaii for the mainland are  
41 younger and more educated; and



1 WHEREAS, the loss of this segment of Hawaii's population  
2 jeopardizes the very fabric and future of the State and its  
3 communities; now, therefore,  
4

5 BE IT RESOLVED by the House of Representatives of the  
6 Thirty-first Legislature of the State of Hawaii, Regular Session  
7 of 2022, that all state and county agencies are urged to follow  
8 the true intent of chapter 201H, HRS, and the express provisions  
9 of section 201H-38, HRS, rather than impose additional  
10 restrictions and processes, to address the shortage of  
11 affordable housing in Hawaii; and  
12

13 BE IT FURTHER RESOLVED that the state and county agencies  
14 are urged to reaffirm their commitment to the intent and  
15 provisions of section 201H-38, HRS, to exempt qualifying  
16 projects from all laws, rules, and regulations impacting the  
17 development of affordable housing; and  
18

19 BE IT FURTHER RESOLVED that in processing housing  
20 development projects pursuant to chapter 201H, HRS, state and  
21 county agencies are urged to abide by the express provisions of  
22 section 201H-38, HRS, to exempt all qualifying housing projects  
23 under chapter 201H, HRS, from all statutes, ordinances, charter  
24 provisions, and rules of any governmental agency relating to  
25 planning, zoning, construction standards for subdivision,  
26 development and improvement of land, and the construction of  
27 dwelling units thereon in accordance with the intent, purpose,  
28 and express provisions of chapter 201H, HRS; provided that  
29 minimum health and safety requirements and other requirements  
30 are met; and  
31

32 BE IT FURTHER RESOLVED that certified copies of this  
33 Resolution be transmitted to the Executive Director of the  
34 Hawaii Housing Finance and Development Corporation, Executive  
35 Director of the Hawaii Public Housing Authority, mayor of each  
36 county, chairperson and members of the county council of each  
37 county, Executive Director of the Office of Housing at the City  
38 and County of Honolulu, Housing Administrator of the Office of  
39 Housing and Community Development of the County of Hawaii,  
40 Director of the Department of Housing and Human Concerns of the  
41 County of Maui, and Director of the Housing Agency of the County  
42 of Kauai.

