
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 recognizes that the land use commission is
12 responsible for the classification of certain land parcels into
13 the urban, rural, agricultural, and conservation districts. The
14 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 lands that are fifteen to one hundred acres in
12 certain rural, urban, and agricultural districts in which at
13 least fifty per cent of the housing units on the land to be
14 classified are set aside for persons and families with incomes
15 at or below one hundred forty per cent of the area median
16 income.

17 SECTION 2. Section 205-3.1, Hawaii Revised Statutes, is
18 amended by amending subsections (a), (b), and (c) to read as
19 follows:

20 "(a) [~~District~~] Except for lands under subsection (b) (3),
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.

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

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

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

16 (3) Fifteen to one hundred acres in the rural and urban
17 districts and fifteen to one hundred acres in the
18 agricultural district that are not designated as
19 important agricultural lands; provided that at least
20 fifty per cent of the housing units on the land sought
21 to be reclassified under this paragraph are set aside



1 for persons and families with incomes at or below one
2 hundred forty per cent of the area median income.

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 SECTION 3. Section 205-4, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Any department or agency of the State, any department
20 or agency of the county in which the land is situated, or any
21 person with a property interest in the land sought to be



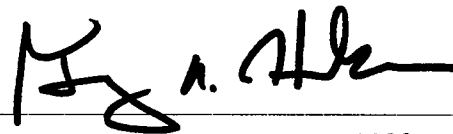
1 reclassified, may petition the land use commission for a change
2 in the boundary of a district. This section applies to all
3 petitions for changes in district boundaries of lands within
4 conservation districts, lands designated or sought to be
5 designated as important agricultural lands, and lands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

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

12 SECTION 5. This Act shall take effect upon its approval.

13

INTRODUCED BY:



JAN 20 2023



H.B. NO. 673

Report Title:

Land Use; Counties; Reclassification; District Boundaries;
Housing

Description:

Authorizes the counties to reclassify lands fifteen to one hundred acres in certain rural, urban, and agricultural districts in which at least fifty per cent 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 per cent of the area median income.

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