
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 faced an
2 unprecedented economic crisis due to the coronavirus disease
3 2019 (COVID-19) pandemic, which decimated Hawaii's economy and
4 caused its gross domestic product to plummet. By some measures,
5 Hawaii's economy has been hit harder than any other state in the
6 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 COVID-19 pandemic forced the
10 shutdown of many sectors of the State's economy, triggering mass
11 layoffs and furloughs and causing the State's seasonally
12 adjusted unemployment to surge from 2.4 per cent in March 2020
13 to a historical high of 22.3 per cent in April 2020. Despite
14 efforts to reopen the economy, Hawaii still had the second-
15 highest unemployment rate in the nation as of November 2020.
16 With the COVID-19 pandemic continuing to rage in some parts of
17 the world and certain countries experiencing recession, visitor



1 arrivals to the State are not expected to recover to pre-
2 pandemic levels until at least 2024. The State will therefore
3 continue to feel the economic impacts of the COVID-19 pandemic
4 for many years to come.

5 The legislature further finds that, even before the
6 COVID-19 pandemic, renter households in the State already
7 suffered from deleteriously high housing cost burdens, and that
8 the economic impacts of the COVID-19 pandemic significantly
9 exacerbated this situation. Recent data from the University of
10 Hawaii economic research organization (UHERO) showed that more
11 than eleven thousand tenants in the state had fallen behind on
12 their rent payments and that forty per cent of rental tenants
13 had lost their jobs. Even in a best-case scenario, the number
14 of individuals facing homelessness will continue to rise because
15 of the COVID-19 pandemic. UHERO concluded that, from a policy
16 standpoint, "doing nothing is not a viable option".

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

20 The purpose of this Act is to temporarily exempt affordable
21 housing projects by the Hawaii housing finance and development



1 corporation from specific state and county fees and exactions
2 related to discretionary approval or ministerial permitting,
3 except application fees payable to the Hawaii housing finance
4 and development corporation; provided that the housing units are
5 exclusively for certain qualified residents who are owner or
6 renter occupants and who own no other real property.

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

9 **"§201H-38 Housing development; exemption from statutes,**
10 **ordinances, charter provisions, and rules.** (a) The corporation
11 may develop on behalf of the State or with an eligible
12 developer, or may assist under a government assistance program
13 in the development of, housing projects that shall be exempt
14 from all statutes, ordinances, charter provisions, and rules of
15 any government agency relating to planning, zoning, construction
16 standards for subdivisions, development and improvement of land,
17 and the construction of dwelling units thereon; provided that:

18 (1) The corporation finds the housing project is
19 consistent with the purpose and intent of this
20 chapter, and meets minimum requirements of health and
21 safety;



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

6 (3) The [~~legislative body of the~~] county in which the
 7 housing project is to be situated shall have approved
 8 the project with or without modifications:

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

18 (B) No action shall be prosecuted or maintained
 19 against any county, its officials, or employees
 20 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~~] county 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 the
 12 fees and costs payable to the corporation nor the rates and fees
 13 approved of the various boards of water supply authorized under
 14 chapter 54; provided further that the dwelling units developed
 15 as part of a fee-exempted affordable housing project shall be
 16 exclusively made available to households having incomes at or
 17 below one hundred per cent of the area median family income as
 18 determined by the United States Department of Housing and Urban
 19 Development who:

20 (1) Are qualified residents, as defined by section
 21 201H-32;

1 (2) Are owner or renter occupants; and

2 (3) Own no other real property.

3 [~~(b)~~] (c) For the purposes of this section, "government
4 assistance program" means a housing program qualified by the
5 corporation and administered or operated by the corporation or
6 the United States or any of their political subdivisions,
7 agencies, or instrumentalities, corporate or otherwise."

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

10 SECTION 4. This Act shall take effect upon its approval;
11 provided that on June 30, 2028, this Act shall be repealed and
12 section 201H-38, Hawaii Revised Statutes, shall be reenacted in
13 the form in which it read on the day before the effective date
14 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 payable to the Hawaii Housing Finance and Development Corporation and the rates and fees of the various boards of water supply; provided that the units are exclusively made available to certain qualified residents who are owner or renter occupants and own no other real property. Repeals 6/30/2028. (SD1)

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