
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 needs to
2 increase its housing supply to meet local demand for housing,
3 mitigate housing cost increases, and prevent displacement of
4 residents and homelessness. Hawaii has the highest housing
5 costs in the nation, and a substantial body of research shows
6 that high housing costs are the result of regulatory
7 restrictions on the ability to build homes to keep up with
8 demand. Strict separation of land uses, such as allowing only
9 commercial uses in certain areas, is one such regulatory
10 restriction.

11 The legislature further finds that much-needed housing is
12 particularly appropriate in areas zoned for commercial use.
13 Allowing mixed commercial and residential uses creates vibrant
14 neighborhoods by allowing residents to live near businesses and
15 employers. Furthermore, it reduces the need for long commutes,
16 decreases traffic congestion, and lowers carbon emissions. The
17 legislature believes that adapting commercial buildings to



1 residential use preserves Hawaii's natural beauty and
2 agricultural land by allowing housing in developed commercial
3 areas rather than on undeveloped land. The legislature notes
4 that infrastructure for this type of infill construction is more
5 cost-effective, requiring less upfront infrastructure and
6 reducing costs for the ongoing delivery of services.

7 Therefore, the purpose of this Act is to:

- 8 (1) Beginning on January 1, 2026, permit residential uses
9 in areas zoned for commercial use, with certain
10 exceptions; and
11 (2) Require, no later than January 1, 2026, the counties
12 to adopt or amend its ordinances to allow for adaptive
13 reuse of commercial buildings for residential
14 purposes.

15 SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended
16 by adding two new sections to be appropriately designated and to
17 read as follows:

18 **"§46-A Residential development; areas zoned for commercial**
19 **use; administrative approval.** Notwithstanding any law to the
20 contrary, beginning January 1, 2026, residential uses in any



1 area zoned under this chapter for commercial use shall be
2 considered permitted; provided that:

- 3 (1) Residential use may be limited by ordinance to floors
4 above the ground floor of a building or structure and
5 conform to prescribed development standards; and
- 6 (2) This section shall not apply to any areas zoned under
7 chapter 206E.

8 **§46-B Adaptive reuse; commercial buildings.** (a) No later
9 than January 1, 2026, each county shall adopt or amend its
10 ordinances to allow for adaptive reuse of existing commercial
11 buildings in the county's building code.

12 (b) Notwithstanding any law, ordinance, or building code
13 or standard to the contrary, each adaptive reuse building code
14 ordinance shall:

- 15 (1) Allow for the construction of micro units with a
16 minimum size of two hundred twenty square feet;
- 17 (2) Allow for adaptive reuse to meet the interior
18 environment requirements of the International Building
19 Code; and
- 20 (3) Provide for an exemption to any requirements regarding
21 additional off-street parking or park dedication;



1 provided that the building's floor area, height, and
2 setbacks do not change as a result of adaptive reuse.

3 (c) As used in this section, "adaptive reuse" means the
4 repurposing of existing buildings or structures in whole or in
5 part for residential purposes. "Adaptive reuse" includes
6 retrofitting and repurposing of existing buildings or structures
7 that create new residential units. "Adaptive reuse" does not
8 include the rehabilitation of any construction affecting
9 existing residential units that are or have been recently
10 occupied."

11 SECTION 3. Section 107-26, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§107-26 Hawaii state building codes; prohibitions.** In
14 adopting the Hawaii state building codes, the council shall not
15 adopt provisions that:

16 (1) Relate to administrative, permitting, or enforcement
17 and inspection procedures of each county; or

18 (2) Conflict with [~~chapters~~]:

19 (A) Chapters 444 and 464[-]; or

20 (B) Section 46-B."



1 SECTION 4. In codifying the new sections added by section
2 2 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

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

7 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Residential Development; Areas Zoned for Commercial Use;
Administrative Approval; Counties; Building Codes; Adaptive
Reuse; Commercial Buildings

Description:

Beginning 1/1/2026, allows residential uses in areas zoned for commercial use to be considered permitted under certain circumstances. Requires, no later than 1/1/2026, each county to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings in the county's building codes. Effective 7/1/3000. (HD1)

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