## 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 faces a 2 critical housing shortage, particularly for Hawaii residents who 3 are seeking a permanent home for their families, rather than 4 trying to acquire real estate for investment or speculative purposes. The legislature further finds that the State provides 5 6 a pathway for housing projects to be exempt from all statutes, 7 charter provisions, ordinances, and rules of any government 8 agency relating to planning, zoning, construction standards for 9 subdivisions, development and improvement of land, and the 10 construction of dwelling units under certain conditions. 11 the requirements for these projects, a majority of the units 12 must be priced at levels affordable to Hawaii residents who earn
- 13 less than one hundred forty per cent of the area median income.
- 14 With recent interest rate increases, it is no longer possible to
- 15 finance housing construction under these terms.
- 16 Accordingly, the purpose of this Act is to establish a
- 17 separate, alternative pathway for projects to qualify for the
- exemptions from certain state laws and rules relating to 18 2024-2726 SB2066 CD1 SMA.docx



1	planning, zoning, and construction, among others. Under this
2	alternative pathway, all units must be set aside exclusively for
3	Hawaii residents who have no majority ownership in other
4	residential properties, are domiciled in the State, and are
5	owner-occupants, and shall not impose stricter income
6	requirements than those adopted by the State.
7	SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
8	amended by amending subsection (a) to read as follows:
9	"(a) The corporation may develop on behalf of the State or
10	with an eligible developer, or may assist under a government
11	assistance program in the development of, housing projects that
12	shall be exempt from all statutes, [ordinances,] charter
13	provisions, ordinances, and rules of any government agency
14	relating to planning, zoning, construction standards for
15	subdivisions, development and improvement of land, and the
16	construction of dwelling units thereon; provided that [+] either:
17	(1) The housing projects meet the following conditions:
18	$\left[\frac{(1)}{(A)}\right]$ The corporation finds the housing project is
19	consistent with the purpose and intent of this
20	chapter, and meets minimum requirements of health
21	and safety;

1	[ <del>(2)</del> ] <u>(B)</u>	The development of the proposed housing project
2		does not contravene any safety standards,
3		tariffs, or rates and fees approved by the public
4		utilities commission for public utilities or of
5		the various boards of water supply authorized
6		under chapter 54;
7	[ <del>(3)</del> ] <u>(C)</u>	The legislative body of the county in which the
8		housing project is to be situated [shall have]
9		has approved the project with or without
10		modifications:
11	[ <del>-(A)-</del> ]	(i) The legislative body shall approve, approve
12		with modification, or disapprove the project
13		by resolution within forty-five days after
14		the corporation has submitted the
15		preliminary plans and specifications for the
16		project to the legislative body. If on the
17		forty-sixth day a project is not
18		disapproved, it shall be deemed approved by
19		the legislative body;
20	[ <del>(B)</del> ]	(ii) No action shall be prosecuted or maintained
21		against any county lite officials or

1	employees on account of actions taken by
2	them in reviewing, approving, modifying, or
3	disapproving the plans and specifications;
4	and
5	$[\frac{C}{C}]$ (iii) The final plans and specifications for the
6	project shall be deemed approved by the
7	legislative body if the final plans and
8	specifications do not substantially deviate
9	from the preliminary plans and
10	specifications. The final plans and
11	specifications for the project shall
12	constitute the zoning, building,
13	construction, and subdivision standards for
14	that project. For purposes of sections 501-
15	85 and 502-17, the executive director of the
16	corporation or the responsible county
17	official may certify maps and plans of lands
18	connected with the project as having
19	complied with applicable laws and ordinances
20	relating to consolidation and subdivision of
21	lands, and the maps and plans shall be

1	accepted for registration or recordation by
2	the land court and registrar; and
3	[(4)] (D) The land use commission [shall approve, approve]
4	has approved, approved with modification, or
5	[disapprove] disapproved a boundary change within
6	forty-five days after the corporation has
7	submitted a petition to the commission as
8	provided in section 205-4. If, on the forty-
9	sixth day, the petition is not disapproved, it
10	shall be deemed approved by the commission $[\div]$ ; or
11	(2) The housing projects:
12	(A) Meet the conditions of paragraph (1);
13	(B) Do not impose stricter income requirements than
14	those adopted or established by the State; and
15	(C) For the lifetime of the project, require one
16	hundred per cent of the units in the project be
17	exclusively for qualified residents."
18	SECTION 3. Section 201H-41, Hawaii Revised Statutes, is
19	amended by amending subsection (c) to read as follows:
20	"(c) The corporation may accept and approve housing
21	projects independently initiated by private developers that

- 1 fully comply with subsections (a) and (b). The corporation may
- 2 review the plans, specifications, districting, and zoning of the
- 3 project for the purpose of exempting the project from all
- 4 statutes, ordinances, charter provisions, and rules of any
- 5 government agency relating to zoning and construction standards
- 6 for subdivisions, development, and improvement of land and the
- 7 construction, improvement, and sale of dwelling units thereon;
- 8 provided that the procedures in section [201H-38(a)(1), (2), and
- 9 (3) 201H-38(a)(1)(A), (B), and (C) have been satisfied."
- 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.

## Report Title:

HHFDC; Housing Development; Planning Exemptions

## Description:

Establishes another means for a housing project to seek an exemption from laws and rules of the State that are developed under various programs of the Hawaii Housing Finance and Development Corporation. (CD1)

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