# 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
- 5 purposes. The legislature further finds that the State provides
- 6 a pathway for housing projects to be exempt from all statutes,
- 7 ordinances, charter provisions, 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. Among
- 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



1 exemptions from certain state laws and rules relating to 2 planning, zoning, and construction, among others. Under this 3 alternative pathway, all units must be set aside exclusively for 4 Hawaii residents who have no majority ownership in other 5 residential properties, are domiciled in the state, and are 6 owner-occupants. While none of the units would have income or 7 price restrictions, all of them would be occupied by qualified 8 residents. 9 SECTION 2. Section 201H-38, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows: 10 11 The corporation may develop on behalf of the State or 12 with an eligible developer, or may assist under a government 13 assistance program in the development of, housing projects that 14 shall be exempt from all statutes, ordinances, charter 15 provisions, and rules of any government agency relating to 16 planning, zoning, construction standards for subdivisions, 17 development and improvement of land, and the construction of 18 dwelling units thereon; provided that [:] either: 19 (1) The housing projects meet the following conditions: 20  $[\frac{1}{1}]$  (A) The corporation finds the housing project is

consistent with the purpose and intent of this

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1		chap	eter, and meets minimum requirements of health
2		and	safety;
3	[ <del>(2)</del> ] <u>(B)</u>	The	development of the proposed housing project
4		does	not contravene any safety standards,
5		tari	ffs, or rates and fees approved by the public
6		util	ities commission for public utilities or of
7		the	various boards of water supply authorized
8		unde	er chapter 54;
9	[ <del>-(3)</del> -] <u>(C)</u>	The	legislative body of the county in which the
10		hous	sing project is to be situated shall have
11		appr	oved the project with or without
12		modi	fications:
13	[ <del>-(A)-</del>	] <u>(i)</u>	The legislative body shall approve, approve
14			with modification, or disapprove the project
15			by resolution within forty-five days after
16			the corporation has submitted the
17			preliminary plans and specifications for the
18			project to the legislative body. If on the
19			forty-sixth day a project is not
20			disapproved, it shall be deemed approved by
21			the legislative body;

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1	$[\frac{B}{A}]$ (ii) No action shall be prosecuted or maintained
2	against any county, its officials, or
3	employees on account of actions taken by
4	them in reviewing, approving, modifying, or
5	disapproving the plans and specifications;
6	and
7	[ <del>(C)</del> ] <u>(iii)</u> The final plans and specifications for
8	the project shall be deemed approved by the
9	legislative body if the final plans and
10	specifications do not substantially deviate
11	from the preliminary plans and
12	specifications. The final plans and
13	specifications for the project shall
14	constitute the zoning, building,
15	construction, and subdivision standards for
16	that project. For purposes of sections 501-
17	85 and 502-17, the executive director of the
18	corporation or the responsible county
19	official may certify maps and plans of lands
20	connected with the project as having
21	complied with applicable laws and ordinances

1		relating to consolidation and subdivision of		
2		lands, and the maps and plans shall be		
3		accepted for registration or recordation by		
4		the land court and registrar; and		
5	[ <del>(4)</del> ] <u>(D)</u>	The land use commission shall approve, approve		
6		with modification, or disapprove a boundary		
7		change within forty-five days after the		
8		corporation has submitted a petition to the		
9		commission as provided in section 205-4. If, on		
10		the forty-sixth day, the petition is not		
11		disapproved, it shall be deemed approved by the		
12		commission[-]; or		
13	(2) The	nousing projects:		
14	(A)	Meet the conditions of paragraph (1);		
15	<u>(B)</u>	Do not have an affordability requirement or		
16		<pre>income restrictions; and</pre>		
17	(C)	For the life time of the project, dedicate one		
18		hundred per cent of the units in the project		
19		exclusively for qualified residents."		
20	SECTION 3	. Section 201H-41, Hawaii Revised Statutes, is		
21	amended by amending subsection (c) to read as follows:			

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1 "(c) The corporation may accept and approve housing 2 projects independently initiated by private developers that 3 fully comply with subsections (a) and (b). The corporation may 4 review the plans, specifications, districting, and zoning of the 5 project for the purpose of exempting the project from all 6 statutes, ordinances, charter provisions, and rules of any 7 government agency relating to zoning and construction standards 8 for subdivisions, development, and improvement of land and the 9 construction, improvement, and sale of dwelling units thereon; 10 provided that the procedures in section [201H-38(a)(1), (2), and11  $(3)^{-}$ ] 201H-38(a)(1)(A), (B), and (C) have been satisfied." 12 SECTION 4. Statutory material to be repealed is bracketed 13 and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 3000.

### Report Title:

Hawaii Housing Finance and Development Corporation; 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. Effective 7/1/3000. (HD1)

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