
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 is in the
2 midst of a severe and persistent housing shortage that touches
3 every community in the State. The Hawaii housing finance and
4 development corporation's 2024 Hawaii housing planning study
5 estimates that, as of the end of 2022, the State faced a
6 shortage of 62,750 housing units for residents. To eliminate
7 that shortage and accommodate expected population change in the
8 housing market between 2023 and 2027, the study concludes that
9 Hawaii will need a total of 77,961 homes by 2027. After
10 accounting for 13,471 units already in the development pipeline,
11 64,490 additional units must still be planned and built to meet
12 resident demand by 2027.

13 The legislature further finds that current and recent
14 housing production falls far short of this need. The State
15 added 35,178 housing units statewide between 2017 and 2022, an
16 average of seven thousand units per year. Meeting the target of
17 77,961 units over the 2023 to 2027 planning period would require



1 averaging more than fifteen thousand homes per year, more than
2 double recent production levels. As long as annual production
3 remains at only a fraction of what is required, the housing
4 shortage will deepen, and more local families will be pushed
5 into overcrowded conditions, long commutes, homelessness, or
6 forced relocation out of the State.

7 The legislature also finds that a substantial portion of
8 the State's housing stock is unavailable to residents. The
9 study reports that, in 2022, only 21,415 units, about 4.1 per
10 cent of the housing stock, were vacant and available for
11 residents, while 35,884 units, or 9.1 per cent of all housing
12 units, were used for seasonal or vacation purposes. The study
13 notes that converting even a portion of these seasonal or
14 vacation units into homes for year-round residents is a key
15 opportunity to address the housing shortfall more quickly and at
16 lower cost than relying on new construction alone.

17 The legislature additionally finds that although the State
18 can provide funding, financing tools, and regulatory relief, the
19 counties control most of the levers that determine whether and
20 where homes are actually built: county infrastructure planning
21 and investment, land use and zoning decisions, and the speed and



1 predictability of permitting. The study assumes that the needed
2 77,961 units can and should be accommodated primarily by
3 building new housing in appropriate growth areas and through the
4 conversion of existing housing stock that is currently
5 unavailable to residents; however, as long as counties
6 under-invest in backbone infrastructure and maintain slow,
7 discretionary, or unpredictable permitting processes in the
8 urban state land use district, Hawaii will not produce enough
9 homes in the right places to meet demand or to shift growth away
10 from agricultural lands and back into existing urban areas.

11 Accordingly, the purpose of this Act is to:

- 12 (1) Establish a pro-housing score program to evaluate each
13 county's performance in expanding housing
14 opportunities and reducing regulatory barriers;
- 15 (2) Require the counties to publish their respective pro-
16 housing scores online and require the Hawaii housing
17 finance and development corporation to publish certain
18 related information and data on a public dashboard;
- 19 (3) Establish criteria for deeming a county noncompliant;
- 20 (4) Establish builder's remedies for certain housing
21 projects in transit-oriented development areas;



- 1 (5) Specify that under certain circumstances, the planning
- 2 director or an equivalent county officer responsible
- 3 for land use approvals shall be responsible for
- 4 approving or denying certain affordable housing
- 5 development applications;
- 6 (6) Establish procedures for certain transit-oriented
- 7 development housing project appeals; and
- 8 (7) Appropriate funds.

9 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
 10 amended by adding a new part to be appropriately designated and
 11 to read as follows:

12 **"PART . PRO-HOUSING SCORE PROGRAM**

13 **§201H-A Definitions.** As used in this part:

14 "Program year" means a twelve-month calendar year beginning
 15 January 1 of each year and ending December 31.

16 "Pro-housing score" means the percentage computed pursuant
 17 to section 201H-B that reflects a county's performance in
 18 expanding resident-occupied housing opportunities and producing
 19 housing across income levels.

20 "Resident-occupied housing unit" means a dwelling unit used
 21 as a primary residence by the occupant, including:



- 1 (1) Newly constructed dwelling units permitted for
- 2 residential occupancy; and
- 3 (2) Existing dwelling units converted from vacant status
- 4 or from transient accommodations or other visitor
- 5 units to long-term resident occupancy, as evidenced by
- 6 a recorded covenant, change in property tax
- 7 classification, or other documentation accepted by the
- 8 corporation.

9 "Resident-occupied housing unit" does not include a transient
10 accommodation or other visitor unit.

11 "Transient accommodations" has the same meaning as defined
12 in section 237D-1.

13 "Visitor unit" means an accommodation in a hotel or resort
14 condominium or other accommodation located in a
15 county-designated hotel, resort, resort commercial, resort mixed
16 use, or resort-hotel district.

17 **§201H-B Pro-housing score program; established.** (a)
18 There is established within the corporation the pro-housing
19 score program to annually evaluate each county's performance in
20 expanding housing opportunities and reducing regulatory
21 barriers.



1 (b) For each county and for each five-year housing
2 planning period identified in the most recent Hawaii housing
3 planning study, the corporation shall calculate the:

4 (1) Overall housing production percentage, which shall be
5 the quotient, expressed as a percentage that may
6 exceed one hundred per cent of the total number of
7 resident-occupied housing units created in the county
8 during that five-year period, including newly
9 constructed dwelling units and conversions of vacant
10 or visitor units to resident-occupied housing units
11 divided by the county's total five-year projected
12 housing needs, as determined by the corporation based
13 on the most recent Hawaii housing planning study,
14 including any updates or addenda to that study;

15 (2) Affordable housing production percentage, which shall
16 be the arithmetic mean of the following three
17 band-specific percentages of the county's total
18 five-year projected demand of the income-specific
19 unit, as determined by the corporation based on the
20 most recent Hawaii housing planning study, including



1 any updates or addenda to that study, each expressed
2 as a percentage that may exceed one hundred per cent:

3 (A) The percentage of the county's total five-year
4 projected demand for very low-income units for
5 households with incomes at or below thirty per
6 cent of the area median income that is met by new
7 units created during the five-year period for
8 households in that income band;

9 (B) The percentage of the county's total five-year
10 projected demand for low-income units for
11 households with incomes greater than thirty per
12 cent but not more than sixty per cent of the area
13 median income that is met by new units created
14 during the five-year period for households in
15 that income band; and

16 (C) The percentage of the county's total five-year
17 projected demand for workforce-income units for
18 households with incomes greater than sixty per
19 cent but not more than one hundred forty per cent
20 of the area median income that is met by new



1 units created during the five-year period for
2 households in that income band; and

3 (3) The county's pro-housing score, which shall be the
4 arithmetic mean of:

5 (A) The overall housing production percentage
6 calculated pursuant to paragraph (1); and

7 (B) The affordable housing production percentage
8 calculated pursuant to paragraph (2).

9 **§201H-C Annual reports; pro-housing scores; public**

10 **dashboard.** (a) Each county shall submit a report to the
11 corporation no later than January 31 of each program year that
12 includes:

13 (1) The total number of housing units created during the
14 preceding program year that were permitted for
15 residential occupancy, including a breakdown of new
16 housing units by type as reported by the county;

17 (2) The net change during the preceding program year in
18 the number of dwelling units that are classified,
19 licensed, or approved as transient accommodations or
20 visitor units under state law or county ordinance,
21 including:



- 1 (A) The number of dwelling units newly classified,
2 licensed, or approved as transient accommodations
3 or visitor units during the preceding program
4 year; and
- 5 (B) The number of dwelling units that ceased to be
6 classified, licensed, or approved as transient
7 accommodations or visitor units during the
8 preceding program year;
- 9 (3) The total number of housing units created during the
10 preceding program year that are restricted to
11 households within each income band described in
12 section 201H-B(b) (2);
- 13 (4) The county's:
- 14 (A) Overall housing production percentage;
- 15 (B) Affordable housing production percentage,
16 including a breakdown of the three band-specific
17 percentages described in section 201H-B(b) (2);
18 and
- 19 (C) Pro-housing score;
- 20 (5) The denominators used when determining the percentages
21 described in paragraph (4), based on the county's



1 total five-year projected housing needs and
2 band-specific affordable housing needs as determined
3 by the corporation based on the most recent Hawaii
4 housing planning study, including any updates or
5 addenda to that study; and

6 (6) Any additional information requested by the
7 corporation that is necessary to verify the
8 calculations made pursuant to section 201H-B(b).

9 (b) The corporation shall publish verified county
10 pro-housing scores no later than March 1 of each program year.

11 (c) The corporation shall compile the information received
12 pursuant to subsection (a) into a statewide dashboard that is
13 accessible to the public and shall update the dashboard at least
14 annually to reflect the most recent available data for each
15 county's overall housing production percentage, affordable
16 housing production percentage, and pro-housing score. Annual
17 updates to the dashboard may reflect interim progress within a
18 five-year housing planning period; provided that for purposes of
19 determining whether to deem a county noncompliant under section
20 201H-D and for applying any preferences or weighting based on a
21 county's pro-housing score under section 201H-191, the



1 corporation shall use the percentages calculated for the full
2 five-year housing planning period pursuant to section 201H-B(b).

3 **§201H-D Noncompliant counties.** (a) A county shall be
4 deemed noncompliant for a five-year housing planning period if,
5 for that period, either:

6 (1) The county's overall housing production percentage is
7 less than fifty per cent; or

8 (2) The county's affordable housing production percentage
9 is less than fifty per cent.

10 (b) The corporation shall publish, at least once every
11 five years following the final year of the Hawaii housing
12 planning study's five-year planning period, a report identifying
13 for each county:

14 (1) The overall housing production percentage;

15 (2) The affordable housing production percentage;

16 (3) The county's pro-housing score; and

17 (4) Whether the county is deemed noncompliant for the
18 ensuing five-year period.

19 **§201H-E Rules.** The corporation shall adopt rules pursuant
20 to chapter 91 for the purposes of this part, including rules to
21 clarify the methodology for determining the numerators and



1 denominators used in the percentages described in section
 2 201H-B(b), the treatment of partial years and interim estimates
 3 within each five-year housing planning period, an appeals
 4 process for counties determined to be noncompliant, and any
 5 other matter necessary to implement and administer the
 6 pro-housing score program."

7 SECTION 3. Chapter 46, Hawaii Revised Statutes, is amended
 8 by adding a new section to be appropriately designated and to
 9 read as follows:

10 "§46- Transit-supportive density; housing projects;
 11 builder's remedies in transit-oriented development areas. (a)

12 This section shall apply to a housing development project that:

- 13 (1) Is located within a county-designated transit-oriented
 14 development area delineated pursuant to section 226-63
 15 or other applicable law;
- 16 (2) Is located within the urban district of the state land
 17 use classification established pursuant to chapter
 18 205;
- 19 (3) Is located outside of any area designated as a special
 20 flood hazard area, tsunami evacuation zone, sea level



1 rise exposure area, or other hazard area under
2 applicable state law or county ordinance;
3 (4) Is situated in a county that has been deemed
4 noncompliant under section 201H-D; and
5 (5) Reserves for a term of not less than thirty years,
6 pursuant to covenants or other restrictions approved
7 by the corporation, at least:
8 (A) Twenty per cent of its dwelling units for
9 households with incomes at or below eighty per
10 cent of the area median income; or
11 (B) Fifty per cent of its dwelling units for
12 households with incomes at or below one hundred
13 forty per cent of the area median income.
14 (b) Each county shall process all permits and approvals
15 for a housing development project described in subsection (a) on
16 a ministerial basis, using only objective standards. Each
17 county shall allow the project to be developed at not less than
18 the applicable transit-supportive density floor area ratios
19 established by law, and shall not apply any zoning, development
20 plan, or other local development standards that would preclude
21 the project from achieving those floor area ratios.



1 (c) Each county may apply objective design standards of
2 general applicability to a housing development project described
3 in subsection (a), including standards relating to building
4 form, frontage, and site design, only if those standards:

5 (1) Are written and verifiable;

6 (2) Were in effect when the developer's application was
7 deemed complete; and

8 (3) Do not preclude the project from achieving the
9 applicable transit-supportive density floor area
10 ratios.

11 (d) No county shall impose any discretionary procedures or
12 subjective design review that apply solely or primarily to
13 projects described in this section, unless expressly authorized
14 by state law.

15 (e) No county shall deny approval of, nor condition
16 approval of, a housing development project described in
17 subsection (a), nor require a reduction in the number of
18 dwelling units, building height, residential floor area, or
19 floor area ratio of the project below the applicable
20 transit-supportive density, except upon adoption of written



1 findings, supported by substantial evidence in the record, that
2 one or more of the following applies:

3 (1) The project would have a specific, adverse impact upon
4 public health or safety that is based on objective,
5 quantifiable, written public health or safety
6 standards, policies, or conditions that were in effect
7 at the time the application for the project was deemed
8 complete, and there is no feasible condition of
9 approval or mitigation measure that would
10 satisfactorily mitigate or avoid that adverse impact;

11 (2) Water, wastewater, or other essential public
12 infrastructure capacity necessary to serve the project
13 is not and will not be available within a reasonable
14 period of time, and there is no feasible condition of
15 approval, including phasing, alternative service
16 arrangements, or mitigation, that can provide the
17 necessary capacity; or

18 (3) Approval of the project would result in a violation of
19 federal or state law, and there is no feasible
20 condition of approval that would bring the project
21 into compliance with the applicable law.



1 Any reduction in the number of dwelling units, building
2 height, residential floor area, or floor area ratio shall be
3 limited to the minimum necessary to address the specific adverse
4 impact identified in the written findings.

5 (f) Each county shall approve, approve with conditions
6 consistent with this section, or disapprove a complete
7 application for a housing development project described in
8 subsection (a) within ninety days after the application is
9 deemed complete. Failure to act within that period shall be
10 deemed an approval of the project at the proposed density and
11 floor area ratio, subject only to objective conditions
12 consistent with this section.

13 (g) For the purposes of this section:

14 "Ministerial" has the same meaning as defined in section
15 206E-246.

16 "Transit-supportive density" has the same meaning as
17 defined in section 206E-246."

18 SECTION 4. Chapter 201H, Hawaii Revised Statutes, is
19 amended by adding a new section to part II to be appropriately
20 designated and to read as follows:



1 "§201H-F Noncompliant counties; delegation to planning
2 director; limited grounds for denial. (a) This section shall
3 apply to any housing project processed under section 201H-38
4 that is:

5 (1) Located within the urban district of the state land
6 use classification established pursuant to chapter
7 205;

8 (2) Located outside of any area designated as a special
9 flood hazard area, tsunami evacuation zone, sea level
10 rise exposure area, or other hazard area under
11 applicable state law or county ordinance; and

12 (3) Situated in a county that has been deemed noncompliant
13 pursuant to section 201H-D.

14 (b) Notwithstanding section 201H-38(a)(1)(C) or any other
15 provision of law to the contrary, for a housing project
16 described in subsection (a):

17 (1) The approval required under section 201H-38(a)(1)(C)
18 shall be exercised by the planning director, or
19 equivalent county officer responsible for land use
20 approvals as designated by county ordinance, rather
21 than by the legislative body of the county; and



1 (2) References in section 201H-38(a)(1)(C) to the
2 legislative body and to approval by resolution shall
3 be deemed references to the planning director and to a
4 written decision issued by the planning director.

5 (c) In reviewing a housing project described in subsection
6 (a), the planning director or any other county agency acting
7 pursuant to this section shall not deny or condition approval of
8 the project, nor require a reduction in the number of dwelling
9 units, building height, residential floor area, or residential
10 density of the project, except upon adoption of written
11 findings, supported by substantial evidence in the record, that
12 one or more of the following applies:

13 (1) The project would have a specific, adverse impact upon
14 public health or safety that is based on objective,
15 quantifiable, written public health or safety
16 standards, policies, or conditions that were in effect
17 at the time the application for the project was deemed
18 complete, and there is no feasible condition of
19 approval or mitigation measure that would
20 satisfactorily mitigate or avoid that adverse impact;



1 (2) Water, wastewater, or other essential public
2 infrastructure capacity necessary to serve the project
3 is not and will not be available within a reasonable
4 period of time, and there is no feasible condition of
5 approval, including phasing, alternative service
6 arrangements, or mitigation, that can provide the
7 necessary capacity; or

8 (3) Approval of the project would result in a violation of
9 federal or state law, and there is no feasible
10 condition of approval that would bring the project
11 into compliance with the applicable law.

12 Any reduction in the number of dwelling units, building
13 height, residential floor area, or residential density shall be
14 limited to the minimum necessary to address the specific adverse
15 impact identified in the written findings.

16 (d) For a housing project described in subsection (a), the
17 failure of the planning director to approve, approve with
18 conditions consistent with subsection (c), or disapprove the
19 project within forty-five days after the corporation has
20 submitted the preliminary plans and specifications pursuant to
21 section 201H-38(a)(1)(C) shall be deemed an approval of the



1 project and its exemptions; provided that any conditions of
2 approval imposed by the county shall comply with subsection (c).

3 (e) In a county deemed noncompliant pursuant to section
4 201H-D and for projects described in subsection (a), the county,
5 the planning director, or any other county agency acting
6 pursuant to this section shall apply only objective standards
7 and procedures of general applicability that would apply to a
8 comparable project not developed under this chapter in the same
9 district. No county shall impose additional discretionary
10 procedures or standards that apply solely to projects processed
11 under this section, unless expressly authorized by state law."

12 SECTION 5. Chapter 226, Hawaii Revised Statutes, is
13 amended by adding a new section to part II to be appropriately
14 designated and to read as follows:

15 **"§226- Transit-oriented development housing appeals.**

16 (a) In addition to its responsibilities under section 226-63,
17 the Hawaii interagency council for transit-oriented development
18 shall serve as the transit-oriented development housing appeals
19 body for purposes of section 46- and may establish a
20 committee or panel of its members to carry out this function.



1 (b) Any applicant for a housing development project
2 described in section 46- whose project is denied,
3 conditioned, or reduced in density by a county in a manner that
4 the applicant alleges is inconsistent with section 46- may
5 file an appeal with the council within thirty days after the
6 county's final decision.

7 (c) Upon receipt of a timely appeal, the Hawaii
8 interagency council for transit-oriented development, or its
9 designated committee or panel, shall review the county's
10 decision on the record, may receive additional evidence or
11 testimony as appropriate, and shall, within ninety days:

12 (1) Affirm the county's decision;

13 (2) Modify the county's decision and direct the county to
14 approve the project with conditions consistent with
15 section 46- ; or

16 (3) Reverse the county's decision and direct the county to
17 approve the project at the proposed density and floor
18 area ratio, subject only to objective conditions
19 consistent with section 46- .



1 (d) A county shall comply with any decision or directive
2 issued by the council or its designated committee or panel under
3 this subsection."

4 SECTION 6. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2026-2027 to
7 implement the pro-housing score program.

8 The sum appropriated shall be expended by the Hawaii
9 housing finance and development corporation for the purposes of
10 this Act.

11 SECTION 7. In codifying the new sections added by
12 sections 2 and 4 of this Act, the revisor of statutes shall
13 substitute appropriate section numbers for the letters used in
14 designating the new sections in this Act.

15 SECTION 8. New statutory material is underscored.

16 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

HHFDC; DOT; Pro-Housing Score Program; Counties; Reports;
Transit-Supportive Density; Transit-Oriented Development;
Appropriation

Description:

Establishes the Pro-Housing Score Program to evaluate each county's performance in expanding housing opportunities and reducing regulatory barriers. Requires the counties to publish their respective pro-housing scores online and the Hawaii Housing Finance and Development Corporation to publish certain related information and data on a public dashboard. Establishes criteria for deeming a county noncompliant. Establishes builder's remedies for certain housing projects in transit-oriented development areas. Specifies that if a county is deemed noncompliant, the planning director or an equivalent county officer responsible for land use approvals shall be responsible for approving or denying certain affordable housing development applications. Establishes procedures for certain transit-oriented development housing project appeals. Appropriates funds. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

