

ACT 140

H.B. NO. 1311

A Bill for an Act Relating to Affordable Housing.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that there is a severe shortage of affordable rental housing in the county of Maui, particularly in the western part of the island. To address this issue, the legislature passed Act 150, Session Laws of Hawaii 2018 (Act 150), to appropriate funds in support of the Keawe street apartments affordable housing project in Lahaina, Maui. Act 98, Session Laws of Hawaii 2019 (Act 98), amended Act 150 by increasing the appropriation to the rental housing revolving fund from \$30,000,000 to \$37,000,000 to expedite and complete the Leialii affordable housing project by 2022; provided that if the project did not obtain necessary land use entitlements by April 30, 2020, the earmarked funds would be returned to the rental housing revolving fund.

On February 7, 2020, the Maui county council granted an exemption to chapter 201H, Hawaii Revised Statutes, relating to the Hawaii housing finance and development corporation, for the project, which satisfied Act 98's land use entitlements requirement. On April 2, 2020, the county of Maui granted final subdivision approval of the project site.

The legislature further finds that on September 21, 2020, the state historic preservation division notified the Hawaii housing finance and development corporation that the state historic preservation division would require a new archaeological inventory survey (AIS) for the entire Villages of Leialii master planned community, of which the Keawe street apartments affordable housing project is a part. On September 30, 2020, representatives from the state historic preservation division, department of land and natural resources, and governor's office held a teleconference to discuss whether a resolution could be reached to enable the project to proceed. The result was that the Hawaii housing finance and development corporation must still prepare a new AIS with adequate testing of the Keawe street apartments affordable housing project site and a strategy for addressing prior commitments for the balance of the Villages of Leialii.

The legislature finds that because a new AIS must be conducted, the 2022 completion deadline imposed by Act 98 cannot be met.

The purpose of this Act is to maintain the viability of the Keawe street apartments affordable housing project by:

- (1) Amending Act 98, Session Laws of Hawaii 2019, to remove the 2022 deadline for the completion of the Leialii affordable housing project; and
- (2) Clarifying that the developer of the Keawe street apartments affordable housing project shall only be responsible for all associated costs of the archaeological inventory survey for the footprint of the Keawe street apartments affordable housing project and shall not be responsible for the cost of the archaeological inventory survey for the entire Villages of the Leialii master planned community.

SECTION 2. Act 98, Session Laws of Hawaii 2019, is amended by amending section 6 to read as follows:

“SECTION 6. There is appropriated out of the rental housing revolving fund the sum of \$37,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 to expedite and complete the construction of the [Leialii] Leialii affordable housing project in Lahaina, Maui, ~~by 2022; provided that if the project does not obtain necessary land use entitlements by April 30, 2020, the appropriated funds shall be returned to the rental housing revolving fund].~~

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

SECTION 3. The Villages of Leialii affordable housing project in Lahaina, Maui, shall comply with the requirements of chapter 6E, Hawaii Revised Statutes, as funding is appropriated for each portion of the Villages of Leialii affordable housing project.

SECTION 4. The developer of the Keawe street apartments affordable housing project shall only be responsible for all associated costs of the archaeological inventory survey for the footprint of the Keawe street apartments affordable housing project and shall not be responsible for the cost of the archaeological inventory survey for the entire Villages of Leialii master planned community.

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

SECTION 6. This Act shall take effect on July 1, 2021.

(Approved June 30, 2021.)