RELATING TO AFFORDABLE HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature recognizes that Hawaii is experiencing a severe affordable housing crisis with a lack of affordable rental and for-sale units. According to the 2018 Affordable Rental Housing Report and Ten-Year Plan, prepared by the department of business, economic development, and tourism, Hawaii will need an additional 64,693 housing units by 2025 with nearly seventy per cent of those units for low-income households earning eighty per cent or less of the area median income.

In 2016, the legislature established the goal of developing 22,500 affordable rental units by the end of 2026. Achieving this goal will require a variety of approaches.

The purpose of this Act is to temporarily exempt affordable housing projects by the Hawaii housing finance and development corporation from specific state fees related to discretionary approval or ministerial permitting, except application fees payable to the Hawaii housing finance and development corporation; provided that the housing units are affordable to
households with incomes at or below one hundred per cent of the
area median family income as determined by the United States
Department of Housing and Urban Development.

SECTION 2. Section 201H-38, Hawaii Revised Statutes, is
amended to read as follows:

"§201H-38 Housing development; exemption from statutes,
ordinances, charter provisions, and rules. (a) The corporation
may develop on behalf of the State or with an eligible
developer, or may assist under a government assistance program
in the development of, housing projects that shall be exempt
from all statutes, ordinances, charter provisions, and rules of
any government agency relating to planning, zoning, construction
standards for subdivisions, development and improvement of land,
and the construction of dwelling units thereon; provided that:

(1) The corporation finds the housing project is
consistent with the purpose and intent of this
chapter, and meets minimum requirements of health and
safety;

(2) The development of the proposed housing project does
not contravene any safety standards, tariffs, or rates
and fees approved by the public utilities commission
for public utilities or of the various boards of water
supply authorized under chapter 54;

(3) The legislative body of the county in which the
housing project is to be situated shall have approved
the project with or without modifications:

(A) The legislative body shall approve, approve with
modification, or disapprove the project by
resolution within forty-five days after the
corporation has submitted the preliminary plans
and specifications for the project to the
legislative body. If on the forty-sixth day a
project is not disapproved, it shall be deemed
approved by the legislative body;

(B) No action shall be prosecuted or maintained
against any county, its officials, or employees
on account of actions taken by them in reviewing,
approving, modifying, or disapproving the plans
and specifications; and

(C) The final plans and specifications for the
project shall be deemed approved by the
legislative body if the final plans and
specifications do not substantially deviate from
the preliminary plans and specifications. The
final plans and specifications for the project
shall constitute the zoning, building,
construction, and subdivision standards for that
project. For purposes of sections 501-85 and
502-17, the executive director of the corporation
or the responsible county official may certify
maps and plans of lands connected with the
project as having complied with applicable laws
and ordinances relating to consolidation and
subdivision of lands, and the maps and plans
shall be accepted for registration or recordation
by the land court and registrar; and

(4) The land use commission shall approve, approve with
modification, or disapprove a boundary change within
forty-five days after the corporation has submitted a
petition to the commission as provided in section
205-4. If, on the forty-sixth day, the petition is
not disapproved, it shall be deemed approved by the
commission.
(b) Affordable housing projects developed pursuant to this section shall be exempt from all state fees related to discretionary approval or ministerial permitting relating to planning, development, and improvement of land, and the construction of dwelling units thereon; provided that the exemption under this subsection shall not apply to application fees payable to the corporation; provided further that the dwelling units developed as part of a fee-exempted affordable housing project shall be affordable to households with incomes at or below one hundred per cent of the area median family income as determined by the United States Department of Housing and Urban Development.

[(c)] (c) For the purposes of this section, "government assistance program" means a housing program qualified by the corporation and administered or operated by the corporation or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2025; provided that on June 30, 2026, this Act shall be repealed and
section 201H-38, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act.
Report Title:
Hawaii Housing Finance and Development Corporation; Affordable Housing; State Fees

Description:
Temporarily exempts affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees; provided that the units are affordable for households with incomes at or below 100% of the area median family income. Sunsets on 6/30/2026. Effective 7/1/2025. (HD1)

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