

JAN 22 2021

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. The legislature finds that the State faces an
2 unprecedented economic crisis due to the coronavirus disease
3 2019 (COVID-19) pandemic, which has decimated Hawaii's economy
4 and caused its gross domestic product to plummet. By some
5 measures, Hawaii's economy has been hit harder than any other
6 state in the nation.

7 The legislature also finds that this drastic decline in
8 economic activity has disproportionately affected the State's
9 most vulnerable populations. The pandemic forced the shutdown
10 of many sectors of the State's economy, triggering mass layoffs
11 and furloughs and causing the State's seasonally adjusted
12 unemployment to surge from 2.4 per cent in March 2020 to a
13 historical high of 22.3 per cent in April 2020. Despite efforts
14 to reopen the economy, Hawaii still had the second-highest
15 unemployment rate in the nation as of November 2020. With the
16 COVID-19 pandemic continuing to rage throughout the world, most
17 countries experiencing recession, and visitor arrivals to the



1 State not expected to recover to pre-pandemic levels until at
2 least 2024, the State will continue to feel the economic impacts
3 of the pandemic for many years to come.

4 The legislature further finds that, even before the
5 pandemic, renter households in the State already suffered from
6 deleteriously high housing cost burdens, and that the economic
7 impacts of the COVID-19 pandemic significantly exacerbated this
8 situation. Recent data from the university of Hawaii economic
9 research organization (UHERO) showed that more than eleven
10 thousand Hawaii tenants have fallen behind on their rent
11 payments and that forty per cent of rental tenants have lost
12 their jobs. Modeling from UHERO indicates that up to seventeen
13 thousand households may face an unsustainable change in their
14 housing cost burden by the second quarter of 2021, even as the
15 State's economy slowly recovers. Even in a best-case scenario,
16 the number of individuals facing homelessness will continue to
17 rise in the face of the pandemic. UHERO concluded that, from a
18 policy standpoint, "doing nothing is not a viable option."

19 Accordingly, the legislature finds that it must take
20 immediate action to mitigate the affordable housing crisis
21 through legislation.



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

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

12 "**§201H-38 Housing development; exemption from statutes,**
13 **ordinances, charter provisions, and rules.** (a) The corporation
14 may develop on behalf of the State or with an eligible
15 developer, or may assist under a government assistance program
16 in the development of, housing projects that shall be exempt
17 from all statutes, ordinances, charter provisions, and rules of
18 any government agency relating to planning, zoning, construction
19 standards for subdivisions, development and improvement of land,
20 and the construction of dwelling units thereon; provided that:



- 1 (1) The corporation finds the housing project is
2 consistent with the purpose and intent of this
3 chapter, and meets minimum requirements of health and
4 safety;
- 5 (2) The development of the proposed housing project does
6 not contravene any safety standards, tariffs, or rates
7 and fees approved by the public utilities commission
8 for public utilities or of the various boards of water
9 supply authorized under chapter 54;
- 10 (3) The legislative body of the county in which the
11 housing project is to be situated shall have approved
12 the project with or without modifications:
- 13 (A) The legislative body shall approve, approve with
14 modification, or disapprove the project by
15 resolution within forty-five days after the
16 corporation has submitted the preliminary plans
17 and specifications for the project to the
18 legislative body. If on the forty-sixth day a
19 project is not disapproved, it shall be deemed
20 approved by the legislative body;



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

6 (C) The final plans and specifications for the
7 project shall be deemed approved by the
8 legislative body if the final plans and
9 specifications do not substantially deviate from
10 the preliminary plans and specifications. The
11 final plans and specifications for the project
12 shall constitute the zoning, building,
13 construction, and subdivision standards for that
14 project. For purposes of sections 501-85 and
15 502-17, the executive director of the corporation
16 or the responsible county official may certify
17 maps and plans of lands connected with the
18 project as having complied with applicable laws
19 and ordinances relating to consolidation and
20 subdivision of lands, and the maps and plans



1 shall be accepted for registration or recordation
2 by the land court and registrar; and

3 (4) The land use commission shall approve, approve with
4 modification, or disapprove a boundary change within
5 forty-five days after the corporation has submitted a
6 petition to the commission as provided in section
7 205-4. If, on the forty-sixth day, the petition is
8 not disapproved, it shall be deemed approved by the
9 commission.

10 (b) Affordable housing projects developed pursuant to this
11 section shall be exempt from all state and county fees and
12 exactions related to discretionary approval or ministerial
13 permitting relating to planning, development, and improvement of
14 land, and the construction of dwelling units thereon; provided
15 that the exemption under this subsection shall not apply to fees
16 and costs payable to the corporation; provided further that the
17 dwelling units developed as part of a fee-exempted affordable
18 housing project shall be affordable to households having incomes
19 at or below one hundred per cent of the area median family
20 income as determined by the United States Department of Housing
21 and Urban Development.



S.B. NO. 866

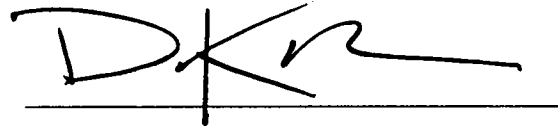
1 [~~(b)~~] (c) For the purposes of this section, "government
2 assistance program" means a housing program qualified by the
3 corporation and administered or operated by the corporation or
4 the United States or any of their political subdivisions,
5 agencies, or instrumentalities, corporate or otherwise."

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

8 SECTION 4. This Act shall take effect upon its approval;
9 provided that on June 30, 2027, this Act shall be repealed and
10 section 201H-38, Hawaii Revised Statutes, shall be reenacted in
11 the form in which it read on the day before the effective date
12 of this Act.

13

INTRODUCED BY: _____



S.B. NO. 866

Report Title:

Hawaii Housing Finance and Development Corporation; Affordable Housing; State Fees

Description:

Temporarily exempts affordable housing projects from specific state and county fees and exactions 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 6/30/2027.

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

