
A BILL FOR AN ACT

RELATING TO IMPORTANT HOUSING LANDS.

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

1 SECTION 1. Chapter 205, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . IMPORTANT HOUSING LANDS

5 §205-A Important housing lands; definition and objectives.

6 (a) As used in this part, unless the context requires
7 otherwise:

8 "Eligible buyer" means a resident of the State who:

9 (1) Is an owner-occupant of a dwelling unit on important
10 housing lands; and

11 (2) Owns no other real property.

12 "Important housing lands" means public lands that are
13 located within one mile of any rail mass transit station and
14 needed to promote the development of housing priced below market
15 rates for an eligible buyer.

16 (b) The objectives for the identification of important
17 housing lands is to:



- 1 (1) Identify and plan for the maintenance of a strategic
2 base of lands to meet housing demand for concurrent
3 and future generations;
- 4 (2) Create highly walkable, mixed use neighborhoods that
5 minimize car usage and maximizes density;
- 6 (3) Promote land development and land use planning that
7 delineates blocks of promising land areas for housing
8 opportunities; and
- 9 (4) Establish incentives that promote the long-term use
10 and protection of these promising land areas for
11 housing opportunities.

12 **§205-B Important housing lands; policies.** State and
13 county housing policies, tax policies, land use plans,
14 ordinances, and rules shall promote the long-term viability of
15 important housing lands and shall be consistent with and
16 implement the following policies:

- 17 (1) Promote the retention of important housing lands in
18 blocks of contiguous, intact, and functional land
19 units;



- 1 (2) Discourage the fragmentation of important housing
2 lands and the conversion of these lands to non-housing
3 uses;
- 4 (3) Direct incompatible uses and activities from important
5 housing lands to other areas and ensure that uses on
6 important housing lands are actually for housing and
7 mixed use purposes;
- 8 (4) Provide infrastructure and services on important
9 housing lands necessary to support housing uses and
10 activities;
- 11 (5) Facilitate the long-term dedication of important
12 housing lands for future housing needs through the use
13 of incentives;
- 14 (6) Facilitate the access of low-income individuals to
15 important housing lands for long-term viable housing
16 use; and
- 17 (7) Promote the maintenance of essential housing
18 infrastructure systems.

19 **§205-C Standards and criteria for the identification of**
20 **important housing lands.** The standards and criteria in this
21 section shall be used to identify important housing lands.



1 Lands identified as important housing lands need not meet every
2 standard and criteria listed below. Rather, lands meeting any
3 of the criteria below shall be given initial consideration;
4 provided that the designation of important housing lands shall
5 be made by weighing the standards and criteria with each other
6 and the objectives and policies for important housing lands in
7 sections 205-A and 205-B. The standards and criteria shall be
8 as follows:

- 9 (1) Land currently used for housing development;
- 10 (2) Land that supports housing development;
- 11 (3) Land identified by the land use commission as housing
12 lands of importance to the State;
- 13 (4) Land whose designation as important housing lands is
14 consistent with general, development, and community
15 plans of the county; and
- 16 (5) Land with or near support infrastructure conducive to
17 housing development.

18 §205-D Incentives for important housing lands. (a) To
19 achieve the long-term use of important housing lands, the State
20 and each county shall ensure that their:



1 (1) Housing development, land use, water use, regulatory
2 tax, and land protection policies; and

3 (2) Permitting and approval procedures,
4 enable and promote the economic sustainability of housing
5 development.

6 Housing development on important housing lands shall be
7 eligible for incentives and protections provided by the State
8 and counties pursuant to this section to promote the viability
9 of housing development on important housing lands and to assure
10 the availability of important housing lands for long-term
11 housing use.

12 (b) State and county incentive programs shall provide
13 preference to important housing lands. The State and each
14 county shall cooperate in program development to prevent
15 duplication of and to streamline and consolidate access to
16 programs and services for housing development on important
17 housing lands.

18 (c) Incentive and protection programs shall be designed to
19 provide a mutually supporting framework of programs and measures
20 that enhance housing development on important housing lands.



1 (d) State and county agencies shall review the protection
2 and incentive measures enacted for important housing lands and
3 housing development pursuant to this chapter at least every five
4 years to:

- 5 (1) Determine their effectiveness in providing housing
6 opportunities in Hawaii;
- 7 (2) Determine whether the effectiveness of tax credits or
8 incentive programs will be enhanced by creating
9 revolving funds or increasing rates based upon the tax
10 revenues generated by enhanced investment and housing
11 development on important housing lands; and
- 12 (3) Modify measures and programs as needed.

13 (e) This section shall apply only to those lands
14 designated as important housing lands pursuant to section 205-H.

15 **§205-E Identification of important housing lands; county**
16 **process.** (a) Each county shall identify and map potential
17 important housing lands within its jurisdiction based on the
18 standards and criteria in section 205-C and intent of this part.

19 (b) Each county shall develop maps of potential lands to
20 be considered for designation as important housing lands in

1 consultation and cooperation with interested stakeholders, as
2 determined by the county.

3 (c) Each county, through its planning department, shall
4 develop an inclusive process for public involvement in the
5 identification of potential lands and the development of maps of
6 lands to be recommended as important housing lands. The
7 planning departments may also establish one or more citizen
8 advisory committees on important housing lands to provide
9 further public input, utilize an existing process (such as
10 general plan, development plan, community plan), or employ
11 appropriate existing and adopted general plan, development plan,
12 or community plan maps.

13 (d) The counties shall take notice of those lands that
14 have already been designated as important housing lands by the
15 commission.

16 Upon identification of potential lands to be recommended to
17 the county council as potential important housing lands, the
18 counties shall take reasonable action to notify each owner of
19 those lands by mail or posted notice on the affected lands to
20 inform them of the potential designation of their lands.



1 In formulating its final recommendations to the respective
2 county councils, the planning departments shall report on the
3 manner in which the important housing lands mapping relates to,
4 supports, and is consistent with the:

5 (1) Standards and criteria set forth in section 205-C;

6 (2) County's adopted land use plans, as applied to both
7 the identification and exclusion of important housing
8 lands from the designation; and

9 (3) Comments received from government agencies and others
10 identified in subsection (b).

11 (e) The important housing lands maps shall be submitted to
12 the county council for decision-making. The county council
13 shall adopt the maps, with or without changes, by resolution.
14 The adopted maps shall be transmitted to the land use commission
15 for further action pursuant to section 205-F.

16 **§205-F Receipt of maps of eligible important housing**
17 **lands; land use commission.** (a) The land use commission shall
18 receive the county recommendations and maps delineating those
19 lands eligible to be designated important housing lands no
20 sooner than three years after the effective date of this part.



1 (b) The office of planning shall review the county report
2 and recommendations and provide comments to the land use
3 commission within forty-five days of receipt of the report and
4 maps by the land use commission. The land use commission may
5 also consult with the office of planning as needed.

6 (c) State agency review shall be based on an evaluation of
7 the degree that the:

8 (1) County recommendations result in an identified
9 resource base that meets the definition of important
10 housing land and the objectives and policies for
11 important housing lands in sections 205-A and 205-B;
12 and

13 (2) County has met the minimum standards and criteria for
14 the identification and mapping process in sections
15 205-C and 205-E.

16 **§205-G Designation of important housing lands; adoption of**
17 **important housing lands maps.** (a) After receipt of the maps of
18 eligible important housing lands from the counties and the
19 recommendations of the office of planning, the commission shall
20 then proceed to identify and designate important housing lands.
21 The decision shall consider the county maps of eligible



1 important housing lands; declaratory orders issued by the
2 commission designating important housing lands; and any other
3 relevant information.

4 In designating important housing lands in the State,
5 pursuant to the recommendations of individual counties, the
6 commission shall consider the extent to which:

7 (1) The proposed lands meet the standards and criteria
8 under section 205-C; and

9 (2) The proposed designation is necessary to meet the
10 objectives and policies for important housing lands in
11 sections 205-A and 205-B.

12 Any decision regarding the designation of lands as
13 important housing lands and the adoption of maps of those lands
14 pursuant to this section shall be based upon written findings of
15 fact and conclusions of law, presented in at least one public
16 hearing conducted in the county where the land is located in
17 accordance with chapter 91, that the subject lands meet the
18 standards and criteria set forth in section 205-C and shall be
19 approved by two-thirds of the membership to which the commission
20 is entitled.



1 (b) Copies of the maps of important housing lands adopted
2 under this section shall be transmitted to each county planning
3 department and county council, the office of planning, and other
4 state agencies involved in land use matters. The maps of
5 important housing lands shall guide all decision-making on the
6 proposed reclassification or rezoning of important housing lands
7 and other state and county land use planning and decision-
8 making.

9 (c) The land use commission shall have the sole authority
10 to interpret the adopted map boundaries delineating the
11 important housing lands; provided that the land use commission
12 may designate lands as important housing lands and adopt maps
13 for a designation pursuant to the county process for identifying
14 and recommending lands for important housing lands under section
15 205-E no sooner than six years after the enactment of this part.

16 **§205-H Standards and criteria for reclassifying or**
17 **rezoning important housing lands.** (a) Any land use district
18 boundary amendment or change in zoning involving important
19 housing lands identified pursuant to this chapter shall be
20 subject to this section.



1 (b) Upon acceptance by the county for processing, any
2 application for a special permit involving important housing
3 lands shall be referred to the office of planning for review and
4 comment.

5 (c) Any decision by the land use commission or county
6 pursuant to this section shall specifically consider the
7 following standards and criteria:

- 8 (1) The relative importance of the land for housing
9 development based on the stock of similarly suited
10 lands in the area and the State as a whole;
- 11 (2) The district boundary amendment or zone change will
12 not cause the fragmentation of or intrusion of non-
13 housing uses;
- 14 (3) The public benefit to be derived from the proposed
15 action is justified by a need for additional lands for
16 non-housing purpose; and
- 17 (4) The impact of the proposed district boundary amendment
18 or zone change on the necessity and capacity of state
19 and county agencies to provide and support additional
20 housing infrastructure or services in the area.



1 (d) Any decision pursuant to this section shall be based
2 upon a determination that:

3 (1) On balance, the public benefit from the proposed
4 district boundary amendment or zone change outweighs
5 the benefits of retaining the land for housing
6 purposes; and

7 (2) The proposed action will have no significant impact
8 upon the viability of housing development on adjacent
9 housing lands.

10 (e) The standards and criteria of this section shall be in
11 addition to:

12 (1) The decision-making criteria of section 205-17
13 governing decisions of the land use commission under
14 this chapter; and

15 (2) The decision-making criteria adopted by each county to
16 govern decisions of county decision-making authorities
17 under this chapter.

18 (f) Any decision of the land use commission and any
19 decision of any county on a land use district boundary amendment
20 or change in zoning involving important housing lands shall be



1 approved by the body responsible for the decision by a two-
2 thirds vote of the membership to which the body is entitled.

3 **§205-I Important housing lands; county ordinances. (a)**

4 Each county shall adopt ordinances that reduce infrastructure
5 standards for important housing lands no later than three years
6 after the effective date of this part.

7 (b) For counties without ordinances to subsection (a),
8 important housing lands designated pursuant to this part may be
9 subdivided without county processing or standards; provided that
10 the leasehold lots shall return to the original lot of record
11 upon expiration or termination of the lease.

12 **§205-J Periodic review and amendment of important housing**
13 **land maps.** The maps delineating important housing lands shall
14 be reviewed in conjunction with the county general plan and
15 community and development plan revision process, or at least
16 once every ten years following the adoption of the maps of the
17 land use commission; provided that the maps shall not be
18 reviewed more than once every five years. Any review and
19 amendment of the maps of important housing lands shall be
20 conducted in accordance with this part."



1 SECTION 2. Section 205-3.1, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) District boundary amendments involving lands in the
4 conservation district, land areas greater than fifteen acres,
5 lands delineated as important housing lands, or lands delineated
6 as important agricultural lands shall be processed by the land
7 use commission pursuant to section 205-4."

8 SECTION 3. Section 205-4, Hawaii Revised Statutes, is
9 amended as follows:

10 1. By amending subsection (a) to read:

11 "(a) Any department or agency of the State, any department
12 or agency of the county in which the land is situated, or any
13 person with a property interest in the land sought to be
14 reclassified, may petition the land use commission for a change
15 in the boundary of a district. This section applies to all
16 petitions for changes in district boundaries of lands within
17 conservation districts, lands designated or sought to be
18 designated as important agricultural lands, lands designated or
19 sought to be designated as important housing lands, and lands
20 greater than fifteen acres in the agricultural, rural, and urban
21 districts, except as provided in section 201H-38. The land use



1 commission shall adopt rules pursuant to chapter 91 to implement
2 section 201H-38."

3 2. By amending subsection (h) to read:

4 "(h) No amendment of a land use district boundary shall be
5 approved unless the commission finds upon the clear
6 preponderance of the evidence that the proposed boundary is
7 reasonable, not violative of section 205-2 and [~~part~~] parts III
8 and _____ of this chapter, and consistent with the policies and
9 criteria established pursuant to sections 205-16 and 205-17.
10 Six affirmative votes of the commission shall be necessary for
11 any boundary amendment under this section."

12 SECTION 4. Section 205-6, Hawaii Revised Statutes, is
13 amended by amending subsections (c), (d) and (e) to read as
14 follows:

15 "(c) The county planning commission may, under such
16 protective restrictions as may be deemed necessary, permit the
17 desired use, but only when the use would promote the
18 effectiveness and objectives of this chapter; provided that a
19 use proposed for designated important agricultural lands or
20 designated important housing lands shall not conflict with any
21 part of this chapter. A decision in favor of the applicant



1 shall require a majority vote of the total membership of the
2 county planning commission.

3 (d) Special permits for land the area of which is greater
4 than fifteen acres or for lands designated as important
5 agricultural lands or important housing lands shall be subject
6 to approval by the land use commission. The land use commission
7 may impose additional restrictions as may be necessary or
8 appropriate in granting the approval, including the adherence to
9 representations made by the applicant.

10 (e) A copy of the decision, together with the complete
11 record of the proceeding before the county planning commission
12 on all special permit requests involving a land area greater
13 than fifteen acres or for lands designated as important
14 agricultural lands [7] or important housing lands, shall be
15 transmitted to the land use commission within sixty days after
16 the decision is rendered.

17 Within forty-five days after receipt of the complete record
18 from the county planning commission, the land use commission
19 shall act to approve, approve with modification, or deny the
20 petition. A denial either by the county planning commission or
21 by the land use commission, or a modification by the land use



1 commission, as the case may be, of the desired use shall be
2 appealable to the circuit court of the circuit in which the land
3 is situated and shall be made pursuant to the Hawaii rules of
4 civil procedure."

5 SECTION 5. Section 205-17, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§205-17 Land use commission decision-making criteria. In
8 its review of any petition for reclassification of district
9 boundaries pursuant to this chapter, the commission shall
10 specifically consider the following:

11 (1) The extent to which the proposed reclassification
12 conforms to the applicable goals, objectives, and
13 policies of the Hawaii state plan and relates to the
14 applicable priority guidelines of the Hawaii state
15 plan and the adopted functional plans;

16 (2) The extent to which the proposed reclassification
17 conforms to the applicable district standards;

18 (3) The impact of the proposed reclassification on the
19 following areas of state concern:

20 (A) Preservation or maintenance of important natural
21 systems or habitats;



- 1 (B) Maintenance of valued cultural, historical, or
2 natural resources;
- 3 (C) Maintenance of other natural resources relevant
4 to Hawaii's economy, including agricultural
5 resources;
- 6 (D) Commitment of state funds and resources;
- 7 (E) Provision for employment opportunities and
8 economic development; and
- 9 (F) Provision for housing opportunities for all
10 income groups, particularly the low, low-
11 moderate, and gap groups;
- 12 (4) The standards and criteria for the reclassification or
13 rezoning of important agricultural lands in section
14 205-50[+] and important housing lands in section
15 205-H;
- 16 (5) The county general plan and all community,
17 development, or community development plans adopted
18 pursuant to the county general plan, as they relate to
19 the land that is the subject of the reclassification
20 petition; and



1 (6) The representations and commitments made by the
2 petitioner in securing a boundary change."

3 SECTION 6. Each county shall submit its report and maps
4 with recommendations for lands eligible for designation as
5 important housing lands to the land use commission no later than
6 sixty months from the date of county receipt of state funds
7 appropriated for the identification process. Upon receipt of
8 the county maps, the land use commission shall review and adopt
9 maps designating important housing lands to the State in
10 accordance with section 205-G, Hawaii Revised Statutes.

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2020-2021 for
14 grants-in-aid to the counties for the identification and mapping
15 of important housing lands to the State in accordance with
16 section 1 of this Act.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the disbursement
19 of funds by the land use commission to each county for the
20 identification of important housing lands pursuant to this Act.



1 SECTION 8. In codifying the new sections added by
2 section 1 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

5 SECTION 9. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 10. This Act shall take effect on July 1, 2020.



Report Title:

Housing; Important Lands; Appropriation

Description:

Establishes that important housing lands are public lands owned by the State that are located within 1.0 miles of any rail mass transit station and needed to promote the development of homes priced below market rates for Hawaii residents who are owner-occupants and own no other real property, in perpetuity. Requires the State and counties to identify and designate important housing lands. Appropriates funds. (SD1)

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