# A BILL FOR AN ACT

RELATING TO DISTRICT BOUNDARY AMENDMENTS.

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

- SECTION 1. The legislature finds that the counties are
  responsible for determining district boundary amendments
- 3 involving land areas of fifteen acres or less and not within the
- 4 conservation district, whereas district boundary amendments
- 5 involving lands in the conservation district, land areas greater
- 6 than fifteen acres, and lands delineated as important
- 7 agricultural lands are processed by the land use commission
- $oldsymbol{8}$  through a quasi-judicial process. The legislature further finds
- 9 that a change to this system of district boundary amendment
- 10 approvals for certain larger parcels of land, over fifteen acres
- 11 and up to fifty acres, may provide the counties with greater
- 12 flexibility to meet the needs of their communities while also
- 13 requiring the counties to consider broader, secondary impacts,
- 14 such as impacts on state and county infrastructure, and
- 15 opportunities to provide housing.
- 16 Therefore, the purpose of this Act is to authorize the
- 17 appropriate county land use decision-making authority to

- 1 determine district boundary amendments involving land areas over
- 2 fifteen acres but equal to or less than fifty acres, subject to
- 3 review and approval by the land use commission.
- 4 SECTION 2. Section 205-3.1, Hawaii Revised Statutes, is
- 5 amended to read as follows:
- 6 "\$205-3.1 Amendments to district boundaries. (a)
- 7 District boundary amendments involving lands in the conservation
- 8 district, land areas greater than fifteen acres, or lands
- 9 delineated as important agricultural lands shall be processed by
- 10 the land use commission pursuant to section 205-4[-], except as
- 11 otherwise provided in this section.
- 12 (b) Any department or agency of the State, and department
- 13 or agency of the county in which the land is situated, or any
- 14 person with a property interest in the land sought to be
- 15 reclassified may petition the appropriate county land use
- 16 decision-making authority of the county in which the land is
- 17 situated for a change in the boundary of a district involving
- 18 lands less than fifteen acres presently in the rural and urban
- 19 districts and lands less than fifteen acres in the agricultural
- 20 district that are not designated as important agricultural
- 21 lands.

1 (c) District boundary amendments involving land areas of 2 fifteen acres or less, except as provided in subsection (b), 3 shall be determined by the appropriate county land use decision-4 making authority for the district and shall not require 5 consideration by the land use commission pursuant to section 6 205-4; provided that [such] the boundary amendments and approved 7 uses are consistent with this chapter. The appropriate county 8 land use decision-making authority may consolidate proceedings 9 to amend state land use district boundaries pursuant to this 10 subsection, with county proceedings to amend the general plan, 11 development plan, zoning of the affected land, or such other 12 proceedings. Appropriate ordinances and rules to allow 13 consolidation of such proceedings may be developed by the county 14 land use decision-making authority. 15 (d) District boundary amendments involving land areas 16 greater than fifteen acres and equal to or less than fifty 17 acres, processed by a county decision-making authority under 18 this section shall be subject to review and approval by the land 19 use commission. The land use commission may impose additional restrictions as may be necessary and appropriate in granting the 20

1	approval,	incl	uding the adherence to representations by the
2	applicant	<u>.</u>	
3	<u>(1)</u>	The	district boundary amendment is necessary to
4		prod	uce housing, sixty per cent of which shall be
5		affo	rdable housing reserved for occupants whose
6		inco	mes do not exceed eighty per cent of the area
7		medi	an income;
8	(2)	If,	by the date of the application, the county has
9		adop	ted an ordinance that:
10		<u>(A)</u>	Establishes a procedure for determining such
11			district boundary amendments;
12		<u>(B)</u>	Requires the county, in considering an
13			application for a district boundary amendment, to
14			consider the impact of the proposed
15			reclassification on areas of state and county
16			concern, including but not limited to impacts on
17			state and county infrastructure and provision for
18			housing opportunities for certain income groups;
19		<u>(C)</u>	Requires the district boundary amendment and
20			approved uses to be consistent with the

1			applicable county general plan or community
2			development plan;
3		<u>(D)</u>	Requires final action on an application for a
4			district boundary amendment to be taken by the
5			county legislative body; and
6		<u>(E)</u>	Requires the county to take enforcement actions
7			to assure substantial compliance with
8			representations made by the applicant in seeking
9			a boundary amendment, including conditioning
10			approvals upon substantial commencement of use of
11			the land in accordance with those
12			representations;
13	(3)	A co	py of the final action or decision of the
14		appr	opriate county legislative body together with the
15		comp	lete record of the proceedings before the county
16		<u>deci</u>	sion-making authority on all district boundary
17		amen	dments involving land areas greater than fifteen
18		acre	s and equal to or less than fifty acres, shall be
19		tran	smitted to the land use commission within sixty
20		days	after the decision is rendered; provided that
21		with	in ninety days after receipt of the complete

1		record of the proceedings before the county decision-
2		making authority, the land use commission shall act to
3		approve, approve with modification, or deny the
4		petition. A denial by the county legislative body or
5		the land use commission, or a modification by the land
6		use commission, as the case may be, of the desired use
7		shall be appealable to the circuit court of the
8		circuit in which the land is situated and shall be
9		made pursuant to the Hawaii rules of civil procedure;
10		and
11	(4)	The land use commission's review and basis for
12		approval, denial, or modification shall be limited to
13		issues concerning:
14		(A) Whether adequate due process was provided to all
15		interested persons by the county decision making
16		authority with regard to the district boundary
17		<pre>amendment process;</pre>
18		(B) Whether chapter 343 was adhered to by the county
19		decision-making authority;

1	<u>(C)</u>	Whether the land subject to a district boundary
2		amendment is contiguous to or adjacent to
3		existing urban district lands;
4	<u>(D)</u>	Whether the county decision-making authority has
5		adhered to its obligations under the Public Trust
6		Doctrine;
7	<u>(E)</u>	Whether cultural resources and traditional and
8		customary rights would be negatively impacted or
9		adequately addressed;
10	<u>(F)</u>	Whether parceling has occurred with respect to
11		associated lands;
12	<u>(G)</u>	Whether there will be significant environmental
13		impacts on the natural environment; and
14	<u>(H)</u>	Whether the district boundary amendment is
15		consistent with and implements the Hawaii 2050
16		sustainability plan.
17	As used i	n this subsection, "county legislative body" means
18	the city counc	il or county council of a county.
19	[ <del>(d)</del> ] <u>(e)</u>	The county land use decision-making authority
20	shall serve a	copy of the application for a district boundary
21	amendment to t	he land use commission and the department of

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- 1 business, economic development, and tourism and shall notify the
- 2 commission and the department of the time and place of the
- 3 hearing and the proposed amendments scheduled to be heard at the
- 4 hearing. A change in the state land use district boundaries
- 5 pursuant to this subsection shall become effective on the day
- 6 designated by the county land use decision-making authority in
- 7 its decision. Within sixty days of the effective date of any
- 8 decision to amend state land use district boundaries by the
- 9 county land use decision-making authority, the decision and the
- 10 description and map of the affected property shall be
- 11 transmitted to the land use commission and the department of
- 12 business, economic development, and tourism by the county
- 13 planning director.
- 14 (f) Parceling of lands for development shall be prohibited
- 15 for the purposes of subsection (d). If lands that have been
- 16 parceled are proposed for reclassification, the petition for
- 17 reclassification shall be processed as lands greater than fifty
- 18 acres, pursuant to section 205-4.
- (g) Before a county land use decision-making authority
- 20 grants a petition for reclassification pursuant to subsection
- 21 (d), the county land use decision-making authority shall make a

- 1 clear finding, based on the evidence submitted, that the land
- 2 subject to a petition for reclassification has not been parceled
- 3 or proposed to be parceled.
- 4 (h) As used in this section:
- 5 "Affordable housing" means homes that are affordable to
- 6 occupants whose incomes do not exceed eighty per cent of the
- 7 area median income for the county in which the reclassification
- 8 is to occur.
- 9 "Parceling" means the subdivision of lands greater than
- 10 fifty acres into two or more parcels, more than one of which is
- 11 then proposed for reclassification within a ten-year period from
- 12 the date of the subdivision."
- 13 SECTION 3. Section 205-4, Hawaii Revised Statutes, is
- 14 amended by amending its title and subsection (a) to read as
- 15 follows:
- 16 "\$205-4 Amendments to district boundaries [involving land
- 17 areas greater than fifteen acres.]; proceedings before the land
- 18 use commission. (a) Any department or agency of the State, any
- 19 department or agency of the county in which the land is
- 20 situated, or any person with a property interest in the land
- 21 sought to be reclassified, may petition the land use commission

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- 1 for a change in the boundary of a district. This section
- 2 applies to all petitions for changes in district boundaries of
- 3 lands within conservation districts, lands designated or sought
- 4 to be designated as important agricultural lands, and lands
- 5 greater than fifteen acres in the agricultural, rural, and urban
- 6 districts, except as provided in [section] sections 201H-38[-]
- 7 and 205-3.1(d). The land use commission shall adopt rules
- 8 pursuant to chapter 91 to implement section 201H-38."
- 9 SECTION 4. This Act does not affect rights and duties that
- 10 matured, penalties that were incurred, and proceedings that were
- 11 begun before its effective date.
- 12 SECTION 5. Statutory material to be repealed is bracketed
- 13 and stricken. New statutory material is underscored.
- 14 SECTION 6. This Act shall take effect on July 1, 2050.

15

#### Report Title:

Counties; District Boundary Amendments; Fifteen to Fifty Acres; Affordable Housing; Land Use Commission

#### Description:

Authorizes the appropriate county land use decision-making authority to determine district boundary amendments involving land areas over fifteen acres but less than or equal to fifty acres, subject to land use commission review and approval. Prohibits parceling of such lands. Effective 7/1/2050. (HD2)

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