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

9 In 2016, the legislature established the goal of developing
10 22,500 affordable rental units by the end of 2026. Achieving
11 this goal will require a variety of approaches.

12 The purpose of this Act is to temporarily exempt affordable
13 housing projects by the Hawaii housing finance and development
14 corporation from specific state fees related to discretionary
15 approval or ministerial permitting, except application fees
16 payable to the Hawaii housing finance and development
17 corporation; provided that the housing units are affordable to



1 households with incomes at or below one hundred per cent of the
2 area median family income as determined by the United States
3 Department of Housing and Urban Development.

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

6 "§201H-38 Housing development; exemption from statutes,
7 ordinances, charter provisions, and rules. (a) The corporation
8 may develop on behalf of the State or with an eligible
9 developer, or may assist under a government assistance program
10 in the development of, housing projects that shall be exempt
11 from all statutes, ordinances, charter provisions, and rules of
12 any government agency relating to planning, zoning, construction
13 standards for subdivisions, development and improvement of land,
14 and the construction of dwelling units thereon; provided that:

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

19 (2) The development of the proposed housing project does
20 not contravene any safety standards, tariffs, or rates
21 and fees approved by the public utilities commission



1 for public utilities or of the various boards of water
2 supply authorized under chapter 54;

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

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

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

19 (C) The final plans and specifications for the
20 project shall be deemed approved by the
21 legislative body if the final plans and



1 specifications do not substantially deviate from
2 the preliminary plans and specifications. The
3 final plans and specifications for the project
4 shall constitute the zoning, building,
5 construction, and subdivision standards for that
6 project. For purposes of sections 501-85 and
7 502-17, the executive director of the corporation
8 or the responsible county official may certify
9 maps and plans of lands connected with the
10 project as having complied with applicable laws
11 and ordinances relating to consolidation and
12 subdivision of lands, and the maps and plans
13 shall be accepted for registration or recordation
14 by the land court and registrar; and

- 15 (4) The land use commission shall approve, approve with
16 modification, or disapprove a boundary change within
17 forty-five days after the corporation has submitted a
18 petition to the commission as provided in section
19 205-4. If, on the forty-sixth day, the petition is
20 not disapproved, it shall be deemed approved by the
21 commission.



1 (b) Affordable housing projects developed pursuant to this
2 section shall be exempt from all state fees related to
3 discretionary approval or ministerial permitting relating to
4 planning, development, and improvement of land, and the
5 construction of dwelling units thereon; provided that the
6 exemption under this subsection shall not apply to application
7 fees payable to the corporation; provided further that the
8 dwelling units developed as part of a fee-exempted affordable
9 housing project shall be affordable to households with incomes
10 at or below one hundred per cent of the area median family
11 income as determined by the United States Department of Housing
12 and Urban Development.

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

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

20 SECTION 4. This Act shall take effect on July 1, 2025;
21 provided that on June 30, 2026, this Act shall be repealed and



1 section 201H-38, Hawaii Revised Statutes, shall be reenacted in
2 the form in which it read on the day before the effective date
3 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)

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