Item C-6

For Information: Update Administrative Rules for SDUs

May 17-18, 2021
Background

• What is an “SDU”?  
  • Supplemental Dwelling Unit  
  • Smaller than the primary dwelling, separate entry, its own kitchen, bedroom, and bathroom. Can be attached or detached  
  • Includes “ohana dwelling unit” in Hawaii County and “additional dwelling unit” in Maui and Kauai Counties and the City and County of Honolulu

• 5-year pilot program for qualified residential lessees
Rule Basics

- **Lot:**
  - Residential lot
  - County approval and permits required

- **Lessee:**
  - In good standing
  - Comply with housing laws
  - Must reside on the lot

- **SDU uses:**
  - **Rental:** a native Hawaiian, as defined in the HHCA
  - ‘Ohana resident: qualified relative of the lessee (HHCA section 209(a))
  - No short-term rentals; lease term must be at least 6 months
Process So Far

• Statewide beneficiary consultation held April – July 2018
• Beneficiary consultation report accepted by HHC in October 2018
• Approval for public hearing by HHC in January 2019
• Update to the HHC in October 2020

• These submittals can be found on the DHHL website: https://dhhl.hawaii.gov/hhc/hawaii-administrative-rules/dhhl-administrative-rules-supplemental-dwelling-units/
DHHL Rulemaking Process

Draft rules prepared by staff
HHC approval to proceed
Beneficiary consultation; then prepare draft #2
HHC approval to proceed to public hearing
External review
• Attorney General
• Small Business Regulatory Review Board
Governor Approval of Public Hearing
Public Notice & Hearing
Rules finalized or draft #3 prepared
HHC Adopts final rules
External approval
• Attorney General
• Small Business Regulatory Review Board
• Governor

BC: Apr-Jul 2018
Report: Oct 2018
Jan 2019
We are here
What’s Next

• Virtual public hearing coming in June 2021
  • Public notice will be published in May
  • Postcard will be mailed in June

• Information available
  • Rules: https://dhhl.hawaii.gov/hhc/hawaii-administrative-rules/
  • Background information: https://dhhl.hawaii.gov/hhc/hawaii-administrative-rules/dhhl-administrative-rules-supplemental-dwelling-units/