A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The purpose of this Act is to correct 2 inadvertent drafting errors that resulted in amendments to the 3 repealed chapter 201G, Hawaii Revised Statutes. This Act affirms the legislature's intent to enact these amendments and 4 5 to make other technical and housekeeping amendments. PART I 6 7 SECTION 2. The purpose of this part is to correct drafting errors in Act 180, Session Laws of Hawaii 2006. 8 9 SECTION 3. Section 201H-1, Hawaii Revised Statutes, is 10 amended by adding a new definition to be appropriately inserted 11 and to read as follows: ""Elderly housing project" means a housing project that is 12 13 intended and operated as housing for occupancy by older persons who are residents of the State and are required to be of a 14 15 certain age that does not violate federal fair housing laws." 16 SECTION 4. Section 201H-202, Hawaii Revised Statutes, is

amended by amending subsection (i) to read as follows:

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"(i) For the period commencing July 1, 2005, through
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    June 30, [\frac{2007}{4}] 2009, the fund may be used to provide grants
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    for rental units set aside for persons and families with incomes
    at or below thirty per cent of the median family income in any
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    project financed in whole or in part by the fund in proportion
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    of those units to the total number of units in the project. At
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    the conclusion of the period described in this subsection, the
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    corporation shall report to the legislature on the number and
    use of grants provided and whether the grants were an effective
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    use of the funds for purposes of developing rental housing for
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    families at or below thirty per cent of median family income."
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                                  PART II
         SECTION 5. The purpose of this part is to correct relevant
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    provisions of Act 217, Session Laws of Hawaii 2006, as
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    amendments to chapter 201H, Hawaii Revised Statutes.
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         SECTION 6. Section 201H-38, Hawaii Revised Statutes, is
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    amended by amending subsection (a) to read as follows:
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         "(a)
               The corporation may develop on behalf of the State or
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    with an eligible developer, or may assist under a government
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    assistance program in the development of, housing projects that
    shall be exempt from all statutes, ordinances, charter
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    provisions, and rules of any government agency relating to
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ı	pranning,	zoning, construction standards for subdivisions,
2	developme	nt and improvement of land, and the construction of
3	dwelling	units thereon; provided that:
4	(1)	The corporation finds the housing project is
5		consistent with the purpose and intent of this
6		chapter, and meets minimum requirements of health and
7		safety;
8	(2)	The development of the proposed housing project does
9		not contravene any safety standards, tariffs, or rates
10		and fees approved by the public utilities commission
11		for public utilities or of the various boards of water
12		supply authorized under chapter 54;
13	(3)	The legislative body of the county in which the
14		housing project is to be situated shall have approved
15		[the project:
16		(A) The legislative body shall approve] with
17		modifications, or [disapprove] disapproved the
18		project by resolution within forty-five days
19		after the corporation has submitted the
20		preliminary plans and specifications for the
21		project to the legislative body. If on the

1		forty-sixth day a project is not disapproved, it
2		shall be deemed approved by the legislative body;
3	[(B)]	(4) No action shall be prosecuted or maintained
4		against any county, its officials, or employees
5		on account of actions taken by them in reviewing,
6		approving, modifying, or disapproving the plans
7		and specifications; [and]
8	[(C)]	(5) The final plans and specifications for the
9		project shall be deemed approved by the
10		legislative body if the final plans and
11		specifications do not substantially deviate from
12		the preliminary plans and specifications. The
13		final plans and specifications for the project
14		shall constitute the zoning, building,
15		construction, and subdivision standards for that
16		project. For purposes of sections 501-85 and
17		502-17, the executive director of the corporation
18		or the responsible county official may certify
19		maps and plans of lands connected with the
20		project as having complied with applicable laws
21		and ordinances relating to consolidation and
22		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	$[\frac{(4)}{(6)}]$ The land use commission shall approve, approve
4	with modifications, or disapprove a boundary change
5	within forty-five days after the corporation has
6	submitted a petition to the commission as provided in
7	section 205-4. If on the forty-sixth day the petition
8	is not disapproved, it shall be deemed approved by the
9	commission."
10	PART III
11	SECTION 7. The purpose of this part is to make technical
12	and conforming amendments to correct references to the repealed
13	chapter 201G, Hawaii Revised Statutes, and references to "Hawaii
14	housing finance and development administration" or
15	"administration" throughout various session laws and amendments
16	to the Hawaii Revised Statutes, passed during the regular
17	session of 2006.
18	SECTION 8. Section 201H-57, Hawaii Revised Statutes, is
19	amended by amending subsection (a) to read as follows:
20	"(a) Notwithstanding any provision to the contrary, the
21	[f]corporation[f], pursuant to section 201H-4(b), may lease land

1	to any qualified nonprofit organization providing affordable
2	housing, under the following terms and conditions:
3	(1) Leases shall be for ninety-nine years at \$1 per year
4	per parcel; and
5	(2) The instrument of lease shall include provisions,
6	enforceable by the [+]corporation[+], that the land
7	shall:
8	(A) Be used only for providing affordable housing
9	through long-term, renewable, and transferable
10	leases or other means that are in accordance wit
11	rules adopted by the [+]corporation[+] under
12	chapter 91; and
13	(B) Revert back to the [+] corporation[+] if:
14	(i) The land is used for any purpose other than
15	as provided under subparagraph (A); or
16	(ii) The qualified nonprofit organization ceases
17	operations."
18	SECTION 9. Section 201H-58, Hawaii Revised Statutes, is
19	amended to read as follows:
20	"[+]\$201H-58[+] Leases; self-help housing. (a) The
21	[+]corporation[+] may lease parcels that it deems suitable for
22	affordable housing at \$1 per year for up to fifty years to
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- 1 organizations or community trusts to develop the parcel with
- 2 ownership units through self-help development.
- 3 (b) The [+]corporation[+] may extend or modify the fixed
- 4 rental period of the lease or extend the term of the lease.
- 5 (c) Parcels leased under this section may be transferred
- 6 or assigned by devise, bequest, or intestate succession, and may
- 7 be sublet with the approval of the [+]corporation[+]."
- 8 SECTION 10. Act 100, Session Laws of Hawaii 2006, is
- 9 amended by amending section 22 to read as follows:
- 10 "SECTION 22. There is appropriated out of the general
- 11 revenues of the State of Hawaii the sum of \$700,000 or so much
- 12 thereof as may be necessary for fiscal year 2006-2007 as a
- 13 grant-in-aid to the Hawaii Habitat for Humanity Association to
- 14 establish a zero interest revolving loan fund to be used to
- 15 provide loans to low-income families to build self-help
- 16 ownership homes on lands leased from the State and administered
- 17 in accordance with subpart B of part III of chapter [2016,]
- 18 201H, Hawaii Revised Statutes.
- 19 The sum appropriated shall be expended by the Hawaii
- 20 housing finance and development [administration] corporation for
- 21 the purposes of this part."

SECTION 11. Act 179, Session Laws of Hawaii 2006, is 1 2 amended by amending section 5 to read as follows: 3 "SECTION 5. The department of land and natural resources shall initiate transfer to the Hawaii housing finance and 4 5 development [administration,] corporation, no later than December 1, 2006, of the lands identified as suitable for 6 7 affordable housing development in Appendix F of the Joint 8 Legislative Housing and Homeless Task Force Report to the 2006 9 Session of the Legislature." 10 SECTION 12. Act 196, Session Laws of Hawaii 2006, is 11 amended by amending section 2 to read as follows: 12 "SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much 13 thereof as may be necessary for fiscal year 2006-2007 for 14 15 deposit into the Kikala-Keokea housing revolving fund established under section [2016-170.5] 201H-81, Hawaii Revised 16 Statutes, to provide low-interest home construction loans for 17 18 Kikala-Keokea leaseholders and to fund related activities. 19 The sum appropriated shall be expended by the Hawaii

housing finance and development [administration] corporation for

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the purposes of this Act."

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1	SECI	TON 13. Act 288, Session Laws of Hawaii 2006, is
2	amended b	y amending sections 3, 4, and 5 to read as follows:
3	"SEC	TION 3. The Hawaii housing finance and development
4	[administ	ration] corporation or any appropriate entity of the
5	State sha	ll immediately initiate negotiations with Kukui Gardens
6	Corporati	on, or its successor in interest, to either:
7	(1)	Make available, without competitive award, public
8		financing resources to extend affordable rents at
9		Kukui Gardens through at least 2016; provided that at
10		least fifty per cent of the rental units at Kukui
11		Gardens are retained at affordable rents to households
12		whose incomes do not exceed eighty per cent of the
13		median family income, of which five per cent of the
14		units are set aside for households whose incomes do
15		not exceed thirty per cent of the median family
16		income; or
17	(2)	Acquire the property known as Kukui Gardens, tax map
18		key (I) 1-7-26:07, and may partner with private for-
19		profit or nonprofit developers for acquisition of the
20		property; provided that eighty per cent of the housing
21		units on the property shall be retained in perpetuity

as affordable housing for households at or below one

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1	hundred forty per cent of the median family income as
2	determined by the United States Department of Housing
3	and Urban Development.
4	The Hawaii housing finance and development [administration]
5	corporation or the appropriate entity of the State shall submit
6	a report to the legislature not later than twenty days prior to
7	the convening of the regular session of 2007 regarding its
8	efforts to acquire Kukui Gardens and its recommendations for
9	financing the purchase of the property.
10	SECTION 4. If an agreement to either extend affordable
11	rents to at least 2016 or acquire the property is not reached
12	within a reasonable time as determined by the Hawaii housing
13	finance and development [administration] corporation or any
14	other appropriate entity of the State, the state agency shall
15	exercise its power of eminent domain to acquire the property.
16	For the purposes of this Act, and notwithstanding any provision
17	of section [$\frac{201G-16}{}$] $\frac{201H-13}{}$, Hawaii Revised Statutes, to the
18	contrary, condemnation of the Kukui Gardens property shall not
19	be subject to legislative disapproval.
20	SECTION 5. There is appropriated out of the general
21	revenues of the State of Hawaii the sum of \$200,000 or so much
22	thereof as may be necessary for fiscal year 2006-2007 for the

- 1 purpose of negotiating with the owner of Kukui Gardens to either
- 2 extend the period of affordable rents to at least 2016, acquire
- 3 Kukui Gardens, or to commence the condemnation process.
- 4 The sum appropriated shall be expended by the Hawaii
- 5 housing finance and development [administration] corporation for
- 6 the purposes of this Act."
- 7 SECTION 14. Statutory material to be repealed is bracketed
- 8 and stricken. New statutory material is underscored.
- 9 SECTION 15. This Act shall take effect upon approval.

Report Title:

Chapter 201G; Clarification

Description:

Clarifies certain amendments to the repealed chapter 201G, Hawaii Revised Statutes, that were intended to relate to the Hawaii housing finance and development corporation and the programs it administers, by making those amendments to the new chapter 201H, HRS. (SD2)