

1 provisions, and rules of any government agency relating to
2 planning, zoning, construction standards for subdivisions,
3 development and improvement of land, and the construction of
4 dwelling units thereon; provided that:

5 (1) The corporation finds the housing project is
6 consistent with the purpose and intent of this
7 chapter, and meets minimum requirements of health and
8 safety;

9 (2) The development of the proposed housing project does
10 not contravene any safety standards, tariffs, or rates
11 and fees approved by the public utilities commission
12 for public utilities or of the various boards of water
13 supply authorized under chapter 54;

14 (3) The legislative body of the county in which the
15 housing project is to be situated shall have approved
16 the project[+] with or without modifications:

17 (A) . The legislative body shall approve, approve with
18 modifications, or disapprove the project by
19 resolution within forty-five days after the
20 corporation has submitted the preliminary plans
21 and specifications for the project to the

1 legislative body. If on the forty-sixth day a
2 project is not disapproved, it shall be deemed
3 approved by the legislative body;

4 (B) No action shall be prosecuted or maintained
5 against any county, its officials, or employees
6 on account of actions taken by them in reviewing,
7 approving, modifying, or disapproving the plans
8 and specifications; and

9 (C) The final plans and specifications for the
10 project shall be deemed approved by the
11 legislative body if the final plans and
12 specifications do not substantially deviate from
13 the preliminary plans and specifications. The
14 final plans and specifications for the project
15 shall constitute the zoning, building,
16 construction, and subdivision standards for that
17 project. For purposes of sections 501-85 and
18 502-17, the executive director of the corporation
19 or the responsible county official may certify
20 maps and plans of lands connected with the
21 project as having complied with applicable laws

1 "(a) Notwithstanding any provision to the contrary, the
2 [+]corporation[+], pursuant to section 201H-4(b), may lease land
3 to any qualified nonprofit organization providing affordable
4 housing, under the following terms and conditions:

5 (1) Leases shall be for ninety-nine years at \$1 per year
6 per parcel; and

7 (2) The instrument of lease shall include provisions,
8 enforceable by the [+]corporation[+], that the land
9 shall:

10 (A) Be used only for providing affordable housing
11 through long-term, renewable, and transferable
12 leases or other means that are in accordance with
13 rules adopted by the [+]corporation[+] under
14 chapter 91; and

15 (B) Revert back to the [+]corporation[+] if:

16 (i) The land is used for any purpose other than
17 as provided under subparagraph (A); or

18 (ii) The qualified nonprofit organization ceases
19 operations."

20 SECTION 9. Section 201H-58, Hawaii Revised Statutes, is
21 amended to read as follows:

1 " [†] §201H-58 [†] **Leases; self-help housing.** (a) The
2 [†]corporation[†] may lease parcels that it deems suitable for
3 affordable housing at \$1 per year for up to fifty years to
4 organizations or community trusts to develop the parcel with
5 ownership units through self-help development.

6 (b) The [†]corporation[†] may extend or modify the fixed
7 rental period of the lease or extend the term of the lease.

8 (c) Parcels leased under this section may be transferred
9 or assigned by devise, bequest, or intestate succession, and may
10 be sublet with the approval of the [†]corporation[†]."

11 SECTION 10. Act 100, Session Laws of Hawaii 2006, is
12 amended by amending section 22 to read as follows:

13 "SECTION 22. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$700,000 or so much
15 thereof as may be necessary for fiscal year 2006-2007 as a
16 grant-in-aid to the Hawaii Habitat for Humanity Association to
17 establish a zero interest revolving loan fund to be used to
18 provide loans to low-income families to build self-help
19 ownership homes on lands leased from the State and administered
20 in accordance with subpart B of part III of chapter [201G,
21 201H, Hawaii Revised Statutes.

1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development [~~administration~~] corporation for
3 the purposes of this part."

4 SECTION 11. Act 179, Session Laws of Hawaii 2006, is
5 amended by amending section 5 to read as follows:

6 "SECTION 5. The department of land and natural resources
7 shall initiate transfer to the Hawaii housing finance and
8 development [~~administration~~,] corporation, no later than
9 December 1, 2006, of the lands identified as suitable for
10 affordable housing development in Appendix F of the Joint
11 Legislative Housing and Homeless Task Force Report to the 2006
12 Session of the Legislature."

13 SECTION 12. Act 196, Session Laws of Hawaii 2006, is
14 amended by amending section 2 to read as follows:

15 "SECTION 2. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$200,000 or so much
17 thereof as may be necessary for fiscal year 2006-2007 for
18 deposit into the Kikala-Keokea housing revolving fund
19 established under section [~~201G-170.5,~~] 201H-81, Hawaii Revised
20 Statutes, to provide low-interest home construction loans for
21 Kikala-Keokea leaseholders and to fund related activities.

1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development [~~administration~~] corporation for
3 the purposes of this Act."

4 SECTION 13. Act 288, Session Laws of Hawaii 2006, is
5 amended by amending sections 3, 4, and 5 to read as follows:

6 "SECTION 3. The Hawaii housing finance and development
7 [~~administration~~] corporation or any appropriate entity of the
8 State shall immediately initiate negotiations with Kukui Gardens
9 Corporation, or its successor in interest, to either:

10 (1) Make available, without competitive award, public
11 financing resources to extend affordable rents at
12 Kukui Gardens through at least 2016; provided that at
13 least fifty per cent of the rental units at Kukui
14 Gardens are retained at affordable rents to households
15 whose incomes do not exceed eighty per cent of the
16 median family income, of which five per cent of the
17 units are set aside for households whose incomes do
18 not exceed thirty per cent of the median family
19 income; or

20 (2) Acquire the property known as Kukui Gardens, tax map
21 key (I) 1-7-26: 07, and may partner with private for-

1 profit or nonprofit developers for acquisition of the
2 property; provided that eighty per cent of the housing
3 units on the property shall be retained in perpetuity
4 as affordable housing for households at or below one
5 hundred forty per cent of the median family income as
6 determined by the United States Department of Housing
7 and Urban Development.

8 The Hawaii housing finance and development [~~administration~~]
9 corporation or the appropriate entity of the State shall submit
10 a report to the legislature not later than twenty days prior to
11 the convening of the regular session of 2007 regarding its
12 efforts to acquire Kukui Gardens and its recommendations for
13 financing the purchase of the property.

14 SECTION 4. If an agreement to either extend affordable
15 rents to at least 2016 or acquire the property is not reached
16 within a reasonable time as determined by the Hawaii housing
17 finance and development [~~administration~~] corporation or any
18 other appropriate entity of the State, the state agency shall
19 exercise its power of eminent domain to acquire the property.
20 For the purposes of this Act, and notwithstanding any provision
21 of section [~~2016-16,~~] 201H-13, Hawaii Revised Statutes, to the

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1 contrary, condemnation of the Kukui Gardens property shall not
2 be subject to legislative disapproval.

3 SECTION 5. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$200,000 or so much
5 thereof as may be necessary for fiscal year 2006-2007 for the
6 purpose of negotiating with the owner of Kukui Gardens to either
7 extend the period of affordable rents to at least 2016, acquire
8 Kukui Gardens, or to commence the condemnation process.

9 The sum appropriated shall be expended by the Hawaii
10 housing finance and development [~~administration~~] corporation for
11 the purposes of this Act."

12 SECTION 14. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 15. This Act, upon its approval, shall take effect
15 retroactive to July 1, 2006.

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INTRODUCED BY: _____

BY REQUEST

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development and Tourism

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: To correct certain legislative amendments to chapter 201G, Hawaii Revised Statutes (HRS), relating to the Hawaii Housing Finance and Development Corporation (HHFDC) which should instead have been made to the new chapter 201H, HRS, and to make other necessary technical and housekeeping amendments to chapter 201H, HRS.

MEANS: Amend sections 201H-1, 201H-38(a), 201H-202(i), 201H-57(a), and 201H-58, HRS, section 22 of Act 100, Session Laws of Hawaii (SLH) 2006, section 5 of Act 179, SLH 2006, section 2 of Act 196, SLH 2006, and sections 3, 4, and 5 of Act 288, SLH 2006.

JUSTIFICATION: This measure is intended to clarify that those amendments to chapter 201G, HRS relating to the HHFDC and the programs it administers were meant to be made to the new chapter 201H, HRS, as amended by Acts 100, 180, and 217, Session Laws of Hawaii (SLH) 2006.

This measure also corrects an inadvertent omission made in the drafting process for new chapter 201H, HRS, for the Hawaii Housing Finance and Development Corporation.

In Act 180, SLH 2006, section 201H-1, HRS, the definition of "elderly" and "elderly family" that was intended to carry over from section 201G-1, HRS, was inadvertently omitted.

Finally, this measure makes necessary technical and housekeeping amendments to HRS sections and uncodified session laws to replace references to chapter 201G in other HRS chapters with the appropriate reference to chapter 201H, and to replace references to the "Hawaii housing finance and development administration" with the HHFDC.

Impact on the public: None.

Impact on the department and other agencies:
Clarifies the intent of the legislature with respect to 2006 housing legislation relating to the HHFDC and chapter 201H, HRS.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED 160.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Retroactive to July 1, 2006.