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# 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 which resulted in, among other  
3 things, amendments to chapter 201G, Hawaii Revised Statutes,  
4 which was repealed. This Act affirms the legislature's intent  
5 to enact these amendments in the appropriate places in chapter  
6 201H, Hawaii Revised Statutes, and makes other technical and  
7 housekeeping amendments.

8 **PART I**

9 SECTION 2. The purpose of this part is to correct drafting  
10 errors in Act 180, Session Laws of Hawaii 2006.

11 SECTION 3. Section 201H-1, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14 "Elderly housing project" means a housing project that is  
15 intended and operated as housing for occupancy by older persons  
16 who are residents of the State and are required to be of a  
17 certain age which does violate federal fair housing laws."



1 SECTION 4. Section 201H-202, Hawaii Revised Statutes, is  
2 amended by amending subsection (i) to read as follows:

3 "(i) For the period commencing July 1, 2005, through  
4 June 30, [~~2007,~~] 2009, the fund may be used to provide grants  
5 for rental units set aside for persons and families with incomes  
6 at or below thirty per cent of the median family income in any  
7 project financed in whole or in part by the fund in proportion  
8 of those units to the total number of units in the project. At  
9 the conclusion of the period described in this subsection, the  
10 corporation shall report to the legislature on the number and  
11 use of grants provided and whether the grants were an effective  
12 use of the funds for purposes of developing rental housing for  
13 families at or below thirty per cent of median family income."

14 PART II

15 SECTION 5. The purpose of this part is to correct relevant  
16 provisions of Act 217, Session Laws of Hawaii 2006, as  
17 amendments to chapter 201H, Hawaii Revised Statutes.

18 SECTION 6. Section 201H-38, Hawaii Revised Statutes, is  
19 amended by amending subsection (a) to read as follows:

20 "(a) The corporation may develop on behalf of the State or  
21 with an eligible developer, or may assist under a government  
22 assistance program in the development of, housing projects that



1 shall be exempt from all statutes, ordinances, charter  
2 provisions, and rules of any government agency relating to  
3 planning, zoning, construction standards for subdivisions,  
4 development and improvement of land, and the construction of  
5 dwelling units thereon; provided that:

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

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

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

18 (A) The legislative body shall approve, approve with  
19 modifications, or disapprove the project by  
20 resolution within forty-five days after the  
21 corporation has submitted the preliminary plans  
22 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  
22 and ordinances relating to consolidation and



1 subdivision of lands, and the maps and plans  
2 shall be accepted for registration or recordation  
3 by the land court and registrar; and

4 (4) The land use commission shall approve, approve with  
5 modifications, or disapprove a boundary change within  
6 forty-five days after the corporation has submitted a  
7 petition to the commission as provided in section  
8 205-4. If on the forty-sixth day the petition is not  
9 disapproved, it shall be deemed approved by the  
10 commission."

11 **PART III**

12 SECTION 7. The purpose of this part is to make technical  
13 and conforming amendments to correct references to the repealed  
14 chapter 201G, Hawaii Revised Statutes, and to the "Hawaii  
15 housing finance and development administration" or  
16 "administration" throughout various session laws and amendments  
17 to the Hawaii Revised Statutes, passed during the regular  
18 session of 2006.

19 SECTION 8. Section 201H-57, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:

21 "(a) Notwithstanding any provision to the contrary, the  
22 [+]corporation[+], 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 with  
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



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 [201G7]  
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."



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

3 "SECTION 5. The department of land and natural resources  
4 shall initiate transfer to the Hawaii housing finance and  
5 development [~~administration,~~] corporation, no later than  
6 December 1, 2006, of the lands identified as suitable for  
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  
13 revenues of the State of Hawaii the sum of \$200,000 or so much  
14 thereof as may be necessary for fiscal year 2006-2007 for  
15 deposit into the Kikala-Keokea housing revolving fund  
16 established under section [~~201G-170.5,~~] 201H-81, Hawaii Revised  
17 Statutes, to provide low-interest home construction loans for  
18 Kikala-Keokea leaseholders and to fund related activities.

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





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

3 "SECTION 3. The Hawaii housing finance and development  
4 [~~administration~~] corporation or any appropriate entity of the  
5 State shall immediately initiate negotiations with Kukui Gardens  
6 Corporation, 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  
22 as affordable housing for households at or below one



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 [~~201G-167~~] 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 that amendments to chapter 201G relating to the HHFDC and the programs it administers were meant to be made to the new chapter 201H. (SD1)

