

JAN 26 2022

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the cost and
2 availability of housing in the State are significant challenges
3 facing Hawaii residents. Although Hawaii has the tenth highest
4 median wage nationally, living expenses are two-thirds higher
5 than the rest of the nation, with the cost of housing being a
6 major contributing factor. According to the Honolulu Board of
7 Realtors, by August 2021 the median price for a single-family
8 home on Oahu had risen to \$1,050,000, while the median price for
9 condominiums on Oahu had risen to \$500,000. With a simple
10 mortgage calculator and using conservative assumptions on
11 interest rates and down payment amounts, a household needs to
12 earn at least \$200,000 annually to afford to buy a median-priced
13 home on Oahu in 2021, making homeownership out of reach for many
14 of Hawaii's residents, especially first-time buyers.

15 Because of the many barriers hindering the production of
16 new housing, such as geographic limitations, lack of major
17 infrastructure, construction costs, and government regulation,



1 the State and housing developers have not been able to produce
2 enough housing for Hawaii residents. According to a 2015 report
3 from the department of business, economic development, and
4 tourism, the projected long-run estimate of demand for total new
5 housing in Hawaii is between 64,700 to 66,000 for the 2015 to
6 2025 period. The legislature has responded through the passage
7 of various legislation. During the regular session of 2016, the
8 legislature passed a bill enacted as Act 127, Session Laws of
9 Hawaii 2016, that, among other things, established a goal of
10 developing or vesting the development of at least 22,500
11 affordable rental housing units ready for occupancy by the end
12 of 2026. During the regular session of 2017, the legislature
13 passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to
14 expand the types of rental housing projects that can be exempt
15 from general excise tax, thereby encouraging the development of
16 rental housing projects targeted for occupancy by households at
17 or below the one hundred forty per cent area median income
18 level. During the regular session of 2018, the legislature
19 passed a bill enacted as Act 39, Session Laws of Hawaii 2018,
20 that, among other things, provides an estimated total value of
21 \$570,000,000 to address Hawaii's affordable rental housing



1 crisis and is expected to generate more than 25,000 affordable
2 units by the year 2030.

3 Despite these efforts, the amount of new construction of
4 housing, especially for low- to middle-income families,
5 continues to be inadequate as the supply of housing remains
6 constrained while demand for housing increases. This lack of
7 supply leads to higher housing prices and rents for households
8 of all income levels, leaving all tenants with less disposable
9 income, increasing the personal stress on buyers and renters,
10 and exacerbating overcrowding and homelessness. Given these
11 consequences, the lack of affordable housing requires the
12 concentrated attention of state government at the highest level.

13 The legislature further finds that Singapore faced a
14 housing crisis in the 1940s through 1960s but was subsequently
15 able to provide nearly one million residential units for its
16 citizens. The housing and development board -- the government
17 entity responsible for the rapid increase in housing
18 development -- plans, develops, and constructs the housing
19 units, including commercial, recreational, and social amenities.
20 The result is that units built by the housing and development
21 board house eighty per cent of the resident population and that,



1 overall, ninety per cent of the resident population are owners
2 of their units. Through government loans, subsidies, and grants
3 and the use of money saved through a government-run mandatory
4 savings program, residents are able to purchase residential
5 units at an affordable price, including options to upgrade to a
6 better living environment in the future.

7 The legislature further finds that with Honolulu's
8 construction of an elevated rail transit system, the State has
9 an opportunity to enhance Oahu's urban environment and increase
10 the quality of life for residents by increasing the affordable
11 housing inventory and eliminating the need for personal
12 automobiles, among other public benefits. As the largest
13 landowner of properties along the transit line, with
14 approximately two thousand acres under the jurisdiction of
15 various departments, the State must be proactive in establishing
16 a unified vision and approach toward redevelopment of its
17 properties to maximize the benefits of state lands available for
18 redevelopment.

19 The purpose of this Act is to:

20 (1) End the housing shortage in Hawaii;



(2) Establish the ALOHA homes program to facilitate the creation of low-cost leasehold homes for sale to Hawaii residents on state-owned land near public transit stations; and

(3) Authorize the Hawaii housing finance and development corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of ninety-nine years.

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by amending part II as follows:

1. By designating section 201H-31 to 201H-34 as subpart "A, entitled "General Provisions";

2. By designating sections 201H-35 to 201H-70 as subpart B, entitled "Development Programs"; and

3. By adding two new subparts to read as follows:

"C. ALOHA Homes Program

§201H-A Definitions. As used in this subpart, the following terms have the following meanings, unless the context indicates a different meaning or intent:

"ALOHA" means affordable, locally owned homes for all.



1 "ALOHA home" means a residential unit within an urban
2 redevelopment site.

3 "Commercial project" means an undertaking involving
4 commercial or light industrial development, which includes a
5 mixed-use development where commercial or light industrial
6 facilities may be built into, adjacent to, under, or above
7 residential units.

8 "Multipurpose project" means a project consisting of any
9 combination of a commercial project, redevelopment project, or
10 residential project.

11 "Owner-occupied residential use" means any use currently
12 permitted in existing residential zones consistent with owner
13 occupancy, but shall not mean renting or subleasing by the owner
14 of an ALOHA home to any tenant or sublessee of any kind.

15 "Project" means a specific work or improvement, including
16 real and personal properties, or any interest therein, acquired,
17 owned, constructed, reconstructed, rehabilitated, or improved by
18 the corporation, including a commercial project, redevelopment
19 project, or residential project.



1 "Public agency" means any office, department, board,
2 commission, bureau, division, public corporation agency, or
3 instrumentality of the federal, state, or county government.

4 "Public facilities" includes streets, utility and service
5 corridors, and utility lines where applicable, sufficient to
6 adequately service developable improvements in an urban
7 redevelopment site, sites for schools, parks, parking garages,
8 sidewalks, pedestrian ways, and other community facilities.

9 "Public facilities" also includes public highways, as defined in
10 section 264-1, storm drainage systems, water systems, street
11 lighting systems, off-street parking facilities, sanitary
12 sewerage systems, facilities to address climate change and sea
13 level rise, as well as the land required for these facilities.

14 "Public facilities" also includes any facility owned and
15 operated by a public agency and having a useful life of at least
16 five years.

17 "Public transit station" means:

18 (1) A station connected to a locally preferred alternative
19 for a mass transit project; or

20 (2) For the city and county of Honolulu, a station of the
21 Honolulu rail transit system.



1 "Redevelopment project" means an undertaking for the
2 acquisition, clearance, replanning, reconstruction, and
3 rehabilitation, or a combination of these and other methods, of
4 an area for a residential project, for an incidental commercial
5 project, and for other facilities incidental or appurtenant
6 thereto, pursuant to and in accordance with this subpart. The
7 term "acquisition, clearance, replanning, reconstruction, and
8 rehabilitation" includes renewal, redevelopment, conservation,
9 restoration, or improvement, or any combination thereof.

10 "Residential project" means a project or that portion of a
11 multipurpose project, including residential dwelling units,
12 designed and intended for the purpose of providing housing and
13 any facilities as may be incidental or appurtenant thereto.

14 "Small and medium vendor" means a commercial vendor that
15 employs nine hundred ninety-nine employees or less.

16 **§201H-B ALOHA homes program.** There is established the
17 ALOHA homes program for the purpose of providing low-cost, high
18 density leasehold homes for sale to Hawaii residents on state-
19 owned lands within a one mile radius of a public transit
20 station.



1 **§201H-C Urban redevelopment sites; established;**

2 **boundaries.** There shall be established urban redevelopment
3 sites that shall include all state-owned land within a one mile
4 radius of a public transit station in a county having a
5 population greater than five hundred thousand.

6 **§201H-D Rules; guidelines.** (a) The corporation shall

7 establish rules pursuant to chapter 91 on health, safety,
8 building, planning, zoning, and land use, which shall supersede
9 all other inconsistent ordinances and rules relating to the use,
10 zoning, planning, and development of land and construction
11 thereon. Rules adopted under this section shall follow existing
12 law, rules, ordinances, and regulations as closely as is
13 consistent with standards meeting minimum requirements of good
14 design, pleasant amenities, health, safety, and coordinated
15 development. The corporation may provide that lands within
16 urban redevelopment sites shall not be developed beyond existing
17 uses or that improvements thereon shall not be demolished or
18 substantially reconstructed or provide other restrictions on the
19 use of the lands.

20 (b) The following shall be the principles generally
21 governing the corporation's action in urban redevelopment sites:



- 1 (1) The program seeks to produce enough housing to meet
2 housing demand;
- 3 (2) Each development may include facilities to replace any
4 facilities that must be removed for the development's
5 construction;
- 6 (3) Developments shall endeavor to be revenue-neutral to
7 the State and counties, and all revenues generated
8 shall be used for the purposes of this subpart;
- 9 (4) The corporation shall consider the infrastructure
10 burden of each development and the impact of the
11 development on the education system, and any
12 mitigation actions, prior to construction;
- 13 (5) The corporation may build infrastructure beyond what
14 exists in any development under this subpart and may
15 sell the infrastructure capacity to private sector
16 developers;
- 17 (6) The corporation may build common area facilities for
18 any development undertaken pursuant to this subpart,
19 which shall be paid through the sales of ALOHA homes
20 units;



(7) Developments shall result in communities that permit an appropriate land mixture of residential, commercial, and other uses. In view of the innovative nature of the mixed use approach, urban design policies shall be established for the public and private sectors in the proper development of urban redevelopment sites; provided that any of the corporation's proposed actions in urban redevelopment sites that are subject to chapter 343 shall comply with chapter 343 and any federal environmental requirements; provided further that the corporation may engage in any studies or coordinative activities permitted in this subpart that affect areas lying outside urban redevelopment sites where the corporation, in its discretion, decides that those activities are necessary to implement the intent of this subpart. The studies or coordinative activities shall be limited to facility systems, resident and industrial relocation, and other activities engaged in with the counties and appropriate state agencies. The corporation may engage in construction activities



1 outside of urban redevelopment sites; provided that
2 the construction relates to infrastructure development
3 or residential or business relocation activities;
4 provided further that the construction shall comply
5 with the general plan, development plan, ordinances,
6 and rules of the county in which the urban
7 redevelopment site is located;

8 (8) Activities shall be located so as to provide primary
9 reliance on public transportation and pedestrian and
10 bicycle facilities for internal circulation within
11 urban redevelopment sites or designated subareas;

12 (9) Where compatible, land use activities within urban
13 redevelopment sites, to the greatest possible extent,
14 shall be mixed horizontally within blocks or other
15 land areas and vertically as integral units of
16 multi-purpose structures;

17 (10) Development shall prioritize maximizing density;
18 provided that development may require a mixture of
19 densities, building types, and configurations in
20 accordance with appropriate urban design guidelines
21 and vertical and horizontal integration of residents



1 of varying incomes, ages, and family groups that
2 reflect the diversity of Hawaii.

3 (11) Development shall provide necessary community
4 facilities, such as parks, community meeting places,
5 child care centers, schools, educational facilities,
6 libraries, and other services, within and adjacent to
7 residential development; provided that any school that
8 is provided by the corporation as a necessary
9 community facility shall be exempt from school size
10 requirements as calculated by recent school site area
11 averages pursuant to section 302A-1602;

12 (12) Public facilities within urban redevelopment sites
13 shall be planned, located, and developed so as to
14 support the redevelopment policies for the sites
15 established by this subpart and plans and rules
16 adopted pursuant to it;

17 (13) Development shall be designed, to the extent possible,
18 to minimize traffic, parking, the use of private
19 automobiles, and noise;

20 (14) Development shall be subject to chapter 104;



1 (15) On-site and off-site infrastructure funded by the
2 State or county, as applicable, shall be brought to
3 the development site; provided that the State and
4 respective county may be reimbursed for its
5 infrastructure contributions with proceeds from the
6 sale of ALOHA homes; and

7 (16) Development shall include the establishment of a
8 building operating and maintenance program, together
9 with the funding to cover its cost.

10 (c) ALOHA homes within urban redevelopment sites shall not
11 be advertised for rent, rented, or used for any purpose other
12 than owner-occupied residential use; provided that the
13 corporation, by rule, shall establish penalties for violations
14 of this subsection up to and including forced sale of an ALOHA
15 home.

16 (d) The design and development contracts for ALOHA homes
17 shall be subject to chapter 103D.

18 (e) The corporation shall, in the interest of revenue-
19 neutrality, recoup expenses through the sales of the leasehold
20 interest of ALOHA homes and other revenue sources, including the
21 leasing of commercial space.



1 §201H-E Sale of the leasehold interest of ALOHA homes;
2 rules; guidelines. (a) The corporation shall adopt rules,
3 pursuant to chapter 91, for the sale of the leasehold interest
4 of ALOHA homes under its control within urban redevelopment
5 sites; provided that each lease shall be for a term of ninety-
6 nine years. The rules shall include the following requirements
7 for an eligible buyer or owner of an ALOHA home within an urban
8 redevelopment site:

9 (1) The person shall be a qualified resident of the State
10 as defined in section 201H-32;

11 (2) The person shall not use the ALOHA home for any
12 purpose other than owner-occupied residential use; and

13 (3) The person, or the person's spouse, or any other
14 person intending to live with the eligible buyer or
15 owner, shall not own any other real property,
16 including any residential and non-residential
17 property, beneficial ownership of trusts, and co-
18 ownership or fractional ownership, while owning an
19 ALOHA home in an urban redevelopment site; provided
20 that an eligible buyer may own real property up to six
21 months after closing on the purchase of an ALOHA home;



1 provided further that an owner of an ALOHA home in the
2 process of selling the ALOHA home may own other real
3 property up to six months prior to closing on the sale
4 of the ALOHA home to an eligible buyer;
5 provided that the rules under this subsection shall not include
6 any requirements or limitations related to an individual's
7 income or any preferences to first-time home buyers. The rules
8 shall include strict enforcement of owner-occupancy, including a
9 prohibition on renting or leasing an ALOHA home to any tenant or
10 lessee. Enforcement of the owner-occupancy condition may
11 include requirements for the use of facial recognition,
12 fingerprint authorization, or retina scan technologies, in-
13 person verification of owner-occupants, and prevention of access
14 to all unauthorized persons. The corporation may also establish
15 rules for a minimum number of days residents must be physically
16 present on the premises and a maximum number of days non-
17 residents may have access to the premises.

18 (b) The median ALOHA homes within urban redevelopment
19 sites shall be priced at the minimum levels necessary to ensure
20 that the development is revenue neutral for the State and
21 counties. The median ALOHA homes price shall be adjusted



1 annually for inflation, as determined by the Bureau of Labor
2 Statistics Consumer Price Index for urban Hawaii.

3 (c) The corporation shall establish waitlists for each
4 residential development for eligible buyers to determine the
5 order in which ALOHA homes shall be sold. Waitlist priorities
6 may include school, college, or university affiliation if the
7 residential property is a redeveloped school, college, or
8 university; proximity of an eligible buyer's existing residence
9 to an ALOHA home within the urban redevelopment site; and other
10 criteria based on the impact that the development has on the
11 eligible buyer.

12 (d) ALOHA homes within urban redevelopment sites shall be
13 sold only to other eligible buyers.

14 (e) An owner of an ALOHA home may sell the ALOHA home
15 provided that the corporation shall have the right of first
16 refusal to purchase the ALOHA home at a price that is determined
17 by the corporation using the price at which the owner purchased
18 the ALOHA home as the cost basis, adjusted for inflation, as
19 determined by the department of business, economic development,
20 and tourism using the Consumer Price Index for All Urban
21 Consumers for Honolulu, and may include a percentage of the



1 appreciation, if any, in value of the unit based on an appraisal
2 obtained by the corporation. If the corporation does not
3 exercise its right to purchase the ALOHA home, the ALOHA home
4 may be sold by the owner to an eligible buyer; provided that the
5 corporation shall retain seventy-five per cent of all profits
6 from the sale net of closing and financing costs, using the
7 price at which the owner purchased the ALOHA home, plus
8 documented capital improvements, as the cost basis. Upon the
9 death of the owner of an ALOHA home, the ALOHA home may be
10 transferred to the deceased's heir by devise or as any other
11 real property under existing law.

12 (f) Any ALOHA home developed and sold under this subpart
13 shall not be subject to sections 201H-47, 201H-49, 201H-50, and
14 201H-51.

15 **§201H-F Use of public lands; acquisition of state lands.**

16 (a) If state lands under the control and management of other
17 public agencies are required by the corporation for the purposes
18 of this subpart, the agency having the control and management of
19 those required lands, upon request by the corporation and with
20 the approval of the governor, may convey or lease those lands to



1 the corporation upon terms and conditions as may be agreed to by
2 the parties.

3 (b) Notwithstanding the foregoing, no public lands shall
4 be conveyed or leased to the corporation pursuant to this
5 section if the conveyance or lease would impair any covenant
6 between the State or any county or any department or board
7 thereof and the holders of bonds issued by the State or that
8 county, department, or board.

9 **§201H-G Acquisition of real property from a county.**

10 Notwithstanding the provision of any law or charter, any county,
11 by resolution of its county council, may, without public
12 auction, sealed bids, or public notice, sell, lease, grant, or
13 convey to the corporation any real property owned by it that the
14 corporation certifies to be necessary for the purposes of this
15 subpart. The sale, lease, grant, or conveyance shall be made
16 with or without consideration and upon terms and conditions as
17 may be agreed upon by the county and the corporation.
18 Certification shall be evidenced by a formal request from the
19 corporation. Before the sale, lease, grant, or conveyance may
20 be made to the corporation, a public hearing shall be held by
21 the county council to consider the same. Notice of the hearing



1 shall be published at least six days before the date set for the
2 hearing in the publication and in the manner as may be
3 designated by the county council.

4 **§201H-H Condemnation of real property.** The corporation,
5 upon making a finding that it is necessary to acquire any real
6 property for its immediate or future use for the purposes of
7 this subpart, may acquire the property, including property
8 already devoted to a public use, by condemnation pursuant to
9 chapter 101. The property shall not thereafter be taken for any
10 other public use without the consent of the corporation. No
11 award of compensation shall be increased by reason of any
12 increase in the value of real property caused by the designation
13 of the urban redevelopment site or plan adopted pursuant to a
14 designation, or the actual or proposed acquisition, use, or
15 disposition of any other real property by the corporation.

16 **§201H-I Construction contracts.** The construction
17 contracts for ALOHA homes shall be subject to chapter 103D.

18 **§201H-J Lease of projects.** Notwithstanding any law to the
19 contrary, the corporation, without recourse to public auction or
20 public notice for sealed bids, may lease for a term not
21 exceeding sixty-five years all or any portion of the real or



1 personal property constituting a commercial project to any
2 person, upon terms and conditions as may be approved by the
3 corporation; provided that all revenues generated from the lease
4 shall be used to support the purpose of the ALOHA homes program.

5 **§201H-K Dedication for public facilities as condition to**
6 **development.** The corporation shall establish rules requiring
7 dedication for public facilities of land or facilities by
8 developers as a condition of developing real property within
9 urban redevelopment sites. Where state and county public
10 facilities dedication laws, ordinances, or rules differ, the
11 provision for greater dedication shall prevail.

12 **§201H-L ALOHA homes revolving fund.** There is established
13 the ALOHA homes revolving fund into which all receipts and
14 revenues of the corporation pursuant to this subpart shall be
15 deposited. Proceeds from the fund shall be used for the
16 purposes of this subpart.

17 **§201H-M Expenditures of ALOHA homes revolving fund under**
18 **the corporation exempt from appropriation and allotment.** Except
19 as to administrative expenditures, and except as otherwise
20 provided by law, expenditures from the ALOHA homes revolving
21 fund administered by the corporation may be made by the



1 corporation without appropriation or allotment of the
2 legislature; provided that no expenditure shall be made from and
3 no obligation shall be incurred against the ALOHA homes
4 revolving fund in excess of the amount standing to the credit of
5 the fund or for any purpose for which the fund may not lawfully
6 be expended. Nothing in sections 37-31 to 37-41 shall require
7 the proceeds of the ALOHA homes revolving fund administered by
8 the corporation to be reappropriated annually.

9 **§201H-N Assistance by state and county agencies.** Any
10 state or county agency may render services for the purposes of
11 this subpart upon request of the corporation.

12 **§201H-O Lands no longer needed.** Lands acquired by the
13 corporation from another government agency that are no longer
14 needed for the ALOHA homes program by the corporation shall be
15 returned to the previous owner of those lands. Lands acquired
16 by the corporation from a private party that are owned by the
17 corporation and designated for the ALOHA homes program but are
18 subsequently no longer needed for the ALOHA homes program shall
19 be retained by the corporation.



1 **§201H-P Rules.** The corporation may adopt rules pursuant
2 to chapter 91 that are necessary for the purposes of this
3 subpart.

4 D. Leasehold Condominiums on State Lands

5 **§201H-Q Leasehold condominiums on state lands.** (a) The
6 corporation may sell leasehold units in condominiums organized
7 pursuant to chapter 514B and developed under this subpart on
8 state land to a "qualified resident" as defined in section
9 201H-32.

10 (b) The term of the lease may be for ninety-nine years,
11 and the corporation may extend or modify the fixed rental period
12 of the lease or extend the term of the lease.

13 (c) The sale of leasehold units shall be subject to
14 sections 201H-47, 201H-49, and 201H-50, except for units sold at
15 fair market value.

16 (d) The powers conferred upon the corporation by this
17 section shall be in addition and supplemental to the powers
18 conferred by any other law, and nothing in this section shall be
19 construed as limiting any powers, rights, privileges, or
20 immunities so conferred."



1 SECTION 3. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption of sale of leasehold interest for ALOHA
5 home units. In addition to the amounts exempt under section
6 237-24, this chapter shall not apply to amounts received from
7 the sale of a leasehold interest in an ALOHA home under chapter
8 201H, part II, subpart C."

9 SECTION 4. Section 171-2, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§171-2 Definition of public lands. "Public lands" means
12 all lands or interest therein in the State classed as government
13 or crown lands previous to August 15, 1895, or acquired or
14 reserved by the government upon or subsequent to that date by
15 purchase, exchange, escheat, or the exercise of the right of
16 eminent domain, or in any other manner; including lands accreted
17 after May 20, 2003, and not otherwise awarded, submerged lands,
18 and lands beneath tidal waters that are suitable for
19 reclamation, together with reclaimed lands that have been given
20 the status of public lands under this chapter, except:



- 1 (1) Lands designated in section 203 of the Hawaiian Homes
2 Commission Act, 1920, as amended;
- 3 (2) Lands set aside pursuant to law for the use of the
4 United States;
- 5 (3) Lands being used for roads and streets;
- 6 (4) Lands to which the United States relinquished the
7 absolute fee and ownership under section 91 of the
8 Hawaiian Organic Act prior to the admission of Hawaii
9 as a state of the United States unless subsequently
10 placed under the control of the board of land and
11 natural resources and given the status of public lands
12 in accordance with the state constitution, the
13 Hawaiian Homes Commission Act, 1920, as amended, or
14 other laws;
- 15 (5) Lands to which the University of Hawaii holds title;
- 16 (6) ~~[Lands]~~ Non-ceded lands set aside by the governor to
17 the Hawaii housing finance and development corporation
18 or lands to which the Hawaii housing finance and
19 development corporation in its corporate capacity
20 holds title;



- 1 (7) Lands to which the Hawaii community development
2 authority in its corporate capacity holds title;
- 3 (8) Lands set aside by the governor to the Hawaii public
4 housing authority or lands to which the Hawaii public
5 housing authority in its corporate capacity holds
6 title;
- 7 (9) Lands to which the department of agriculture holds
8 title by way of foreclosure, voluntary surrender, or
9 otherwise, to recover moneys loaned or to recover
10 debts otherwise owed the department under chapter 167;
- 11 (10) Lands that are set aside by the governor to the Aloha
12 Tower development corporation, lands leased to the
13 Aloha Tower development corporation by any department
14 or agency of the State, or lands to which the Aloha
15 Tower development corporation holds title in its
16 corporate capacity;
- 17 (11) Lands that are set aside by the governor to the
18 agribusiness development corporation, lands leased to
19 the agribusiness development corporation by any
20 department or agency of the State, or lands to which



1 the agribusiness development corporation in its
2 corporate capacity holds title;
3 (12) Lands to which the Hawaii technology development
4 corporation in its corporate capacity holds title;
5 (13) Lands to which the department of education holds
6 title;
7 (14) Lands to which the stadium authority holds title; and
8 [+] (15) [+] Lands to which the school facilities authority holds
9 title;
10 provided that, except as otherwise limited under federal law and
11 except for state land used as an airport as defined in section
12 262-1, public lands shall include the air rights over any
13 portion of state land upon which a county mass transit project
14 is developed after July 11, 2005; provided further that if the
15 lands pursuant to paragraph (14) are no longer needed for the
16 stadium development district or related purposes, the lands
17 shall be returned to the public land trust administered by the
18 department."

19 SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) This section applies to all lands or interest therein
2 owned or under the control of state departments and agencies
3 classed as government or crown lands previous to August 15,
4 1895, or acquired or reserved by the government upon or
5 subsequent to that date by purchase, exchange, escheat, or the
6 exercise of the right of eminent domain, or any other manner,
7 including accreted lands not otherwise awarded, submerged lands,
8 and lands beneath tidal waters that are suitable for
9 reclamation, together with reclaimed lands that have been given
10 the status of public lands under this chapter, including:

11 (1) Land set aside pursuant to law for the use of the
12 United States;

13 (2) Land to which the United States relinquished the
14 absolute fee and ownership under section 91 of the
15 Organic Act prior to the admission of Hawaii as a
16 state of the United States;

17 (3) Land to which the University of Hawaii holds title;

18 (4) ~~[Land]~~ Non-ceded lands set aside by the governor to
19 the Hawaii housing finance and development corporation
20 or lands to which the Hawaii housing finance and



- 1 development corporation in its corporate capacity
2 holds title;
- 3 (5) Land to which the department of agriculture holds
4 title by way of foreclosure, voluntary surrender, or
5 otherwise, to recover moneys loaned or to recover
6 debts otherwise owed the department under chapter 167;
- 7 (6) Land that is set aside by the governor to the Aloha
8 Tower development corporation or land to which the
9 Aloha Tower development corporation holds title in its
10 corporate capacity;
- 11 (7) Land that is set aside by the governor to the
12 agribusiness development corporation or land to which
13 the agribusiness development corporation in its
14 corporate capacity holds title;
- 15 (8) Land to which the Hawaii technology development
16 corporation in its corporate capacity holds title;
- 17 (9) Land to which the department of education holds title;
- 18 (10) Land to which the Hawaii public housing authority in
19 its corporate capacity holds title;
- 20 (11) Land to which the stadium authority holds title; and



1 ~~[+]~~ (12) ~~[+]~~ Land to which the school facilities authority holds
2 title."

3 SECTION 6. Section 302A-1603, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The following shall be exempt from this section:

6 (1) Any form of housing permanently excluding school-aged
7 children, with the necessary covenants or declarations
8 of restrictions recorded on the property;

9 (2) Any form of housing that is or will be paying the
10 transient accommodations tax under chapter 237D;

11 (3) All nonresidential development;

12 (4) Any development with an executed education
13 contribution agreement or other like document with the
14 authority or the department for the contribution of
15 school sites or payment of fees for school land or
16 school construction; and

17 (5) Any form of housing developed by the department of
18 Hawaiian home lands for use by beneficiaries of the
19 Hawaiian Homes Commission Act, 1920, as amended~~[-]~~;
20 and



1 (6) Any form of development by the Hawaii housing finance
2 and development corporation pursuant to chapter 201H,
3 part II, subpart B."

4 SECTION 7. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2022-20023 to
7 be deposited into the ALOHA homes revolving fund established
8 pursuant to section 201H-L, Hawaii Revised Statutes.

9 SECTION 8. There is appropriated out of the ALOHA homes
10 revolving fund established pursuant to section 201H-L, Hawaii
11 Revised Statutes, the sum of \$ or so much thereof as
12 may be necessary for fiscal year 2022-2023 for the purposes for
13 which the revolving fund is established.

14 The sum appropriated shall be expended by the Hawaii
15 housing finance and development corporation for the purposes of
16 this Act.

17 SECTION 9. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof as may be necessary for fiscal year 2022-2023 for
20 to fund one full-time equivalent (1.0 FTE) program manager
21 position, one full-time equivalent (1.0 FTE) compliance



1 specialist position, and one full-time equivalent (1.0 FTE)
2 fiscal clerk position within the Hawaii housing finance and
3 development corporation for the ALOHA Homes program.

4 The sum appropriated shall be expended by the department of
5 business, economic development, and tourism for the purposes of
6 this Act.

7 SECTION 10. In codifying the new sections added by section
8 2 of this Act, the revisor of statutes shall substitute
9 appropriate section numbers for the letters used in designating
10 the new sections in this Act.

11 SECTION 11. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 12. This Act shall take effect on July 1, 2022.

14

INTRODUCED BY: _____



S.B. NO. 3261

Report Title:

Hawaii Housing Finance and Development Corporation; Affordable Housing; ALOHA Homes; Public Land Exemptions; Appropriation

Description:

Establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation to qualified residents. Exempts certain land from the definition of public lands. Requires Hawaii Housing Finance and Development Corporation to gain legislative approval before disposing of certain lands. Provides for the disposition of lands acquired by Hawaii Housing Finance and Development Corporation but no longer needed for the ALOHA homes program. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

