

ACT 157

A Bill for an Act Relating to Oahu Land Development and Amending Chapter 98J of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 98J-6 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“Sec. 98J-6. Declaration of development areas. Whenever the board, after due notice and public hearing, the time and place of which have been duly advertised in a newspaper of general circulation in the city and county of Honolulu on at least three different days, the last publication being not less than five days before the date of hearing, finds that in any locality on the island of Oahu an acute shortage of residential fee simple property exists and that the shortage of such residential fee simple holdings cannot practicably be alleviated within the reasonably near future by means other than those provided under this chapter, the board may declare a suitable area, not less than ten contiguous acres in extent, as a development area. The development area shall be reasonably accessible to persons in the

locality and shall consist of lands suitable for a development project. Any such finding of fact, if supported by a preponderance of evidence, shall be conclusive in any suit, action or proceeding.

All development areas shall be compatible with any general plan for the long-range development of land in the political subdivision concerned under the terms of chapter 98F, and shall conform to and with all subdivision and zoning ordinances and requirements of the political subdivision."

SECTION 2. The second paragraph of section 98J-8 of the Revised Laws of Hawaii 1955, as amended, is hereby amended as follows:

(a) By amending subsection (3) thereof to read as follows:

"(3) lands in the process of subdivision and development where the owner or his agent has provided that at least fifty per cent of the lots to be sold shall be sold in fee simple, prepared subdivision and construction plans, arranged for financing, and applied to government agencies and otherwise as may be appropriated for the construction of the proposed development in good faith and filed an affidavit with the board to that effect;"

(b) By amending subsection (4) thereof by deleting the semicolon at the end thereof and by substituting therefor a period; and

(c) By deleting subsection (5) thereof in its entirety.

SECTION 3. Section 98J-9 of the Revised Laws of Hawaii 1955, as amended, is hereby amended as follows:

(a) The third sentence of the second paragraph thereof is hereby amended to read as follows:

"The contract shall provide for the establishment of such sale prices of the residence lots or dwellings and lots as will repay to the developer the amount of the actual cost or expense incurred in the acquisition and development of the land together with a reasonable developer's profit computed thereon as determined by the board."; and

(b) The sentence preceding the last sentence of the second paragraph thereof is hereby amended to read as follows:

"Every contract shall be made with the responsible bidder whose proposal complies with the requirements of the call for tenders and states the lowest rate of developers' profits; provided that the board may reject all tenders if it deems that the lowest rate of developer's profit is unreasonable."

SECTION 4. Section 98J-10 of the Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) By amending the last paragraph of subsection (b) to read as follows:

"An unconscionable profit means any profit or return in excess of what the board considers as reasonable. The board may survey the prevailing rates of profit for developers in determining a reasonable rate.";

(b) By amending subsection (c) (4) in the following respects:

(1) By amending the first paragraph to read as follows:

“(4) Has a gross income sufficient to meet the cost of the land being disposed of by the board. The board shall develop policies whereby those most deserving of housing shall be given preference. In developing such policies, the board shall consider the applicant’s household income, the number of dependents and such other factors as the board may deem pertinent.”; and

(2) By deleting in its entirety the paragraph immediately preceding the last paragraph.

(c) By amending subparagraph (d) (2) (i) to read as follows:

“(i) the original cost of the land, and”.

SECTION 5. Section 98J-39 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding between the first and second paragraphs thereof the following paragraph:

“In addition to the funds specified in the above paragraph, there is hereby appropriated from the general revenues of the State sufficient moneys as may be necessary, from time to time, to the development revolving fund, with the approval of the governor, for the purposes specified in this chapter; provided that not more than \$1,000,000 may be expended, with the approval of the governor, in land development for any one project; and provided further that such sums as may be utilized from time to time and which are reimbursed to this fund from land sales shall be deposited into the general fund.”

SECTION 6. This Act shall take effect upon its approval.

(Approved June 21, 1965.) **H.B. 87.**