

**ACT 249**

H.B. NO. 487

A Bill for an Act Relating to Housing Programs.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. Act 180, Session Laws of Hawaii 2006 (Act 180), repealed chapter 201G, Hawaii Revised Statutes, the housing and community development corporation of Hawaii, and divided its powers and functions between two separate agencies: the Hawaii housing finance and development corporation and the Hawaii public housing authority, established in chapters 201H and 356D, Hawaii Revised Statutes, respectively.

Section 14 of Act 180 directed the legislative reference bureau to further implement these changes by amending specified sections of the Hawaii Revised Statutes that reference the repealed chapter 201G, Hawaii Revised Statutes, or any of its various sections, and proposing substitutions to the new chapters 201H and 356D, Hawaii Revised Statutes. This part implements these changes.

SECTION 2. Section 10-13.6, Hawaii Revised Statutes, is amended to read as follows:

**“§10-13.6 Public land trust conveyed for the development of housing projects.** (a) This section applies to the revenue derived from ~~[any]~~ land of the public land trust ~~[which] as designated in subsection (c) that~~ is conveyed by the department of land and natural resources to the Hawaii housing finance and development corporation for the development of housing projects as defined under ~~[sections 201G-1 and 201G-112.]~~ section 201H-1. The amount due to the office shall be determined by multiplying the fair market value of the land by twenty per cent. For the purpose of this section, ~~“fair”~~:

~~“Fair”~~ market value” means the amount of money ~~[which] that~~ a purchaser willing but not obliged to buy the land would pay to an owner willing but not obliged to sell it, taking into consideration the highest and best use of the land. ~~[For the purpose of this section, “highest]~~

~~“Highest”~~ and best use” means the most profitable, probable, and legal use to which the land can be put.

(b) Fair market value shall be determined on a per acre basis pursuant to appraisals performed in conformance with the uniform standards of professional appraisal practice as adopted by the department of commerce and consumer affairs, not more than ninety days before the conveyance of the land to the Hawaii housing finance and development corporation. The appraisals shall be performed by two disinterested appraisers each of whose services shall be contracted by the department of land and natural resources and the office, respectively. If the land is of the public land trust and sugarcane lands, as defined by ~~[Article]~~ article XII, ~~[Section]~~ section 1 of the ~~[State Constitution,]~~ state constitution, the office and the department of Hawaiian home lands shall contract the services of one appraiser. The parties shall contract the services of the appraisers within thirty ~~[working]~~ business days after the department of land and natural resources gives written notice to the office, together with the department of Hawaiian home lands if the land is of the public land trust and sugarcane lands, of the proposed conveyance of the land to the Hawaii housing finance and development corporation.

If any party fails or refuses to contract the services of an appraiser, then the other party may petition ~~[the presiding judge of]~~ the circuit court ~~[of the State]~~ in the county where the land is located to appoint the other of the two appraisers. If the two appraisers are unable to agree on a fair market value, then within thirty days thereafter, the department of land and natural resources and the office, together with the department of Hawaiian home lands if the land is of the public land trust and sugarcane lands, shall contract for the services of a mutually ~~[selected]~~ agreed upon third appraiser and the decision of the majority of the appraisers shall be final with respect to determination of the fair market value ~~[of the land]~~. If the department of land and natural resources and the office, together with the department of Hawaiian home lands if the land is of the public land trust and sugarcane lands, are unable to agree on the selection of the third appraiser, any party may petition the ~~[presiding judge of the]~~ circuit court ~~[of the State]~~ in the county where the land is located to appoint the third appraiser.

(c) The amount due to the office shall be due and payable by the State on the date of conveyance of the land to the Hawaii housing finance and development corporation. Payment to the office may be in the form of public lands or moneys. If payment is to be in the form of public lands, the lands shall be mutually agreed upon by the department of land and natural resources and the office, and shall be of value comparable to the amount due to the office. Any monetary payment shall be an obligation of the Hawaii housing finance and development corporation. Any portion of that amount that is not paid on the date of conveyance shall be subject to simple

interest annually, established pursuant to the fifteen year treasury rate at the time of the conveyance and payable annually by the State to the office.

(d) Twenty per cent of the revenue received by the Hawaii housing finance and development corporation from commercial, industrial, or other ~~[non-residential]~~ nonresidential use of the land shall be paid annually to the office~~;~~; provided that:

- (1) The office shall not receive payment under this subsection until the Hawaii housing finance and development corporation recovers all moneys previously paid to the office for that portion of land used for commercial, industrial, or other ~~[non-residential]~~ nonresidential purposes;
- (2) If borrowed moneys are used to finance the development of land for commercial, industrial, or other ~~[non-residential]~~ nonresidential purposes, annual payments due to the office under this subsection shall be made pursuant to the following order of priority:
  - (A) The Hawaii housing finance and development corporation satisfies as a first priority the amount computed annually on the pro rata portion (not the total debt service over the life of the debt) of its total debt service on the borrowed moneys;
  - (B) The Hawaii housing finance and development corporation satisfies as a second priority its operating expense obligations ~~[directly incurred from the development and [operating] operation of land used for commercial, industrial, or other [non-residential] nonresidential purposes)]~~ in an amount not exceeding one per cent of the revenues for the project; and
  - (C) After the first and second priorities are satisfied, the Hawaii housing finance and development corporation shall make annual payments due to the office under this subsection from any remaining revenues; and
- (3) In the event of a sale of land used for commercial, industrial, or other ~~[non-residential]~~ nonresidential purposes, the office shall receive twenty per cent of the revenue received by the Hawaii housing finance and development corporation.

(e) This section shall only apply to the Hawaii housing finance and development corporation's developments known as the villages of Leali'i, Maui, and villages of La'i opua, Hawaii."

SECTION 3. Section 26-14.6, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) Effective July 1, 1990, the functions, authority, and obligations, together with the limitations imposed thereon and the privileges and immunities conferred thereby, exercised by a "sheriff", "sheriffs", a "sheriff's deputy", "sheriff's deputies", a "deputy sheriff", "deputy sheriffs", or a "deputy", under sections 21-8, 47-18, ~~[88-51,]~~ 105-4, ~~[134-11,]~~ 134-51, 183D-11, 187A-14, ~~[201G-55, 201G-74,]~~ 231-25, 281-108, 281-111, 286-52, 286-52.5, 321-1, 322-6, 325-9, ~~[325-80,]~~ 353-11, 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485-6, 501-42, 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2, 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21, 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16, 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41, 805-1, 806-71, and 832-23 shall be exercised to the same extent by the department of public safety."

SECTION 4. Section 26-14.6, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) Effective July 1, 1990, the functions, authority, and obligations, together with the limitations imposed thereon and the privileges and immunities conferred thereby, exercised by a “sheriff”, “sheriffs”, a “sheriff’s deputy”, “sheriff’s deputies”, a “deputy sheriff”, “deputy sheriffs”, or a “deputy”, under sections 21-8, 47-18, [88-51,] 105-4, [134-11,] 134-51, 183D-11, 187A-14, [201G-55, 201G-74,] 231-25, 281-108, 281-111, 286-52, 286-52.5, 321-1, 322-6, 325-9, [325-80,] 353-11, 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485A-202, 501-42, 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2, 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21, 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16, 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41, 805-1, 806-71, and 832-23 shall be exercised to the same extent by the department of public safety.”

SECTION 5. Section 29-15.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) This section shall not affect sections [201G-312(b)(2),] 201H-152(b)(2), 212-7, or 523A-64.”

SECTION 6. Section 46-1.5, Hawaii Revised Statutes, is amended to read as follows:

**“§46-1.5 General powers and limitation of the counties.** Subject to general law, each county shall have the following powers and shall be subject to the following liabilities and limitations:

- (1) Each county shall have the power to frame and adopt a charter for its own self-government[~~which~~] that shall establish the county executive, administrative, and legislative structure and organization, including[~~;~~] but not limited to[~~;~~] the method of appointment or election of officials, their duties, responsibilities, and compensation, and the terms of their office;
- (2) Each county shall have the power to provide for and regulate the marking and lighting of all buildings and other structures that may be obstructions or hazards to aerial navigation, so far as may be necessary or proper for the protection and safeguarding of life, health, and property;
- (3) Each county shall have the power to enforce all claims on behalf of the county and approve all lawful claims against the county, but shall be prohibited from entering into, granting, or making in any manner any contract, authorization, allowance payment, or liability contrary to the provisions of any county charter or general law;
- (4) Each county shall have the power to make contracts and to do all things necessary and proper to carry into execution all powers vested in the county or any county officer;
- (5) Each county shall have the power to [maintain]:
  - (A) Maintain channels, whether natural or artificial, including their exits to the ocean, in suitable condition to carry off storm waters; [and to remove]
  - (B) Remove from the channels, and from the shores and beaches, any debris that is likely to create an unsanitary condition or become a public nuisance; provided that, to the extent any of the foregoing work is a private responsibility, the responsibility may be enforced by the county in lieu of the work being done at public expense[~~Counties also shall have the power to construct;~~];

- (C) Construct, acquire by gift, purchase, or by the exercise of eminent domain, reconstruct, improve, better, extend, and maintain projects or undertakings for the control of and protection against floods and flood waters, including the power to drain and rehabilitate lands already flooded~~[-, and to enact]; and~~
- (D) Enact zoning ordinances providing that lands deemed subject to seasonable, periodic, or occasional flooding shall not be used for residence or other purposes in a manner as to endanger the health or safety of the occupants thereof, as required by the Federal Flood Insurance Act of 1956 (chapter 1025, Public Law 1016);
- (6) Each county shall have the power to exercise the power of condemnation by eminent domain when it is in the public interest to do so;
- (7) Each county shall have the power to exercise regulatory powers over business activity as are assigned to them by chapter 445 or other general law;
- (8) Each county shall have the power to fix the fees and charges for all official services not otherwise provided for;
- (9) Each county shall have the power to provide by ordinance assessments for the improvement or maintenance of districts within the county;
- (10) Except as otherwise provided, no county shall have the power to give or loan credit to, or in aid of, any person or corporation, directly or indirectly, except for a public purpose;
- (11) Where not within the jurisdiction of the public utilities commission, each county shall have the power to regulate by ordinance the operation of motor vehicle common carriers transporting passengers within the county and adopt and amend rules the county deems necessary for the public convenience and necessity;
- (12) Each county shall have the power to enact and enforce ordinances necessary to prevent or summarily remove public nuisances and to compel the clearing or removal of any public nuisance, refuse, and uncultivated undergrowth from streets, sidewalks, public places, and unoccupied lots~~[-, and in these connections, to].~~ In connection with these powers, each county may impose and enforce liens upon the property for the cost to the county of removing and completing the necessary work where the property owners fail, after reasonable notice, to comply with the ordinances. The authority provided by this paragraph shall not be self-executing, but shall become fully effective within a county only upon the enactment or adoption by the county of appropriate and particular laws, ordinances, or rules defining "public nuisances" with respect to each county's respective circumstances. The counties shall provide the property owner with the opportunity to contest the summary action and to recover the owner's property;
- (13) Each county shall have the power to enact ordinances deemed necessary to protect health, life, and property, and to preserve the order and security of the county and its inhabitants on any subject or matter not inconsistent with, or tending to defeat, the intent of any state statute~~[-, provided also that]~~ where the statute does not disclose an express or implied intent that the statute shall be exclusive or uniform throughout the State;
- (14) Each county shall have the power to [make]:
  - (A) Make and enforce within the limits of the county all necessary ordinances covering~~[:]~~ all ~~[local]:~~
  - (i) Local police matters; ~~[all matters]~~
  - (ii) Matters of sanitation; ~~[all matters]~~

- (iii) Matters of inspection of buildings; [~~all matters~~]
- (iv) Matters of condemnation of unsafe structures, plumbing, sewers, dairies, milk, fish, and morgues; [~~all matters~~] and
- (v) Matters of the collection and disposition of rubbish and garbage; [~~and to provide~~]
- (B) Provide exemptions for homeless facilities and any other program for the homeless authorized by chapter [201G,] 356D, for all matters under this paragraph; [~~and to appoint~~]
- (C) Appoint county physicians and sanitary and other inspectors as necessary to carry into effect ordinances made under this paragraph, who shall have the same power as given by law to agents of the department of health, subject only to limitations placed on them by the terms and conditions of their appointments; and [~~to fix~~]
- (D) Fix a penalty for the violation of any ordinance, which penalty may be a misdemeanor, petty misdemeanor, or violation as defined by general law;
- (15) Each county shall have the power to provide public pounds[~~;~~]; to regulate the impounding of stray animals and fowl, and their disposition[~~;~~]; and to provide for the appointment, powers, duties, and fees of animal control officers;
- (16) Each county shall have the power to purchase and otherwise acquire, lease, and hold real and personal property within the defined boundaries of the county and to dispose of the real and personal property as the interests of the inhabitants of the county may require, except that: [~~any~~]
- (A) Any property held for school purposes may not be disposed of without the consent of the superintendent of education; [~~no~~]
- (B) No property bordering the ocean shall be sold or otherwise disposed of; and [~~all~~]
- (C) All proceeds from the sale of park lands shall be expended only for the acquisition of property for park or recreational purposes;
- (17) Each county shall have the power to provide by charter for the prosecution of all offenses and to prosecute for offenses against the laws of the State under the authority of the attorney general of the State;
- (18) Each county shall have the power to make appropriations in amounts deemed appropriate from any moneys in the treasury, for the purpose of [~~community~~];
- (A) Community promotion and public celebrations[~~, the~~];
- (B) The entertainment of distinguished persons as may from time to time visit the county[~~, for the~~];
- (C) The entertainment of other distinguished persons, as well as, public officials when deemed to be in the best interest of the community[~~, and the~~]; and
- (D) The rendering of civic tribute to individuals who, by virtue of their accomplishments and community service, merit civic commendations, recognition, or remembrance;
- (19) Each county shall have the power to:
  - (A) Construct, purchase, take on lease, lease, sublease, or in any other manner acquire, manage, maintain, or dispose of buildings for county purposes, sewers, sewer systems, pumping stations, waterworks, including reservoirs, wells, pipelines, and other conduits for distributing water to the public, lighting plants, and

- apparatus and appliances for lighting streets and public buildings, and manage, regulate, and control the same;
- (B) Regulate and control the location and quality of all appliances necessary to the furnishing of water, heat, light, power, [telephonie,] telephone, and [telegraphie] telecommunications service to the county;
- (C) Acquire, regulate, and control any and all appliances for the sprinkling and cleaning of the streets and the public ways, and for flushing the sewers; and
- (D) Open, close, construct, or maintain county highways or charge toll on county highways; provided that all revenues received from a toll charge shall be used for the construction or maintenance of county highways;
- (20) Each county shall have the power to regulate the renting, subletting, and rental conditions of property for places of abode by ordinance;
- (21) Unless otherwise provided by law, each county shall have the power to establish by ordinance the order of succession of county officials in the event of a military or civil disaster;
- (22) Each county shall have the power to sue and be sued in its corporate name;
- (23) Each county shall have the power to establish and maintain waterworks and sewer works; to collect rates for water supplied to consumers and for the use of sewers; to install water meters whenever deemed expedient; provided that owners of premises having vested water rights under existing laws appurtenant to the premises shall not be charged for the installation or use of the water meters on the premises; to take over from the State existing waterworks systems, including water rights, pipelines, and other appurtenances belonging thereto, and sewer systems, and to enlarge, develop, and improve the same;
- (24) (A) Each county may impose civil fines, in addition to criminal penalties, for any violation of county ordinances or rules after reasonable notice and requests to correct or cease the violation have been made upon the violator. Any administratively imposed civil fine shall not be collected until after an opportunity for a hearing under chapter 91. Any appeal shall be filed within thirty days from the date of the final written decision. These proceedings shall not be a prerequisite for any civil fine or injunctive relief ordered by the circuit court;
- (B) Each county by ordinance may provide for the addition of any unpaid civil fines, ordered by any court of competent jurisdiction, to any taxes, fees, or charges, with the exception of fees or charges for water for residential use and sewer charges, collected by the county. Each county by ordinance may also provide for the addition of any unpaid administratively imposed civil fines, which remain due after all judicial review rights under section 91-14 are exhausted, to any taxes, fees, or charges, with the exception of water for residential use and sewer charges, collected by the county. The ordinance shall specify the administrative procedures for the addition of the unpaid civil fines to the eligible taxes, fees, or charges and may require hearings or other proceedings. After addition of the unpaid civil fines to the taxes, fees, or charges, the unpaid civil fines shall not become a part of any taxes, fees, or charges. The county by ordinance may condition the issuance or renewal of a license, approval, or permit for

which a fee or charge is assessed, except for water for residential use and sewer charges, on payment of the unpaid civil fines. Upon recordation of a notice of unpaid civil fines in the bureau of conveyances, the amount of the civil fines, including any increase in the amount of the fine which the county may assess, shall constitute a lien upon all real property or rights to real property belonging to any person liable for the unpaid civil fines. The lien in favor of the county shall be subordinate to any lien in favor of any person recorded or registered prior to the recordation of the notice of unpaid civil fines and senior to any lien recorded or registered after the recordation of the notice. The lien shall continue until the unpaid civil fines are paid in full or until a certificate of release or partial release of the lien, prepared by the county at the owner's expense, is recorded. The notice of unpaid civil fines shall state the amount of the fine as of the date of the notice and maximum permissible daily increase of the fine. The county shall not be required to include a social security number, state general excise taxpayer identification number, or federal employer identification number on the notice. Recordation of the notice in the bureau of conveyances shall be deemed, at such time, for all purposes and without any further action, to procure a lien on land registered in land court under chapter 501. After the unpaid civil fines are added to the taxes, fees, or charges as specified by county ordinance, the unpaid civil fines shall be deemed immediately due, owing, and delinquent and may be collected in any lawful manner. The procedure for collection of unpaid civil fines authorized in this paragraph shall be in addition to any other procedures for collection available to the State and county by law or rules of the courts;

- (C) Each county may impose civil fines upon any person who places graffiti on any real or personal property owned, managed, or maintained by the county. The fine may be up to \$1,000 or may be equal to the actual cost of having the damaged property repaired or replaced. The parent or guardian having custody of a minor who places graffiti on any real or personal property owned, managed, or maintained by the county shall be jointly and severally liable with the minor for any civil fines imposed hereunder. Any such fine may be administratively imposed after an opportunity for a hearing under chapter 91, but such a proceeding shall not be a prerequisite for any civil fine ordered by any court. As used in this subparagraph, "graffiti" means any unauthorized drawing, inscription, figure, or mark of any type intentionally created by paint, ink, chalk, dye, or similar substances;
- (D) At the completion of an appeal in which the county's enforcement action is affirmed and upon correction of the violation if requested by the violator, the case [will] shall be reviewed by the county agency that imposed the civil fines to determine the appropriateness of the amount of the civil fines that accrued while the appeal proceedings were pending. In its review of the amount of the accrued fines, the county agency may consider [the following]:
  - (i) The nature and egregiousness of the violation[.];
  - (ii) The duration of the violation[.];
  - (iii) The number of recurring and other similar violations[.];

- (iv) Any effort taken by the violator to correct the violation[;];
- (v) The degree of involvement in causing or continuing the violation[; reasons];
- (vi) Reasons for any delay in the completion of the appeal[; and other]; and
- (vii) Other extenuating circumstances.

The civil fine [~~which~~] that is imposed by administrative order after this review is completed and the violation is corrected [is] shall be subject to [~~only~~] judicial review, notwithstanding any provisions for administrative review in county charters;

- (E) After completion of a review of the amount of accrued civil fine by the county agency [~~which~~] that imposed the fine, the amount of the civil fine determined appropriate, including both the initial civil fine and any accrued daily civil fine, shall immediately become due and collectible following reasonable notice to the violator. If no review of the accrued civil fine is requested, the amount of the civil fine, not to exceed the total accrual of civil fine prior to correcting the violation, shall immediately become due and collectible following reasonable notice to the violator, at the completion of all appeal proceedings;
- (F) If no county agency exists to conduct appeal proceedings for a particular civil fine action taken by the county, then one shall be established by ordinance before the county shall impose [~~that~~] the civil fine;
- (25) Any law to the contrary notwithstanding, any county mayor may exempt by executive order donors, provider agencies, homeless facilities, and any other program for the homeless under chapter [201G] 356D from real property taxes, water and sewer development fees, rates collected for water supplied to consumers and for use of sewers, and any other county taxes, charges, or fees; provided that any county may enact ordinances to regulate and grant the exemptions granted by this paragraph;
- (26) Any county may establish a captive insurance company pursuant to article 19, chapter 431; and
- (27) Each county shall have the power to enact and enforce ordinances regulating towing operations.”

SECTION 7. Section 46-4, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) For purposes of this section:

“Clean and sober home” means a house that is operated pursuant to a program designed to provide a stable environment of clean and sober living conditions to sustain recovery and that is shared by unrelated adult persons who:

- (1) Are recovering from substance abuse;
- (2) Share household expenses; and
- (3) Do not require twenty-four-hour supervision, rehabilitation, or therapeutic services or care in the home or on the premises[; ~~The~~];

provided that the home shall meet all applicable laws, codes, and rules of the counties and State.

“Developmentally disabled person” means a person suffering from developmental disabilities as defined under section 333F-1.

“Disabled person” means a person with a disability as defined under section 515-2.

“Drug rehabilitation home” means:

- (1) A residential treatment facility that provides a therapeutic residential program for care, diagnosis, treatment, or rehabilitation for socially or emotionally distressed persons, mentally ill persons, persons suffering from substance abuse, and developmentally disabled persons; or
- (2) A supervised living arrangement that provides mental health services, substance abuse services, or supportive services for individuals or families who do not need the structure of a special treatment facility and are transitioning to independent living;

provided that drug rehabilitation homes shall not include halfway houses or clean and sober homes.

“Elder” means an elder as defined under section [201G-1:] 356D-1.

“Halfway house” ~~[is defined as]~~ means a group living facility for people who:

- (1) Have been released or are under supervised release from a correctional facility;
- (2) Have been released from a mental health treatment facility; or
- (3) Are receiving substance abuse or sex offender treatment; and

are housed to participate in programs that help them readjust to living in the community.

“Intermediate care facility/mental retardation-community” means [as] an identifiable unit providing residence and care for eight or fewer mentally retarded individuals. Its primary purpose is the provision of health, social, and rehabilitation services to the mentally retarded through an individually designed active treatment program for each resident. No person who is predominantly confined to bed shall be admitted as a resident of such a facility.

“Mental health treatment facility” means a psychiatric facility or special treatment facility as defined under section 334-1.

“Mentally ill person” has the same meaning as defined under section 334-1.

“Totally disabled person” means a “person totally disabled” as defined under section 235-1.

“Treatment program” means a “substance abuse program” or “treatment program”, as those terms are defined under section 353G-2.”

SECTION 8. Section 46-15.1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Any law to the contrary notwithstanding, any county shall have and may exercise the same powers, subject to applicable limitations, as those granted the Hawaii housing finance and development corporation pursuant to chapter [201G] 201H insofar as such powers may be reasonably construed to be exercisable by a county for the purpose of developing, constructing, and providing [~~low~~] low- and [~~moderate-income~~] moderate-income housing; provided that no county shall be empowered to cause the State to issue general obligation bonds to finance a project pursuant to this section; provided further that county projects shall be granted an exemption from general excise or receipts taxes in the same manner as projects of the Hawaii housing finance and development corporation pursuant to section [[201G-116]:] 201H-36; and provided further that [~~the provisions of~~] section [201G-15] 201H-16 shall not apply to this section unless federal guidelines specifically provide local governments with that authorization and the authorization does not conflict with any state laws. The powers shall include the power, subject to applicable limitations, to:

- (1) Develop and construct dwelling units, alone or in partnership with developers;

- (2) Acquire necessary land by lease, purchase, exchange, or eminent domain;
- (3) Provide assistance and aid to a public agency or person in developing and constructing new housing and rehabilitating ~~[old]~~ existing housing for elders of ~~[low]~~ low- and ~~[moderate-income,]~~ moderate-income, other persons of ~~[low]~~ low- and ~~[moderate-income,]~~ moderate-income, and persons displaced by any governmental action, by making long-term mortgage or interim construction loans available;
- (4) Contract with any eligible bidders to provide for construction of urgently needed housing for persons of ~~[low]~~ low- and ~~[moderate-income,]~~ moderate-income;
- (5) Guarantee the top twenty-five per cent of the principal balance of real property mortgage loans, plus interest thereon, made to qualified borrowers by qualified lenders;
- (6) Enter into mortgage guarantee agreements with appropriate officials of any agency or instrumentality of the United States in order to induce those officials to commit to insure or to insure mortgages under ~~[the provisions of]~~ the National Housing Act, as amended;
- (7) Make a direct loan to any qualified buyer for the downpayment required by a private lender to be made by the borrower as a condition of obtaining a loan from the private lender in the purchase of residential property;
- (8) Provide funds for a share, not to exceed fifty per cent, of the principal amount of a loan made to a qualified borrower by a private lender who is unable otherwise to lend the borrower sufficient funds at reasonable rates in the purchase of residential property; and
- (9) Sell or lease completed dwelling units.

For purposes of this section, a limitation is applicable to the extent that it may reasonably be construed to apply to a county.”

SECTION 9. Section 46-15.2, Hawaii Revised Statutes, is amended to read as follows:

**“§46-15.2 Housing; additional county powers.** In addition and supplemental to the powers granted to counties by section 46-15.1, ~~[any]~~ a county shall have and may exercise any of the following powers:

- (1) To provide assistance and aid to persons of ~~[low]~~ low- and ~~[moderate income]~~ moderate-income in acquiring housing by ~~[providing]:~~
  - (A) Providing loans secured by a mortgage~~[-, including by-acquiring such];~~
  - (B) Acquiring the loans from private lenders ~~[for which such]~~ where the county has made advance commitment to acquire [such] the loans[-, and to make]; and
  - (C) Making and [execute] executing contracts with private lenders or a public agency for the origination and servicing of ~~[such]~~ the loans and ~~[pay]~~ paying the reasonable value of ~~[such]~~ the services;
- (2) In connection with the exercise of any powers granted under this section or section 46-15.1, to establish one or more loan programs and to issue bonds under chapter 47 or 49 to provide moneys to carry out the purposes of this section or section 46-15.1; provided that:
  - (A) If bonds are issued pursuant to chapter 47 to finance one or more loan programs, the county may establish such qualifications as it deems appropriate;

- (B) If bonds are issued pursuant to chapter 49 to finance one or more loan programs, [sueh] the loan program or programs shall comply with ~~[the provisions of part III.B]~~ part III, subpart B of chapter ~~[201G;]~~ 201H;
- (C) If bonds are issued pursuant to section 47-4 or chapter 49, any loan program established pursuant to this section or any county-owned dwelling units constructed under section 46-15.1 shall be and constitute an “undertaking” under section 49-1 and ~~[the provisions of]~~ chapter 49 shall apply to [sueh] the loan program or county-owned dwelling units to the extent applicable;
- (D) In connection with the establishment of any loan program pursuant to this section, a county may employ financial consultants, attorneys, real estate counselors, appraisers, and [sueh] other consultants as may be required in the judgment of the county and fix and pay their compensation from funds available to the county therefor;
- (E) Notwithstanding any limitation otherwise established by law, with respect to the rate of interest on any loan made under any loan program established pursuant to this section, [sueh] the loan may bear such rate or rates of interest per year as the county shall determine; provided that no loan made from the proceeds of any bonds of the county shall be under terms or conditions ~~[which]~~ that would cause the interest on [sueh] the bonds to be deemed subject to income taxation by the United States~~[-of America];~~;
- (F) Notwithstanding any limitation otherwise established by law, with respect to the amount of compensation permitted to be paid for the servicing of loans made under any loan program established pursuant to this section, a county may fix such reasonable compensation as the county may determine;
- (G) Notwithstanding the requirement of any other law, a county may establish [sueh] separate funds and accounts with respect to bonds issued pursuant to chapter 47 or 49 to provide moneys to carry out the purposes of this section or section 46-15.1 as [sueh] the county may deem appropriate;
- (H) Notwithstanding any provision of chapter 47 or 49 or of any other law, but subject to the limitations of the ~~[State Constitution;]~~ state constitution, bonds issued to provide moneys to carry out the purposes of this section or section 46-15.1 may be sold at public or private sale at [sueh] a price[;]; may bear interest at [sueh] a rate or rates per year[;]; may be payable at [sueh] a time or times[;]; may mature at [sueh] a time or times[;]; may be made redeemable before maturity at the option of the county, the holder, or both, at [sueh] a price or prices and upon [sueh] terms and conditions[;]; and may be issued in coupon or registered form, or both, ~~[a]~~ as the county may determine;
- (I) If deemed necessary or advisable, the county may designate a national or state bank or trust company within or without the State to serve as trustee for the holders of bonds issued to provide moneys to carry out the purposes of this section or section 46-15.1, and enter into a trust indenture, trust agreement, or indenture of mortgage with such trustee whereby [sueh] the trustee may be authorized to receive and receipt for, hold, and administer the proceeds of [sueh] the bonds and to apply the proceeds to the purposes for which [sueh] the bonds are issued, or

to receive and receipt for, hold, and administer the revenues and other receipts derived by the county from the application of the proceeds of [sueh] the bonds and to apply [sueh] the revenues and receipts to the payment of the principal of, or interest on [sueh] the bonds, or both. Any [sueh] trust indenture, trust agreement, or indenture of mortgage entered into with the trustee may contain any covenants and provisions as may be deemed necessary, convenient, or desirable by the county [in order] to secure [sueh] the bonds. The county may pledge and assign to the trustee any agreements related to the application of the proceeds of [sueh] the bonds and the rights of the county thereunder, including the rights to revenues and receipts derived thereunder. Upon appointment of the trustee, the director of finance of the county may elect not to serve as fiscal agent for the payment of the principal and interest, and for the purchase, registration, transfer, exchange, and redemption, of [sueh] the bonds[;]; or may elect to limit the functions the director of finance performs as [sueh] a fiscal agent[;]; and may appoint [the] a trustee to serve as the fiscal agent[;]; and may authorize and empower the trustee to perform [sueh] the functions with respect to [sueh] payment, purchase, registration, transfer, exchange, and redemption, as the director of finance deems necessary, advisable, or expedient, including, without limitation, the holding of [sueh] the bonds and coupons [which] that have been paid and the supervision and conduction or the destruction thereof in accordance with law;

- (J) If a trustee is not appointed to collect, hold, and administer the proceeds of bonds issued to provide moneys to carry out the purposes of this section or section 46-15.1, or the revenues and receipts derived by the county from the application of the proceeds of [sueh] the bonds, [all] as provided in subparagraph (I), the director of finance of [sueh] the county may hold [sueh] the proceeds or revenues and receipts[~~as the case may be,~~] in a separate account in the treasury of the county, to be applied solely to the carrying out of the ordinance, trust indenture, trust agreement, or indenture of mortgage, if any, authorizing or securing [sueh] the bonds; and
- (K) Any law to the contrary notwithstanding, the investment of funds held in reserves and sinking funds related to bonds issued to provide moneys to carry out the purposes of this section or section 46-15.1 shall comply with [the provisions of] section [201G-167;] 201H-77; provided that any investment [which] that requires approval by the county council pursuant to section 46-48 or 46-50 [must] shall first be approved by the county council[;];
- (3) To acquire [sueh] policies of insurance and enter into [sueh] banking arrangements as [sueh] the county may deem necessary [in order] to better secure bonds issued to provide money to carry out the purposes of this section or section 46-15.1, including[;] without limitation[;] contracting for a support facility or facilities as may be necessary with respect to bonds issued with a right of the holders to put [sueh] the bonds and contracting for interest rate swaps; and
- (4) To do any and all other things necessary or appropriate to carry out the purposes and exercise the powers granted in section 46-15.1 and this section."

SECTION 10. Section 53-17, Hawaii Revised Statutes, is amended to read as follows:

**“§53-17 Bonds of agency to be legal investments.** Bonds issued by a redevelopment agency in connection with one or more redevelopment plans or redevelopment projects pursuant to this part shall be legal investments and security for public deposits to the same extent and for the same public officers and bodies, political subdivisions, persons, companies, corporations, associations, banks, institutions, and fiduciaries as bonds or obligations issued by the Hawaii housing finance and development corporation under chapter [201G] 201H in connection with slum clearance and housing projects.”

SECTION 11. Section 104-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) This chapter shall apply to every contract in excess of \$2,000 for construction of a public work project to which a governmental contracting agency is a party; provided that this chapter shall not apply to experimental and demonstration housing developed pursuant to section 46-15 or housing developed pursuant to chapter [201G] 201H if the cost of the project is less than \$500,000 and the eligible bidder or eligible developer is a private nonprofit corporation.

For the purposes of this subsection:

“Contract” includes but is not limited to any agreement, purchase order, or voucher in excess of \$2,000 for construction of a public work project.

“Governmental contracting agency” includes any person or entity that causes, either directly or indirectly, the building or development of a public work.

“Party” includes eligible bidders for and eligible developers of any public work and any housing under chapter [201G;] 201H; provided that this subsection shall not apply to any housing developed under section 46-15 or chapter [201G] 201H if the entire cost of the project is less than \$500,000 and the eligible bidder or eligible developer is a private nonprofit corporation.

“Public work” means any project, including development of any housing pursuant to section 46-15 or chapter [201G;] 201H, and development, construction, renovation, and maintenance related to refurbishment of any real or personal property, where the funds or resources required to undertake the project are to any extent derived, either directly or indirectly, from public revenues of the State or any county, or from the sale of securities or bonds whose interest or dividends are exempt from state or federal taxes.”

SECTION 12. Section 171-18.5, Hawaii Revised Statutes, is amended to read as follows:

**“§171-18.5 Sugarcane lands conveyed for the development of housing projects.** (a) This section applies to the amount to which the department of Hawaiian home lands is entitled pursuant to [Article] article XII, [Section] section 1 of the [State Constitution] state constitution, from land as designated in subsection (e) previously cultivated as sugarcane land under any provision of law [which] that is conveyed by the department to the Hawaii housing finance and development corporation for the development of housing projects as defined under section [201G-1;] 201H-1. The amount to which the department of Hawaiian home lands is entitled shall be determined by multiplying the fair market value of the land by thirty per cent. For the purpose of this section, ~~“fair”~~:

“Fair market value” means the amount of money [which] that a purchaser willing but not obliged to buy the land would pay to an owner willing but not obliged

to sell it, taking into consideration the highest and best use of the land. [~~For the purpose of this section, “highest~~]

“Highest and best use” means the most profitable, probable, and legal use to which the land can be put.

(b) Fair market value shall be determined on a per acre basis pursuant to appraisals performed in conformance with the uniform standards of professional appraisal practice as adopted by the department of commerce and consumer affairs, not more than ninety days before the conveyance of the land to the Hawaii housing finance and development corporation. The appraisals shall be performed by two disinterested appraisers each of whose services shall be contracted by the department and the department of Hawaiian home lands, respectively. If the land is [~~of~~] sugarcane lands and of the public land trust, as defined in section 10-2, the department of Hawaiian home lands and the office of Hawaiian affairs shall contract the services of one appraiser. The parties shall contract the services of the two appraisers within thirty days after the department gives written notice to the department of Hawaiian home lands, together with the office of Hawaiian affairs if the land is [~~of~~] sugarcane lands and of the public land trust, of the proposed conveyance of the land to the Hawaii housing finance and development corporation.

If any party fails or refuses to contract the services of an appraiser, then the other party may petition [~~the presiding judge of~~] the circuit court [~~of the State~~] in the county where the land is located to appoint the other of the two appraisers. If the two appraisers are unable to agree on a fair market value, then within thirty days thereafter, the department and the department of Hawaiian home lands, together with the office of Hawaiian affairs if the land is [~~of~~] sugarcane lands and of the public land trust, shall contract for the services of a mutually [~~selected~~] agreed upon third appraiser and the decision of the majority of the appraisers shall be final with respect to determination of the fair market value[.] of the land. If the department and the department of Hawaiian home lands, together with the office of Hawaiian affairs if the land is [~~of~~] sugarcane lands and of the public land trust, are unable to agree on the selection of the third appraiser, any party may petition [~~the presiding judge of~~] the circuit court [~~of the State~~] in the county where the land is located to appoint the third appraiser.

(c) The amount due to the department of Hawaiian home lands shall be due and payable by the State on the date of conveyance of the land to the Hawaii housing finance and development corporation. Payment to the department of Hawaiian home lands may be in the form of public lands or moneys. If payment is to be made in the form of public lands, the lands shall be mutually agreed upon by the department of land and natural resources and the department of Hawaiian home lands, and shall be of value comparable to the amount due to the department of Hawaiian home lands. Any monetary payment shall be an obligation of the Hawaii housing finance and development corporation. Any portion of that amount that is not paid on the date of conveyance shall be subject to simple interest annually, established pursuant to the fifteen year treasury rate at the time of the conveyance and payable annually by the State to the department of Hawaiian home lands.

(d) Thirty per cent of the revenue received by the Hawaii housing finance and development corporation from commercial, industrial, or other [~~non-residential~~] nonresidential use of the land shall be paid annually to the department of Hawaiian home lands[.]; provided that:

- (1) The department of Hawaiian home lands shall not receive payment under this subsection until the Hawaii housing finance and development corporation recovers all moneys previously paid to the department of Hawaiian home lands for that portion of land used for commercial, industrial, or other [~~non-residential~~] nonresidential purposes;

- (2) If borrowed moneys are used to finance the development of land for commercial, industrial, or other ~~[non-residential]~~ nonresidential purposes, annual payments due to the department of Hawaiian home lands under this subsection shall be made pursuant to the following order of priority:
  - (A) The Hawaii housing finance and development corporation satisfies as a first priority the amount computed annually on the pro rata portion (not the total debt service over the life of the debt) of its total debt service on the borrowed moneys;
  - (B) The Hawaii housing finance and development corporation satisfies as a second priority its operating expense obligations ~~[directly incurred from the development and operating of land used for commercial, industrial, or other [non-residential] nonresidential purposes]~~ in an amount not exceeding one per cent of revenues; and
  - (C) After the first and second priorities are satisfied, the Hawaii housing finance and development corporation shall make annual payments due to the department of Hawaiian home lands under this subsection from any remaining revenues; and
- (3) In the event of a sale of land used for commercial, industrial, or other ~~[non-residential]~~ nonresidential purposes, the department of Hawaiian home lands shall receive thirty per cent of the revenue received by the Hawaii housing finance and development corporation.

(e) This section shall only apply to the Hawaii housing finance and development corporation's developments known as the villages of Leali'i, Maui, and villages of La'i'opua, Hawaii."

SECTION 13. Section 171-19.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Upon fulfillment of the purposes of this section, any unexpended or unencumbered funds appropriated by the legislature or remaining in the infrastructure development fund as of the close of business on December 31, 2004, shall not lapse into that fund or to the credit of the general fund, but shall be transferred to the credit of the Kikala-Keokea housing revolving fund established in section ~~[201G-170.5]~~ 201H-81 as of that date; provided that any unexpended or unencumbered moneys that were provided by the office of Hawaiian affairs and deposited into the infrastructure development fund for the purpose of infrastructure development shall be refunded to the office of Hawaiian affairs upon the completion of the fund's intended purpose. No funds shall be transferred until all funding commitments entered into by the department of land and natural resources to complete the design and construction of infrastructure improvements have been executed."

SECTION 14. Section 201H-10, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) For the purpose of aiding and cooperating in the planning, construction, and operation of housing projects located within their respective territorial boundaries, any state or county agency, upon those terms, with or without consideration, as it determines, may:

- (1) Dedicate, grant, sell, convey, or lease any of its property or grant easements, licenses, or any other rights or privileges therein to the corporation or to the federal government;
- (2) To the extent that it is within the scope of the agency:

- (A) Cause the services customarily provided by the agency to be rendered for the benefit of housing projects and the occupants thereof;
- (B) Provide and maintain parks [and], sewage, water, lights, and other facilities adjacent to or in connection with housing projects;
- (C) Open, close, pave, install, or change the grade of streets, roads, roadways, alleys, sidewalks, or other related facilities; and
- (D) Change the map of a political subdivision or plan, replan, zone, or rezone any part of a political subdivision;
- (3) Enter into agreements with the corporation with respect to the exercise of their powers relating to the repair, closing, or demolition of unsafe, unsanitary, or unfit dwellings;
- (4) Employ, notwithstanding any other law as to what constitutes legal investments, any available funds belonging to them or within their control, including funds derived from the sale or furnishing of property or facilities to the corporation, in the purchase of bonds or other obligations of the corporation [~~to the extent provided under section 201G-161~~]; and exercise all the rights of any holder of the bonds or other obligations;
- (5) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, and construction of [such] those housing projects; and
- (6) Enter into contracts with the corporation or the federal government for any period agreeing to exercise any of the powers conferred hereby or to take any other action in aid of [such] those housing projects.

In connection with the exercise of this power, any political subdivision may incur the entire expense of any [such] public improvements located within its territorial boundaries without assessment against abutting property owners.

For the purpose of aiding and cooperating in the planning, construction, and operation of housing projects, the department of land and natural resources, the Hawaiian homes commission, and any other agency of the State having power to manage or dispose of its public lands, with the approval of the governor and with or without consideration, may grant, sell, convey, or lease, for any period, any parts of [such] those public lands, without limit as to area, to the corporation or to the federal government.

Any law to the contrary notwithstanding, any gift, grant, sale, conveyance, lease, or agreement provided for in this section may be made by the state or county government without appraisal, public notice, advertisement, or public bidding.

If at any time title to, or possession of, any housing project is held by any governmental agency authorized by law to engage in the development or administration of [low-rent] low-income housing or slum clearance projects, any agreement made under this chapter relating to the project shall inure to the benefit of and may be enforced by that governmental agency.

Insofar as this subsection is inconsistent with the provisions of any other law, this subsection shall be controlling.”

SECTION 15. Section 205-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Any department or agency of the State, any department or agency of the county in which the land is situated, or any person with a property interest in the land sought to be reclassified, may petition the land use commission for a change in the boundary of a district. This section applies to all petitions for changes in district boundaries of lands within conservation districts, lands designated or sought to be

designated as important agricultural lands, and lands greater than fifteen acres in the agricultural, rural, and urban districts, except as provided in section [201G-118:] 201H-38. The land use commission shall adopt rules pursuant to chapter 91 to implement section [201G-118:] 201H-38.”

SECTION 16. Section 206-1, Hawaii Revised Statutes, is amended as follows:

1. By adding a definition for “federal government” to read:

““Federal government” shall have the same meaning as set forth in section 201H-1.”

2. By amending the definitions of “government” and “federal government” to read:

““Government” [and “federal government”] shall have the respective meaning set forth in section [201G-1:] 201H-1.”

3. By amending the definition of “lands” to read:

““Lands” means either undeveloped lands or land together with improvements and appurtenances and includes real property as defined in section [201G-1:] 201H-1. All lands owned by the State [or], any political subdivision, or the federal government are “government lands”. All other lands are “private lands”.”

SECTION 17. Section 237-23, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) This chapter shall not apply to the following persons:

- (1) Public service companies [(as that term is defined in section 239-2)], with respect to the gross income, either actual gross income or gross income estimated and adjusted, [which] that is included in the measure of the tax imposed by chapter 239;
- (2) Public utilities owned and operated by the State or any county, or other political subdivision thereof;
- (3) Fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, prepaid legal services, or other benefits to the members of [such] the societies, orders, or associations, and to their dependents;
- (4) Corporations, associations, trusts, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes, as well as that of operating senior citizens housing facilities qualifying for a loan under the laws of the United States as authorized by section 202 of the Housing Act of 1959, as amended, as well as that of operating a prepaid legal services plan, as well as that of operating or managing a homeless facility, or any other program for the homeless authorized under [chapter 201G, part IV:] part VII of chapter 356D;
- (5) Business leagues, chambers of commerce, boards of trade, civic leagues, agricultural and horticultural organizations, and organizations operated exclusively for the benefit of the community and for the promotion of social welfare [which] that shall include the operation of a prepaid legal service plan, and from which no profit inures to the benefit of any private stockholder or individual;
- (6) Hospitals, infirmaries, and sanatoria;

- (7) Cooperative associations incorporated under chapter 421 or Code section 521 cooperatives which fully meet the requirements of section 421-23, except Code section 521 cooperatives need not be organized in Hawaii; provided that:
  - (A) The exemption shall apply only to the gross income derived from activities ~~[which]~~ that are pursuant to purposes and powers authorized by chapter 421, except those provisions pertaining to or requiring corporate organization in Hawaii do not apply to Code section 521 cooperatives;
  - (B) The exemption shall not relieve any person who receives any proceeds of sale from the association of the duty of returning and paying the tax on the total gross proceeds of the sales on account of which the payment was made, in the same amount and at the same rate as would apply thereto had the sales been made directly by the person, and all ~~[such]~~ those persons shall be so taxable; and
  - (C) As used in this paragraph, "section 521 cooperatives" mean associations ~~[which]~~ that qualify as a cooperative under section 521 (with respect to exemption of farmers' cooperatives from tax) of the Internal Revenue Code of 1986, as amended;
- (8) Persons affected with Hansen's disease and kokuas, with respect to business within the county of Kalawao;
- (9) Corporations, companies, associations, or trusts organized for the establishment and conduct of cemeteries no part of the net earnings of which inures to the financial benefit of any private stockholder or individual; ~~[provided that the exemption shall apply only to the activities of [such] those persons in the conduct of cemeteries and shall not apply to any activity the primary purpose of which is to produce income, even though the income is to be used for or in the furtherance of the exempt activities of [such] those persons];~~ and
- (10) Nonprofit shippers associations operating under part 296 of the Civil Aeronautics Board Economic Regulations."

SECTION 18. Section 237-29, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) All gross income received by any qualified person or firm for the planning, design, financing, construction, sale, or lease in the State of a housing project ~~[which]~~ that has been certified or approved under section ~~[201G-116]~~ 201H-36 shall be exempt from general excise taxes.

(b) All gross income received by a nonprofit or a limited distribution mortgagor for a ~~[low]~~ low- and ~~[moderate-income]~~ moderate-income housing project certified or approved under section ~~[201G-116]~~ 201H-36 shall be exempt from general excise taxes."

SECTION 19. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

**"§247-7 Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent shall be paid into the land conservation fund established pursuant to section 173A-5;

- (2) Thirty per cent shall be paid into the rental housing trust fund established by section [201G-432;] 201H-202; and
- (3) Twenty-five per cent shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources in the following priority:
  - (A) To natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;
  - (B) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3; and
  - (C) The youth conservation corps established under chapter 193.”

SECTION 20. Section 321-15.6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The director shall adopt rules regarding adult residential care homes in accordance with chapter 91 that shall be designed to:

- (1) Protect the health, safety, and civil rights of persons residing in facilities regulated;
- (2) Provide for the licensing of adult residential care homes; provided that the rules shall allow group living in two categories of adult residential care homes as licensed by the department of health:
  - (A) Type I allowing five or fewer residents; provided that up to six residents may be allowed at the discretion of the department to live in a type I home; provided further that the primary caregiver or home operator is a certified nurse aide who has completed a state-approved training program and other training as required by the department; and
  - (B) Type II allowing six or more residents, including but not limited to the mentally ill, elders, persons with disabilities, the developmentally disabled, or totally disabled persons who are not related to the home operator or facility staff;
- (3) Comply with applicable federal laws and regulations of Title XVI of the Social Security Act, as amended; and
- (4) Provide penalties for the failure to comply with any rule.

For the purposes of this subsection:

“Developmentally disabled” means a person with developmental disabilities as defined under section 333F-1.

“Elder” has the same meaning as defined under section [201G-1.] 356D-1.

“Mentally ill” means a mentally ill person as defined under section 334-1.

“Persons with disabilities” means persons having a disability under section 515-2.

“Totally disabled person” has the same meaning as a person totally disabled as defined under section 235-1.”

SECTION 21. Section 346-152, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Nothing in this part shall be construed to include:

- (1) A person caring for children related to the caregiver by blood, marriage, or adoption;

- (2) A person, group of persons, or facility caring for a child less than six hours a week;
- (3) A kindergarten, school, or program licensed by the department of education;
- (4) A program that provides exclusively for a specialized training or skill development for children, including[;] but not limited to[;] programs providing [such] activities such as athletic sports, foreign language, the Hawaiian language, dance, drama, music, or martial arts;
- (5) A multiservice organization or community association, duly incorporated under the laws of the State[;which] that operates for the purpose of promoting recreation, health, safety, or social group functions for eligible pupils in public and private schools through seventeen years of age;
- (6) Programs for children four years of age and older[;which] that operate for no more than two consecutive calendar weeks in a three-month period;
- (7) A provider agency operating or managing a homeless facility or any other program for homeless persons authorized under part [IV] VII of chapter [201G;] 356D;
- (8) After-school, weekend, and summer recess programs conducted by the department of education pursuant to section 302A-408;
- (9) Child care programs for children five years of age and older conducted by counties pursuant to section 302A-408; provided that each county [adopt] adopts rules for its programs;
- (10) Any person who enters a home in a child caring capacity and only cares for children who are of that household; and
- (11) A person caring for two or fewer children unrelated to the caregiver by blood, marriage, or adoption.”

SECTION 22. Section 467-2, Hawaii Revised Statutes, is amended to read as follows:

“**§467-2 Exceptions.** The provisions requiring licensing as a real estate broker or salesperson shall not apply:

- (1) To any individual who, as owner of any real estate or acting under power of attorney from the owner, performs any of the acts enumerated in the definitions of real estate broker and real estate salesperson with reference to [such] the real estate; provided that the term “owner” as used in this paragraph shall not include any individual engaged in the business of real estate development or brokerage or include an individual who acquires any interest in any real estate for the purpose or as a means of evading the licensing requirements of this chapter; and provided further that the term individual “acting under power of attorney” as used in this paragraph shall not include any individual engaged in the business of real estate development or brokerage or any individual who acts under a power of attorney for the purpose or as a means of evading the licensing requirements of this chapter;
- (2) To any person acting as a receiver, trustee in bankruptcy, personal representative, or trustee acting under any trust agreement, deed of trust, or will, or otherwise acting under any order of authorization of any court;
- (3) To any individual who leases, offers to lease, rents, or offers to rent, any real estate or the improvements thereon of which the individual is the custodian or caretaker;

- (4) To any person who manages, rents, or operates a hotel; or
- (5) To any provider agency owning, leasing, operating, or managing a homeless facility[;] or any other program for the homeless authorized under part [IV] VII of chapter [201G:] 356D.”

SECTION 23. Section 480-11, Hawaii Revised Statutes, is amended to read as follows:

**“§480-11 Exemption of certain cooperative organizations; insurance transactions; approved mergers of federally regulated companies; homeless facility and program donors and provider agencies.** (a) Nothing in this chapter shall be construed to forbid the existence and operation of fishery, agricultural, or consumer cooperative organizations or associations instituted for the purpose of mutual help[, and which] that are organized and operated under chapter 421[, 422,] or 421C, or [which] that conform and continue to conform to the requirements of the Capper-Volstead Act (7 U.S.C. 291 and 292); provided that if any [such] organization or association monopolizes or restrains trade or commerce in any section of this State to [such] an extent that the price of any fishery, agricultural, or consumer product is unduly enhanced by reason thereof, this chapter shall apply to [such] those acts.

(b) This chapter shall not apply to any transaction in the business of insurance [which] that is in violation of any section of this chapter if the transaction is expressly permitted by the insurance laws of this State; [and] provided [further] that nothing in this section shall render this chapter inapplicable to any agreement to boycott, coerce, or intimidate or any act of boycott, coercion, or intimidation.

(c) This chapter shall not apply to mergers of companies where [such] the mergers are approved by the federal regulatory agency [which] that has jurisdiction and control over [such] the mergers.

(d) This chapter shall not apply to:

- (1) Any provider agencies or donors under [chapter 201G, part IV:] part VII of chapter 356D;
- (2) Any provider agency or donor method or act that complies with [chapter 201G, part IV:] part VII of chapter 356D; or
- (3) Any cooperation or agreement authorized pursuant to rule under [chapter 201G, part IV:] part VII of chapter 356D.”

SECTION 24. Section 514A-14.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

**“(c) This section [does] shall not apply:**

- (1) To apartments developed under chapter [201G:] 201H or 356D;
- (2) To apartments in a mixed-use project developed under chapter 206E that has a shared parking program approved by the Hawaii community development authority; provided that such a program shall require the availability of the use of not less than one parking space per apartment; and
- (3) To apartments designated in the declaration of condominium property regime for hotel, time share, transient vacation rental, or commercial use.”

SECTION 25. Section 514A-108, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

**“(a) This part shall not apply to a project developed pursuant to section 46-15 or 46-15.1, or chapter 53, [201G, or] 201H, 206[;], or 356D; provided that the developer of the project may elect to be subject to this part through a written notification to the commission.”**

SECTION 26. Section 514B-99.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) This subpart shall not apply to:

- (1) A project developed pursuant to section 46-15 or 46-15.1, or chapter 53, ~~[201G, or] 201H, 206[;], or 356D;~~ provided that the developer of the project may elect to be subject to this subpart through a written notification to the commission;
- (2) Condominium projects where the developer conveys all of the residential units in the project to a spouse, or family members related by blood, descent or adoption; and
- (3) Condominium projects consisting of two or fewer units.”

SECTION 27. Section 516-1, Hawaii Revised Statutes, is amended by amending the definition of “corporation” to read as follows:

““Corporation” means the Hawaii housing finance and development corporation created by chapter ~~[H]201H[.]~~.”

SECTION 28. Section 516-31, Hawaii Revised Statutes, is amended to read as follows:

**“§516-31 Disposition by lease.** The Hawaii housing finance and development corporation may lease any of the residential lots in a development tract at ~~[such]~~ lease rentals and upon ~~[such]~~ terms and conditions as it may determine. The leases shall be subject to all of the rights of lessees enumerated in part III ~~[of this chapter]~~. The corporation ~~[may]~~, in its discretion, may utilize any of the residential lots and rent out the same for periods of twenty years or less for the purposes set forth in chapter ~~[H]201H[.]~~, or for any other purpose, all upon ~~[such]~~ terms and conditions as the corporation may determine.”

SECTION 29. Section 516-104, Hawaii Revised Statutes, is amended to read as follows:

**“§516-104 Revenue bonds; investment of proceeds[;] and redemption.** Subject to any agreement with the holders of its revenue bonds, the corporation may:

- (1) Invest its moneys not required for immediate use, including proceeds from the sale of any revenue bonds, in accordance with section ~~[201G-167;] 201H-77; and~~
- (2) Purchase its revenue bonds out of any fund or money of the corporation available therefor, and hold, cancel, or resell the revenue bonds.”

SECTION 30. Section 521-7, Hawaii Revised Statutes, is amended to read as follows:

**“§521-7 Exclusions from application of chapter.** Unless created solely to avoid the application of this chapter, this chapter shall not apply to:

- (1) Residence at an institution, whether public or private, where residence is merely incidental to detention or the provision of medical, geriatric, educational, religious, or similar services;
- (2) Residence in a structure directly controlled and managed by the University of Hawaii for housing students or faculty of the University of Hawaii or residence in a structure erected on land leased from the University of Hawaii by a nonprofit corporation for the exclusive purpose of housing students or faculty of the University of Hawaii;

- (3) Occupancy under a bona fide contract of sale of the dwelling unit or the property of which it is a part where the tenant is, or succeeds to the interest of, the purchaser;
- (4) Residence by a member of a fraternal organization in a structure operated without profit for the benefit of the organization;
- (5) Transient occupancy on a day-to-day basis in a hotel or motel;
- (6) Occupancy by an employee of the owner or landlord whose right to occupancy is conditional upon [such] that employment or by a pensioner of the owner or landlord or occupancy for a period of up to four years subsequent thereto, pursuant to a plan for the transfer of the dwelling unit or the property of which it is a part to the occupant;
- (7) A lease of improved residential land for a term of fifteen years or more, measured from the date of the commencement of the lease;
- (8) Occupancy by the prospective purchaser after an accepted offer to purchase and prior to the actual transfer of the owner's rights;
- (9) Occupancy in a homeless facility[,] or any other program for the homeless authorized under [~~chapter 201G, part IV;~~] part VII of chapter 356D;
- (10) Residence or occupancy in a public housing project or complex directly controlled, owned, or managed by the Hawaii public housing authority pursuant to the federal low rent public housing program; or
- (11) Residence or occupancy in a transitional facility for abused family or household members."

## PART II

SECTION 31. During the regular session of 2006, the legislature enacted a number of measures amending chapter 201G, Hawaii Revised Statutes, the housing and community development corporation of Hawaii. Chapter 201G, Hawaii Revised Statutes, was repealed by Act 180, Session Laws of Hawaii 2006, and the functions and duties of the housing finance and development corporation of Hawaii were divided between two new agencies: The Hawaii housing finance and development corporation (chapter 201H, Hawaii Revised Statutes) and the Hawaii public housing authority (chapter 356D, Hawaii Revised Statutes).

The purpose of this part is to amend chapters 201H and 356D, Hawaii Revised Statutes, to incorporate the amendments that were made to the now repealed chapter 201G, Hawaii Revised Statutes, by Acts 24, 100, 179, and 217, Session Laws of Hawaii 2006.

SECTION 32. Section 201H-38, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The corporation may develop on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of, housing projects that shall be exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon; provided that:

- (1) The corporation finds the housing project is consistent with the purpose and intent of this chapter, and meets minimum requirements of health and safety;
- (2) The development of the proposed housing project does not contravene any safety standards, tariffs, or rates and fees approved by the public

utilities commission for public utilities or of the various boards of water supply authorized under chapter 54;

- (3) The legislative body of the county in which the housing project is to be situated shall have approved the project~~[-]~~ with or without modifications:
  - (A) The legislative body shall approve, approve with modification, or disapprove the project by resolution within forty-five days after the corporation has submitted the preliminary plans and specifications for the project to the legislative body. If on the forty-sixth day a project is not disapproved, it shall be deemed approved by the legislative body;
  - (B) No action shall be prosecuted or maintained against any county, its officials, or employees on account of actions taken by them in reviewing, approving, modifying, or disapproving the plans and specifications; and
  - (C) The final plans and specifications for the project shall be deemed approved by the legislative body if the final plans and specifications do not substantially deviate from the preliminary plans and specifications. The final plans and specifications for the project shall constitute the zoning, building, construction, and subdivision standards for that project. For purposes of sections 501-85 and 502-17, the executive director of the corporation or the responsible county official may certify maps and plans of lands connected with the project as having complied with applicable laws and ordinances relating to consolidation and subdivision of lands, and the maps and plans shall be accepted for registration or recordation by the land court and registrar; and
- (4) The land use commission shall approve, approve with modification, or disapprove a boundary change within forty-five days after the corporation has submitted a petition to the commission as provided in section 205-4. If, on the forty-sixth day, the petition is not disapproved, it shall be deemed approved by the commission."

SECTION 33. Section 201H-202, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

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

SECTION 34. Section 356D-3, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§356D-3]]~~ **Board; establishment, functions, duties.** (a) There is created a board of directors consisting of ~~[nine]~~ eleven members, of whom ~~[seven]~~ nine shall be public members appointed by the governor as provided in section 26-34. Public members shall be appointed from each of the counties of Honolulu, Hawaii, Maui, and Kauai. At least one public member shall be a person who is directly

assisted by the authority under the federal low-rent public housing or federal section 8 tenant-based housing assistance payments program while serving on the board. One public member shall be an advocate for low-income or homeless persons. One public member shall be a person with a disability or an advocate for persons with disabilities. The public members of the board shall serve four-year staggered terms; provided that the initial appointments shall be as follows: four members shall be appointed for four years; three members shall be appointed for three years; and two members shall be appointed for two years. The director of human services, or a designated representative, and a representative of the governor's office, shall be ex officio voting members. The authority shall be headed by the board.

(b) The board of directors shall select a chairperson and vice-chairperson from among its members. The director of human services and the governor's representative shall be ineligible to serve as chairperson of the board.

(c) Seven members shall constitute a quorum, whose affirmative vote shall be necessary for all actions by the authority. The members shall receive no compensation for services, but shall be entitled to necessary expenses, including travel expenses, incurred in the performance of their duties.

SECTION 35. Section 356D-44, Hawaii Revised Statutes, is amended to read as follows:

**“[§356D-44] Administration of state low-income public housing projects and programs.** (a) The authority ~~[may]~~ shall construct, develop, and administer property or housing for the purpose of state low-income public housing projects and programs.

(b) The authority ~~[may]~~ shall offer any decommissioned low-income public housing project, except for federal housing projects, to nonprofit or for-profit organizations or government agencies for rehabilitation into emergency or transitional shelter facilities for the homeless or rehabilitation into rental units that set aside at least fifty per cent of the units to persons or families with incomes at or below fifty per cent of the area median family income<sup>(1)</sup>; provided that:

- (1) The housing project is wholly owned by the State on either state-owned or ceded lands;
- (2) The authority has determined that the housing project is not eligible for rehabilitation using the authority's current resources; and
- (3) The nonprofit or for-profit organization or government agency demonstrates expertise in rehabilitation of housing projects and has community, public, and private resources to substantially pay for the rehabilitation.

The land and improvements may be leased to the nonprofit or for-profit organization or government agency for a period not to exceed ninety-nine years for a sum of \$1 per year.

(c) State low-income housing projects shall be subject to chapter 521.

(d) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the state low-income housing projects or programs and to carry out any state program under subsection (a).”

SECTION 36. Section 356D-91, Hawaii Revised Statutes, is amended by amending the definitions of “public housing project” and “tenant” to read as follows:

““Public housing project” or “complex” means a low-income federally assisted housing project [directly] as established by the United States Housing Act of 1937, as amended, and controlled, owned, developed, or managed by the authority pursuant to [part II.] the federal low-rent public housing program.

“Tenant” means any person occupying a ~~[room,]~~ dwelling ~~[unit,]~~ accommodation or living quarters~~[-or space]~~ in any public housing project, under or by virtue of any tenancy, lease, ~~[license, or permit]~~ or rental agreement under or from the authority.”

SECTION 37. Section 356D-92, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) If the tenant meets with the authority as provided for in subsection (b), the authority shall decide, based upon the facts discussed at the meeting, what action is appropriate to address the tenant’s case. The authority shall notify the tenant of its decision in writing. If the authority decides to proceed with an action to terminate the tenancy, the authority shall further inform the tenant in the same written notice that:

- (1) The tenant has ~~[thirty days]~~ ten business days from receipt of this notice to request a grievance hearing; and
- (2) If the tenant fails to request a grievance hearing within ~~[thirty days,]~~ ten business days, the authority has the right to proceed with the eviction hearing pursuant to section 356D-93.”

SECTION 38. Act 100, Session Laws of Hawaii 2006, is amended by amending section 2 to read as follows:

“SECTION 2. Chapter ~~[201G,]~~ 356D, Hawaii Revised Statutes, is amended by adding a new section in part ~~[IV]~~ VII to be appropriately designated and to read as follows:

**~~“[§201G-] §356D- Temporary emergency housing.~~** (a) In addition to any other duties prescribed by law, the ~~[administration]~~ authority shall develop, in consultation with the four counties, a procedure for identifying locations that shall be used for temporary emergency shelters for homeless individuals and families. The ~~[administration]~~ authority shall actively partner with and monitor the efforts of the counties.

(b) Each county shall be responsible for partnering with nonprofit organizations to locate, designate, and maintain the areas that shall be used for temporary emergency shelters. The designated locations may include private, county, and state lands and federal lands at Kalaeloa.

(c) The ~~[administration]~~ authority shall pursue and secure Barbers Point Barracks as temporary housing for homeless families and individuals.

(d) The ~~[administration]~~ authority shall submit an annual report to the legislature detailing the activities and outcomes under this section no later than twenty days prior to the convening of each regular session beginning with the ~~[2007]~~ 2008 regular session.””

### PART III

SECTION 39. The purpose of this part is to make other conforming amendments to the Hawaii Revised Statutes and Session Laws of Hawaii to implement the repeal of the housing and community development corporation of Hawaii and the transfer of its powers and functions to the Hawaii housing finance and development corporation and the Hawaii public housing authority.

SECTION 40. Section 201H-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Elderly housing project” means a housing project that is intended and operated as housing that satisfies the definition of housing for older persons under 42 United States Code section 3607(b)(2).”

SECTION 41. Section 26-14, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) The ~~[housing and community development corporation of Hawaii]~~ Hawaii public housing authority and the Hawaii state commission on the status of women are placed within the department of human services for administrative purposes only.”

SECTION 42. Section 26-18, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The following are placed in the department of business, economic development, and tourism for administrative purposes as defined by section 26-35: Aloha Tower development corporation, Hawaii community development authority, Hawaii housing finance and development corporation, high technology development corporation, land use commission, natural energy laboratory of Hawaii authority, and any other boards and commissions as shall be provided by law.

The department of business, economic development, and tourism shall be empowered to establish, modify, or abolish statistical boundaries for cities, towns, or villages in the State and shall publish, as expeditiously as possible, an up-to-date list of cities, towns, and villages after changes to statistical boundaries have been made.”

SECTION 43. Section 91-13.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Notwithstanding any other law to the contrary, any agency that reviews and comments upon an application for a business or development-related permit, license, or approval for a housing project developed under section [201G-118] 201H-38 shall respond within forty-five days of receipt of the application, or the application shall be deemed acceptable as submitted to the agency.”

SECTION 44. Section 257-7, Hawaii Revised Statutes, is amended to read as follows:

“~~[H]§257-7[H]~~ **Assets; disregarded.** The department of human services ~~[and the housing and community development corporation of Hawaii]~~ shall collaborate with individual development account fiduciary organizations to ensure that the accounts as provided for in this chapter, including any earned interest, shall be disregarded in the determination of benefits or eligibility for services account holders may receive from ~~[said agencies]~~ the department of human services as allowed by federal and state laws and regulations.

The department of human services shall establish rules to be aligned with individual development accounts ~~[after June 28, 1999].~~”

SECTION 45. Section 302A-831, Hawaii Revised Statutes, is amended to read as follows:

“~~[H]§302A-831[H]~~ **Purpose.** The purpose of this subpart is to transfer the administration of the teachers’ housing program from the ~~[housing and community development corporation of Hawaii]~~ Hawaii public housing authority to the department of education. This subpart also establishes a revolving fund for the accounting and control of receipts and disbursements in connection with the department of education’s functions of planning, constructing, repairing, maintaining, and operating housing programs for teachers employed and assigned by the department of education.”

SECTION 46. Act 291, Session Laws of Hawaii 1980, as amended by Act 304, Session Laws of Hawaii 1996, as amended by Act 185, Session Laws of Hawaii 2004, is amended by amending section 11 to read as follows:

“SECTION 11. **Issuance of revenue bond; amount authorized.** Revenue bonds may be issued by the ~~[housing and community development corporation of Hawaii]~~ Hawaii housing finance and development corporation pursuant to part III, chapter 39 and subpart [B] A of part III of chapter [201G;] 201H, Hawaii Revised Statutes, in an aggregate principal amount not to exceed \$300,000,000, at such times and in such amounts as the ~~[housing and community development corporation of Hawaii]~~ Hawaii housing finance and development corporation deems advisable for the purpose of undertaking and maintaining any of the housing loan programs under subpart [B] A of part III of chapter [201G;] 201H, Hawaii Revised Statutes, relating to the funding or purchasing of eligible project loans.”

SECTION 47. Act 274, Session Laws of Hawaii 1998, is amended by amending section 1 to read as follows:

“SECTION 1. The provisions of section [201G-120(a);] 201H-40(a), Hawaii Revised Statutes, relating to the corporation’s requirement to first offer not less than ten per cent of the total number of units in single-family projects consisting of fifty units or more sponsored by the ~~[housing and community development corporation of Hawaii]~~ Hawaii housing finance and development corporation to owner-builders or nonprofit organizations assisting owner-builders in construction of units, shall not apply to the ~~[housing and community development corporation of Hawaii’s]~~ Hawaii housing finance and development corporation’s current or future development in Kapolei, Oahu, consisting of approximately [888] eight hundred eighty-eight acres, known as the Villages of Kapolei.”

SECTION 48. Act 100, Session Laws of Hawaii 2001, is amended by amending sections 1 and 2 to read as follows:

“SECTION 1. The purpose of this Act is to authorize the ~~[housing and community development corporation of Hawaii;]~~ Hawaii housing finance and development corporation, in coordination with the respective counties, to establish the affordable housing requirements for undeveloped parcels in the villages of Kapolei, Oahu; villages of Leiali‘i, Maui; and villages of La‘i‘opua, Hawaii, irrespective of any other law, rule, or ordinance to the contrary.

SECTION 2. Notwithstanding Act 15, Session Laws of Hawaii 1988, the affordable housing requirements for the undeveloped parcels in the villages of Kapolei, Oahu, villages of Leiali‘i, Maui, and villages of La‘i‘opua, Hawaii, shall be established by agreement between the ~~[housing and community development corporation of Hawaii]~~ Hawaii housing finance and development corporation and the respective counties.

The undeveloped parcels are further defined as follows:

Villages of Kapolei: Tax map key numbers 9-1-16:35, 36, 37, 38, 39, 58, 59, 64, 76, 82, 88, 90, 93; 9-1-79:1 through 35, 54, 129 through 134; 9-1-92:37 through 66, 104; 9-1-104:1 through 88; and 9-1-105:1 through 117.

Villages of Leiali‘i: Tax map key numbers 4-5-21:3, por. 4, 18, 19, por. 20, por. 21, por. 22; and 4-5-36:1 through 14, 55, through 61, 69 through 104.

Villages of La‘i‘opua: Tax map key numbers 7-4-21:1 through 18 and 7-4-20:1 through 7.”

SECTION 49. Act 198, Session Laws of Hawaii 2005, is amended by amending section 3 to read as follows:

“SECTION 3. Notwithstanding Act 15, Session Laws of Hawaii 1988, the affordable housing requirements for the undeveloped parcels in Puukolii village shall be established by agreement among:

- (1) The developer;
- (2) The ~~[housing and community development corporation of Hawaii;]~~ Hawaii housing finance and development corporation; and
- (3) The appropriate agency or department of the county of Maui that is charged with the responsibility of administering affordable housing projects, unless such undeveloped parcels are part of a larger development that requires the approval of the Maui county council.

The affordable housing requirement shall include a requirement for housing that is affordable to households earning up to one hundred twenty per cent of the county median income.

The undeveloped parcels in Puukolii village are defined as tax map key numbers 4-4-02: por. 02 and 4-4-06: por. 01.”

#### PART IV

SECTION 50. This Act shall be amended to conform to all other acts passed by the legislature during the regular session of 2007, whether enacted before or after the effective date of this Act, unless the other acts specifically provide otherwise.

SECTION 51. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 52. This Act shall take effect on July 1, 2007; provided that section 4 of this Act shall take effect on July 1, 2008; provided further that the amendments made by section 19 of this Act shall not be repealed on June 30, 2007, by section 30 of Act 100, Session Laws of Hawaii 2006; provided further that section 33 of this Act shall take effect on June 29, 2007.

(Approved July 3, 2007.)

#### Note

1. Open quote should be underscored.