
A BILL FOR AN ACT

RELATING TO HOUSING PROGRAMS.

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

1 **PART I**

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3 repealed chapter 201G, Hawaii Revised Statutes, the housing and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

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12 repealed chapter 201G, Hawaii Revised Statutes, or any of its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

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



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

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

16 "Highest and best use" means the most profitable, probable,
17 and legal use to which the land can be put.

18 (b) Fair market value shall be determined on a per acre
19 basis pursuant to appraisals performed in conformance with the
20 uniform standards of professional appraisal practice as adopted
21 by the department of commerce and consumer affairs, not more
22 than ninety days before the conveyance of the land to the Hawaii



1 housing finance and development corporation. The appraisals
2 shall be performed by two disinterested appraisers each of whose
3 services shall be contracted by the department of land and
4 natural resources and the office, respectively. If the land is
5 of the public land trust and sugarcane lands, as defined by
6 [~~Article~~] article XII, [~~Section~~] section 1 of the [~~State~~
7 ~~Constitution,~~] state constitution, the office and the department
8 of Hawaiian home lands shall contract the services of one
9 appraiser. The parties shall contract the services of the
10 appraisers within thirty [~~working~~] business days after the
11 department of land and natural resources gives written notice to
12 the office, together with the department of Hawaiian home lands
13 if the land is of the public land trust and sugarcane lands, of
14 the proposed conveyance of the land to the Hawaii housing
15 finance and development corporation.

16 If any party fails or refuses to contract the services of
17 an appraiser, then the other party may petition [~~the presiding~~
18 ~~judge of~~] the circuit court [~~of the State~~] in the county where
19 the land is located to appoint the other of the two appraisers.
20 If the two appraisers are unable to agree on a fair market
21 value, then within thirty days thereafter, the department of
22 land and natural resources and the office, together with the



1 department of Hawaiian home lands if the land is of the public
2 land trust and sugarcane lands, shall contract for the services
3 of a mutually [~~selected~~] agreed upon third appraiser and the
4 decision of the majority of the appraisers shall be final with
5 respect to determination of the fair market value[~~-~~] of the
6 land. If the department of land and natural resources and the
7 office, together with the department of Hawaiian home lands if
8 the land is of the public land trust and sugarcane lands, are
9 unable to agree on the selection of the third appraiser, any
10 party may petition the [~~presiding judge of the~~] circuit court
11 [~~of the State~~] in the county where the land is located to
12 appoint the third appraiser.

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



1 date of conveyance shall be subject to simple interest annually,
2 established pursuant to the fifteen year treasury rate at the
3 time of the conveyance and payable annually by the State to the
4 office.

5 (d) Twenty per cent of the revenue received by the Hawaii
6 housing finance and development corporation from commercial,
7 industrial, or other [~~non-residential~~] nonresidential use of the
8 land shall be paid annually to the office[~~7~~]; provided that:

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

15 (2) If borrowed moneys are used to finance the development
16 of land for commercial, industrial, or other [~~non-~~
17 ~~residential~~] nonresidential purposes, annual payments
18 due to the office under this subsection shall be made
19 pursuant to the following order of priority:

20 (A) The Hawaii housing finance and development
21 corporation satisfies as a first priority the
22 amount computed annually on the pro rata portion



1 (not the total debt service over the life of the
2 debt) of its total debt service on the borrowed
3 moneys;

4 (B) The Hawaii housing finance and development
5 corporation satisfies as a second priority its
6 operating expense obligations [+]directly
7 incurred from the development and [~~operating~~]
8 operation of land used for commercial,
9 industrial, or other [~~non-residential~~]
10 nonresidential purposes[+] in an amount not
11 exceeding one per cent of the revenues for the
12 project; and

13 (C) After the first and second priorities are
14 satisfied, the Hawaii housing finance and
15 development corporation shall make annual
16 payments due to the office under this subsection
17 from any remaining revenues; and

18 (3) In the event of a sale of land used for commercial,
19 industrial, or other [~~non-residential~~] nonresidential
20 purposes, the office shall receive twenty per cent of
21 the revenue received by the Hawaii housing finance and
22 development corporation.



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

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

6 "(f) Effective July 1, 1990, the functions, authority, and
7 obligations, together with the limitations imposed thereon and
8 the privileges and immunities conferred thereby, exercised by a
9 "sheriff", "sheriffs", a "sheriff's deputy", "sheriff's
10 deputies", a "deputy sheriff", "deputy sheriffs", or a "deputy",
11 under sections 21-8, 47-18, [~~88-51,~~] 105-4, [~~134-11,~~] 134-51,
12 183D-11, 187A-14, [~~201C-55, 201C-74,~~] 231-25, 281-108, 281-111,
13 286-52, 286-52.5, 321-1, 322-6, 325-9, [~~325-80,~~] 353-11,
14 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485-6, 501-42,
15 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2,
16 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21,
17 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16,
18 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41,
19 805-1, 806-71, and 832-23 shall be exercised to the same extent
20 by the department of public safety."

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



1 "(f) Effective July 1, 1990, the functions, authority, and
2 obligations, together with the limitations imposed thereon and
3 the privileges and immunities conferred thereby, exercised by a
4 "sheriff", "sheriffs", a "sheriff's deputy", "sheriff's
5 deputies", a "deputy sheriff", "deputy sheriffs", or a "deputy",
6 under sections 21-8, 47-18, [~~88-51,~~] 105-4, [~~134-11,~~] 134-51,
7 183D-11, 187A-14, [~~201G-55, 201G-74,~~] 231-25, 281-108, 281-111,
8 286-52, 286-52.5, 321-1, 322-6, 325-9, [~~325-80,~~] 353-11,
9 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485A-202,
10 501-42, 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29,
11 604-6.2, 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12,
12 634-21, 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13,
13 660-16, 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18,
14 804-41, 805-1, 806-71, and 832-23 shall be exercised to the same
15 extent by the department of public safety."

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

18 "(c) This section shall not affect sections [~~201G-~~
19 ~~312(b)(2),~~] 201H-152(b)(2), 212-7, or 523A-64."

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



1 **"§46-1.5 General powers and limitation of the counties.**

2 Subject to general law, each county shall have the following
3 powers and shall be subject to the following liabilities and
4 limitations:

- 5 (1) Each county shall have the power to frame and adopt a
6 charter for its own self-government [~~7~~ that
7 shall establish the county executive, administrative,
8 and legislative structure and organization,
9 including [~~7~~] but not limited to [~~7~~] the method of
10 appointment or election of officials, their duties,
11 responsibilities, and compensation, and the terms of
12 their office;
- 13 (2) Each county shall have the power to provide for and
14 regulate the marking and lighting of all buildings and
15 other structures that may be obstructions or hazards
16 to aerial navigation, so far as may be necessary or
17 proper for the protection and safeguarding of life,
18 health, and property;
- 19 (3) Each county shall have the power to enforce all claims
20 on behalf of the county and approve all lawful claims
21 against the county, but shall be prohibited from
22 entering into, granting, or making in any manner any



1 contract, authorization, allowance payment, or
2 liability contrary to the provisions of any county
3 charter or general law;

4 (4) Each county shall have the power to make contracts and
5 to do all things necessary and proper to carry into
6 execution all powers vested in the county or any
7 county officer;

8 (5) Each county shall have the power to ~~[maintain]~~:

9 (A) Maintain channels, whether natural or artificial,
10 including their exits to the ocean, in suitable
11 condition to carry off storm waters; ~~[and to~~
12 ~~remove]~~

13 (B) Remove from the channels, and from the shores and
14 beaches, any debris that is likely to create an
15 unsanitary condition or become a public nuisance;
16 provided that, to the extent any of the foregoing
17 work is a private responsibility, the
18 responsibility may be enforced by the county in
19 lieu of the work being done at public expense~~[-~~
20 ~~Counties also shall have the power to~~
21 ~~construct,]~~;



1 (C) Construct, acquire by gift, purchase, or by the
2 exercise of eminent domain, reconstruct, improve,
3 better, extend, and maintain projects or
4 undertakings for the control of and protection
5 against floods and flood waters, including the
6 power to drain and rehabilitate lands already
7 flooded[~~, and to enact~~]; and

8 (D) Enact zoning ordinances providing that lands
9 deemed subject to seasonable, periodic, or
10 occasional flooding shall not be used for
11 residence or other purposes in a manner as to
12 endanger the health or safety of the occupants
13 thereof, as required by the Federal Flood
14 Insurance Act of 1956 (chapter 1025, Public Law
15 1016);

16 (6) Each county shall have the power to exercise the power
17 of condemnation by eminent domain when it is in the
18 public interest to do so;

19 (7) Each county shall have the power to exercise
20 regulatory powers over business activity as are
21 assigned to them by chapter 445 or other general law;



- 1 (8) Each county shall have the power to fix the fees and
2 charges for all official services not otherwise
3 provided for;
- 4 (9) Each county shall have the power to provide by
5 ordinance assessments for the improvement or
6 maintenance of districts within the county;
- 7 (10) Except as otherwise provided, no county shall have the
8 power to give or loan credit to, or in aid of, any
9 person or corporation, directly or indirectly, except
10 for a public purpose;
- 11 (11) Where not within the jurisdiction of the public
12 utilities commission, each county shall have the power
13 to regulate by ordinance the operation of motor
14 vehicle common carriers transporting passengers within
15 the county and adopt and amend rules the county deems
16 necessary for the public convenience and necessity;
- 17 (12) Each county shall have the power to enact and enforce
18 ordinances necessary to prevent or summarily remove
19 public nuisances and to compel the clearing or removal
20 of any public nuisance, refuse, and uncultivated
21 undergrowth from streets, sidewalks, public places,
22 and unoccupied lots[~~, and in these connections, to~~].



1 In connection with these powers, each county may
2 impose and enforce liens upon the property for the
3 cost to the county of removing and completing the
4 necessary work where the property owners fail, after
5 reasonable notice, to comply with the ordinances. The
6 authority provided by this paragraph shall not be
7 self-executing, but shall become fully effective
8 within a county only upon the enactment or adoption by
9 the county of appropriate and particular laws,
10 ordinances, or rules defining "public nuisances" with
11 respect to each county's respective circumstances.
12 The counties shall provide the property owner with the
13 opportunity to contest the summary action and to
14 recover the owner's property;

15 (13) Each county shall have the power to enact ordinances
16 deemed necessary to protect health, life, and
17 property, and to preserve the order and security of
18 the county and its inhabitants on any subject or
19 matter not inconsistent with, or tending to defeat,
20 the intent of any state statute[~~, provided also that~~]
21 where the statute does not disclose an express or



1 implied intent that the statute shall be exclusive or
2 uniform throughout the State;

3 (14) Each county shall have the power to ~~make~~:

4 (A) Make and enforce within the limits of the county
5 all necessary ordinances covering~~+~~ all ~~local~~:

6 (i) Local police matters; ~~all matters~~

7 (ii) Matters of sanitation; ~~all matters~~

8 (iii) Matters of inspection of buildings; ~~all~~
9 ~~matters~~

10 (iv) Matters of condemnation of unsafe
11 structures, plumbing, sewers, dairies, milk,
12 fish, and morgues; ~~all matters~~ and

13 (v) Matters of the collection and disposition of
14 rubbish and garbage; ~~and to provide~~

15 (B) Provide exemptions for homeless facilities and
16 any other program for the homeless authorized by
17 chapter ~~201G,~~ 356D, for all matters under this
18 paragraph; ~~and to appoint~~

19 (C) Appoint county physicians and sanitary and other
20 inspectors as necessary to carry into effect
21 ordinances made under this paragraph, who shall
22 have the same power as given by law to agents of



1 the department of health, subject only to
 2 limitations placed on them by the terms and
 3 conditions of their appointments; and [~~to fix~~]
 4 (D) Fix a penalty for the violation of any ordinance,
 5 which penalty may be a misdemeanor, petty
 6 misdemeanor, or violation as defined by general
 7 law;

8 (15) Each county shall have the power to provide public
 9 pounds[~~7~~]; to regulate the impounding of stray animals
 10 and fowl, and their disposition[~~7~~]; and to provide for
 11 the appointment, powers, duties, and fees of animal
 12 control officers;

13 (16) Each county shall have the power to purchase and
 14 otherwise acquire, lease, and hold real and personal
 15 property within the defined boundaries of the county
 16 and to dispose of the real and personal property as
 17 the interests of the inhabitants of the county may
 18 require, except that: [~~any~~]

19 (A) Any property held for school purposes may not be
 20 disposed of without the consent of the
 21 superintendent of education; [~~no~~]



1 (B) No property bordering the ocean shall be sold or
2 otherwise disposed of; and [~~all~~]

3 (C) All proceeds from the sale of park lands shall be
4 expended only for the acquisition of property for
5 park or recreational purposes;

6 (17) Each county shall have the power to provide by charter
7 for the prosecution of all offenses and to prosecute
8 for offenses against the laws of the State under the
9 authority of the attorney general of the State;

10 (18) Each county shall have the power to make
11 appropriations in amounts deemed appropriate from any
12 moneys in the treasury, for the purpose of
13 [~~community~~]:

14 (A) Community promotion and public celebrations[~~r~~
15 ~~the~~];

16 (B) The entertainment of distinguished persons as may
17 from time to time visit the county[~~r~~~~for the~~];

18 (C) The entertainment of other distinguished persons,
19 as well as, public officials when deemed to be in
20 the best interest of the community[~~r~~~~and the~~];
21 and



1 streets and the public ways, and for flushing the
2 sewers; and

3 (D) Open, close, construct, or maintain county
4 highways or charge toll on county highways;
5 provided that all revenues received from a toll
6 charge shall be used for the construction or
7 maintenance of county highways;

8 (20) Each county shall have the power to regulate the
9 renting, subletting, and rental conditions of property
10 for places of abode by ordinance;

11 (21) Unless otherwise provided by law, each county shall
12 have the power to establish by ordinance the order of
13 succession of county officials in the event of a
14 military or civil disaster;

15 (22) Each county shall have the power to sue and be sued in
16 its corporate name;

17 (23) Each county shall have the power to establish and
18 maintain waterworks and sewer works; to collect rates
19 for water supplied to consumers and for the use of
20 sewers; to install water meters whenever deemed
21 expedient; provided that owners of premises having
22 vested water rights under existing laws appurtenant to



1 the premises shall not be charged for the installation
2 or use of the water meters on the premises; to take
3 over from the State existing waterworks systems,
4 including water rights, pipelines, and other
5 appurtenances belonging thereto, and sewer systems,
6 and to enlarge, develop, and improve the same;

7 (24) (A) Each county may impose civil fines, in addition
8 to criminal penalties, for any violation of
9 county ordinances or rules after reasonable
10 notice and requests to correct or cease the
11 violation have been made upon the violator. Any
12 administratively imposed civil fine shall not be
13 collected until after an opportunity for a
14 hearing under chapter 91. Any appeal shall be
15 filed within thirty days from the date of the
16 final written decision. These proceedings shall
17 not be a prerequisite for any civil fine or
18 injunctive relief ordered by the circuit court;

19 (B) Each county by ordinance may provide for the
20 addition of any unpaid civil fines, ordered by
21 any court of competent jurisdiction, to any
22 taxes, fees, or charges, with the exception of



1 fees or charges for water for residential use and
2 sewer charges, collected by the county. Each
3 county by ordinance may also provide for the
4 addition of any unpaid administratively imposed
5 civil fines, which remain due after all judicial
6 review rights under section 91-14 are exhausted,
7 to any taxes, fees, or charges, with the
8 exception of water for residential use and sewer
9 charges, collected by the county. The ordinance
10 shall specify the administrative procedures for
11 the addition of the unpaid civil fines to the
12 eligible taxes, fees, or charges and may require
13 hearings or other proceedings. After addition of
14 the unpaid civil fines to the taxes, fees, or
15 charges, the unpaid civil fines shall not become
16 a part of any taxes, fees, or charges. The
17 county by ordinance may condition the issuance or
18 renewal of a license, approval, or permit for
19 which a fee or charge is assessed, except for
20 water for residential use and sewer charges, on
21 payment of the unpaid civil fines. Upon
22 recordation of a notice of unpaid civil fines in



1 the bureau of conveyances, the amount of the
2 civil fines, including any increase in the amount
3 of the fine which the county may assess, shall
4 constitute a lien upon all real property or
5 rights to real property belonging to any person
6 liable for the unpaid civil fines. The lien in
7 favor of the county shall be subordinate to any
8 lien in favor of any person recorded or
9 registered prior to the recordation of the notice
10 of unpaid civil fines and senior to any lien
11 recorded or registered after the recordation of
12 the notice. The lien shall continue until the
13 unpaid civil fines are paid in full or until a
14 certificate of release or partial release of the
15 lien, prepared by the county at the owner's
16 expense, is recorded. The notice of unpaid civil
17 fines shall state the amount of the fine as of
18 the date of the notice and maximum permissible
19 daily increase of the fine. The county shall not
20 be required to include a social security number,
21 state general excise taxpayer identification
22 number, or federal employer identification number



1 on the notice. Recordation of the notice in the
2 bureau of conveyances shall be deemed, at such
3 time, for all purposes and without any further
4 action, to procure a lien on land registered in
5 land court under chapter 501. After the unpaid
6 civil fines are added to the taxes, fees, or
7 charges as specified by county ordinance, the
8 unpaid civil fines shall be deemed immediately
9 due, owing, and delinquent and may be collected
10 in any lawful manner. The procedure for
11 collection of unpaid civil fines authorized in
12 this paragraph shall be in addition to any other
13 procedures for collection available to the State
14 and county by law or rules of the courts;

15 (C) Each county may impose civil fines upon any
16 person who places graffiti on any real or
17 personal property owned, managed, or maintained
18 by the county. The fine may be up to \$1,000 or
19 may be equal to the actual cost of having the
20 damaged property repaired or replaced. The
21 parent or guardian having custody of a minor who
22 places graffiti on any real or personal property



1 owned, managed, or maintained by the county shall
2 be jointly and severally liable with the minor
3 for any civil fines imposed hereunder. Any such
4 fine may be administratively imposed after an
5 opportunity for a hearing under chapter 91, but
6 such a proceeding shall not be a prerequisite for
7 any civil fine ordered by any court. As used in
8 this subparagraph, "graffiti" means any
9 unauthorized drawing, inscription, figure, or
10 mark of any type intentionally created by paint,
11 ink, chalk, dye, or similar substances;

12 (D) At the completion of an appeal in which the
13 county's enforcement action is affirmed and upon
14 correction of the violation if requested by the
15 violator, the case [~~will~~] shall be reviewed by
16 the county agency that imposed the civil fines to
17 determine the appropriateness of the amount of
18 the civil fines that accrued while the appeal
19 proceedings were pending. In its review of the
20 amount of the accrued fines, the county agency
21 may consider [~~the following~~]:

1 initial civil fine and any accrued daily civil
 2 fine, shall immediately become due and
 3 collectible following reasonable notice to the
 4 violator. If no review of the accrued civil fine
 5 is requested, the amount of the civil fine, not
 6 to exceed the total accrual of civil fine prior
 7 to correcting the violation, shall immediately
 8 become due and collectible following reasonable
 9 notice to the violator, at the completion of all
 10 appeal proceedings;

11 (F) If no county agency exists to conduct appeal
 12 proceedings for a particular civil fine action
 13 taken by the county, then one shall be
 14 established by ordinance before the county shall
 15 impose ~~that~~ the civil fine;

16 (25) Any law to the contrary notwithstanding, any county
 17 mayor may exempt by executive order donors, provider
 18 agencies, homeless facilities, and any other program
 19 for the homeless under chapter ~~[201G]~~ 356D from real
 20 property taxes, water and sewer development fees,
 21 rates collected for water supplied to consumers and
 22 for use of sewers, and any other county taxes,



1 charges, or fees; provided that any county may enact
2 ordinances to regulate and grant the exemptions
3 granted by this paragraph;

4 (26) Any county may establish a captive insurance company
5 pursuant to article 19, chapter 431; and

6 (27) Each county shall have the power to enact and enforce
7 ordinances regulating towing operations."

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

10 "(f) For purposes of this section:

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

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

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



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

3 "Disabled person" means a person with a disability as
4 defined under section 515-2.

5 "Drug rehabilitation home" means:

- 6 (1) A residential treatment facility that provides a
7 therapeutic residential program for care, diagnosis,
8 treatment, or rehabilitation for socially or
9 emotionally distressed persons, mentally ill persons,
10 persons suffering from substance abuse, and
11 developmentally disabled persons; or
- 12 (2) A supervised living arrangement that provides mental
13 health services, substance abuse services, or
14 supportive services for individuals or families who do
15 not need the structure of a special treatment facility
16 and are transitioning to independent living;
17 provided that drug rehabilitation homes shall not include
18 halfway houses or clean and sober homes.

19 "Elder" means an elder as defined under section [~~201G-1.~~]
20 356D-1.

21 "Halfway house" [~~is defined as~~] means a group living
22 facility for people who:



- 1 (1) Have been released or are under supervised release
2 from a correctional facility;
- 3 (2) Have been released from a mental health treatment
4 facility; or
- 5 (3) Are receiving substance abuse or sex offender
6 treatment; and
- 7 are housed to participate in programs that help them readjust to
8 living in the community.

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

17 "Mental health treatment facility" means a psychiatric
18 facility or special treatment facility as defined under section
19 334-1.

20 "Mentally ill person" has the same meaning as defined under
21 section 334-1.



1 "Totally disabled person" means a "person totally disabled"
2 as defined under section 235-1.

3 "Treatment program" means a "substance abuse program" or
4 "treatment program", as those terms are defined under section
5 353G-2."

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

8 "(a) Any law to the contrary notwithstanding, any county
9 shall have and may exercise the same powers, subject to
10 applicable limitations, as those granted the Hawaii housing
11 finance and development corporation pursuant to chapter [201G]
12 201H insofar as such powers may be reasonably construed to be
13 exercisable by a county for the purpose of developing,
14 constructing, and providing [~~low~~] low- and [~~moderate income~~]
15 moderate-income housing; provided that no county shall be
16 empowered to cause the State to issue general obligation bonds
17 to finance a project pursuant to this section; provided further
18 that county projects shall be granted an exemption from general
19 excise or receipts taxes in the same manner as projects of the
20 Hawaii housing finance and development corporation pursuant to
21 section [~~201G-116~~]; 201H-36; and provided further that [~~the~~
22 ~~provisions of~~] section [~~201G-15~~] 201H-16 shall not apply to this



1 section unless federal guidelines specifically provide local
2 governments with that authorization and the authorization does
3 not conflict with any state laws. The powers shall include the
4 power, subject to applicable limitations, to:

- 5 (1) Develop and construct dwelling units, alone or in
6 partnership with developers;
- 7 (2) Acquire necessary land by lease, purchase, exchange,
8 or eminent domain;
- 9 (3) Provide assistance and aid to a public agency or
10 person in developing and constructing new housing and
11 rehabilitating [~~old~~] existing housing for elders of
12 [~~low~~] low- and [~~moderate-income,~~] moderate-income,
13 other persons of [~~low~~] low- and [~~moderate-income,~~] moderate-income,
14 moderate-income, and persons displaced by any
15 governmental action, by making long-term mortgage or
16 interim construction loans available;
- 17 (4) Contract with any eligible bidders to provide for
18 construction of urgently needed housing for persons of
19 [~~low~~] low- and [~~moderate-income,~~] moderate-income;
- 20 (5) Guarantee the top twenty-five per cent of the
21 principal balance of real property mortgage loans,



- 1 plus interest thereon, made to qualified borrowers by
2 qualified lenders;
- 3 (6) Enter into mortgage guarantee agreements with
4 appropriate officials of any agency or instrumentality
5 of the United States in order to induce those
6 officials to commit to insure or to insure mortgages
7 under [~~the provisions of~~] the National Housing Act, as
8 amended;
- 9 (7) Make a direct loan to any qualified buyer for the
10 downpayment required by a private lender to be made by
11 the borrower as a condition of obtaining a loan from
12 the private lender in the purchase of residential
13 property;
- 14 (8) Provide funds for a share, not to exceed fifty per
15 cent, of the principal amount of a loan made to a
16 qualified borrower by a private lender who is unable
17 otherwise to lend the borrower sufficient funds at
18 reasonable rates in the purchase of residential
19 property; and
- 20 (9) Sell or lease completed dwelling units.



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

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

6 "**§46-15.2 Housing; additional county powers.** In addition
7 and supplemental to the powers granted to counties by section
8 46-15.1, [~~any~~] a county shall have and may exercise any of the
9 following powers:

10 (1) To provide assistance and aid to persons of [~~low~~] low-
11 and [~~moderate-income~~] moderate-income in acquiring
12 housing by [~~providing~~]:

13 (A) Providing loans secured by a mortgage[~~, including~~
14 ~~by acquiring such~~];

15 (B) Acquiring the loans from private lenders [~~for~~
16 ~~which such~~] where the county has made advance
17 commitment to acquire [~~such~~] the loans[~~, and to~~
18 ~~make~~]; and

19 (C) Making and [~~execute~~] executing contracts with
20 private lenders or a public agency for the
21 origination and servicing of [~~such~~] the loans and



1 ~~[pay]~~ paying the reasonable value of ~~[such]~~ the
2 services;

3 (2) In connection with the exercise of any powers granted
4 under this section or section 46-15.1, to establish
5 one or more loan programs and to issue bonds under
6 chapter 47 or 49 to provide moneys to carry out the
7 purposes of this section or section 46-15.1; provided
8 that:

9 (A) If bonds are issued pursuant to chapter 47 to
10 finance one or more loan programs, the county may
11 establish such qualifications as it deems
12 appropriate;

13 (B) If bonds are issued pursuant to chapter 49 to
14 finance one or more loan programs, ~~[such]~~ the
15 loan program or programs shall comply with ~~[the~~
16 ~~provisions of part III.B.]~~ part III, subpart B of
17 chapter ~~[201G.]~~ 201H;

18 (C) If bonds are issued pursuant to section 47-4 or
19 chapter 49, any loan program established pursuant
20 to this section or any county-owned dwelling
21 units constructed under section 46-15.1 shall be
22 and constitute an "undertaking" under section



1 49-1 and [~~the provisions of~~] chapter 49 shall
2 apply to [~~such~~] the loan program or county-owned
3 dwelling units to the extent applicable;

4 (D) In connection with the establishment of any loan
5 program pursuant to this section, a county may
6 employ financial consultants, attorneys, real
7 estate counselors, appraisers, and [~~such~~] other
8 consultants as may be required in the judgment of
9 the county and fix and pay their compensation
10 from funds available to the county therefor;

11 (E) Notwithstanding any limitation otherwise
12 established by law, with respect to the rate of
13 interest on any loan made under any loan program
14 established pursuant to this section, [~~such~~] the
15 loan may bear such rate or rates of interest per
16 year as the county shall determine; provided that
17 no loan made from the proceeds of any bonds of
18 the county shall be under terms or conditions
19 [~~which~~] that would cause the interest on [~~such~~]
20 the bonds to be deemed subject to income taxation
21 by the United States [~~of America~~];



1 (F) Notwithstanding any limitation otherwise
2 established by law, with respect to the amount of
3 compensation permitted to be paid for the
4 servicing of loans made under any loan program
5 established pursuant to this section, a county
6 may fix such reasonable compensation as the
7 county may determine;

8 (G) Notwithstanding the requirement of any other law,
9 a county may establish [~~such~~] separate funds and
10 accounts with respect to bonds issued pursuant to
11 chapter 47 or 49 to provide moneys to carry out
12 the purposes of this section or section 46-15.1
13 as [~~such~~] the county may deem appropriate;

14 (H) Notwithstanding any provision of chapter 47 or 49
15 or of any other law, but subject to the
16 limitations of the [~~State Constitution,~~] state
17 constitution, bonds issued to provide moneys to
18 carry out the purposes of this section or section
19 46-15.1 may be sold at public or private sale at
20 [~~such~~] a price[~~7~~]; may bear interest at [~~such~~] a
21 rate or rates per year[~~7~~]; may be payable at
22 [~~such~~] a time or times[~~7~~]; may mature at [~~such~~] a



1 time or times ~~[7]~~; may be made redeemable before
2 maturity at the option of the county, the holder,
3 or both, at ~~[such]~~ a price or prices and upon
4 ~~[such]~~ terms and conditions ~~[7]~~; and may be issued
5 in coupon or registered form, or both, ~~[all]~~ as
6 the county may determine;

7 (I) If deemed necessary or advisable, the county may
8 designate a national or state bank or trust
9 company within or without the State to serve as
10 trustee for the holders of bonds issued to
11 provide moneys to carry out the purposes of this
12 section or section 46-15.1, and enter into a
13 trust indenture, trust agreement, or indenture of
14 mortgage with such trustee whereby ~~[such]~~ the
15 trustee may be authorized to receive and receipt
16 for, hold, and administer the proceeds of ~~[such]~~
17 the bonds and to apply the proceeds to the
18 purposes for which ~~[such]~~ the bonds are issued,
19 or to receive and receipt for, hold, and
20 administer the revenues and other receipts
21 derived by the county from the application of the
22 proceeds of ~~[such]~~ the bonds and to apply ~~[such]~~



1 the revenues and receipts to the payment of the
2 principal of, or interest on [~~such~~] the bonds, or
3 both. Any [~~such~~] trust indenture, trust
4 agreement, or indenture of mortgage entered into
5 with the trustee may contain any covenants and
6 provisions as may be deemed necessary,
7 convenient, or desirable by the county [~~in order~~]
8 to secure [~~such~~] the bonds. The county may
9 pledge and assign to the trustee any agreements
10 related to the application of the proceeds of
11 [~~such~~] the bonds and the rights of the county
12 thereunder, including the rights to revenues and
13 receipts derived thereunder. Upon appointment of
14 the trustee, the director of finance of the
15 county may elect not to serve as fiscal agent for
16 the payment of the principal and interest, and
17 for the purchase, registration, transfer,
18 exchange, and redemption, of [~~such~~] the bonds[~~τ~~];
19 or may elect to limit the functions the director
20 of finance performs as [~~such~~] a fiscal agent[~~τ~~];
21 and may appoint [~~the~~] a trustee to serve as the
22 fiscal agent[~~τ~~]; and may authorize and empower



1 the trustee to perform [~~such~~] the functions with
2 respect to [~~such~~] payment, purchase,
3 registration, transfer, exchange, and redemption,
4 as the director of finance deems necessary,
5 advisable, or expedient, including, without
6 limitation, the holding of [~~such~~] the bonds and
7 coupons [~~which~~] that have been paid and the
8 supervision and conduction or the destruction
9 thereof in accordance with law;

10 (J) If a trustee is not appointed to collect, hold,
11 and administer the proceeds of bonds issued to
12 provide moneys to carry out the purposes of this
13 section or section 46-15.1, or the revenues and
14 receipts derived by the county from the
15 application of the proceeds of [~~such~~] the bonds,
16 [~~all~~] as provided in subparagraph (I), the
17 director of finance of [~~such~~] the county may hold
18 [~~such~~] the proceeds or revenues and receipts [~~, as~~
19 ~~the case may be,~~] in a separate account in the
20 treasury of the county, to be applied solely to
21 the carrying out of the ordinance, trust
22 indenture, trust agreement, or indenture of



1 mortgage, if any, authorizing or securing [~~such~~
2 the bonds; and

3 (K) Any law to the contrary notwithstanding, the
4 investment of funds held in reserves and sinking
5 funds related to bonds issued to provide moneys
6 to carry out the purposes of this section or
7 section 46-15.1 shall comply with [~~the provisions~~
8 ~~of~~] section [~~201G-167,~~] 201H-77; provided that
9 any investment [~~which~~] that requires approval by
10 the county council pursuant to section 46-48 or
11 46-50 [~~must~~] shall first be approved by the
12 county council[~~;~~];

13 (3) To acquire [~~such~~] policies of insurance and enter into
14 [~~such~~] banking arrangements as [~~such~~] the county may
15 deem necessary [~~in order~~] to better secure bonds
16 issued to provide money to carry out the purposes of
17 this section or section 46-15.1, including[~~;~~] without
18 limitation[~~;~~] contracting for a support facility or
19 facilities as may be necessary with respect to bonds
20 issued with a right of the holders to put [~~such~~] the
21 bonds and contracting for interest rate swaps; and



1 (4) To do any and all other things necessary or
2 appropriate to carry out the purposes and exercise the
3 powers granted in section 46-15.1 and this section."

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

6 "**§53-17 Bonds of agency to be legal investments.** Bonds
7 issued by a redevelopment agency in connection with one or more
8 redevelopment plans or redevelopment projects pursuant to this
9 part shall be legal investments and security for public deposits
10 to the same extent and for the same public officers and bodies,
11 political subdivisions, persons, companies, corporations,
12 associations, banks, institutions, and fiduciaries as bonds or
13 obligations issued by the Hawaii housing finance and development
14 corporation under chapter [~~201G~~] 201H in connection with slum
15 clearance and housing projects."

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

18 "(a) This chapter shall apply to every contract in excess
19 of \$2,000 for construction of a public work project to which a
20 governmental contracting agency is a party; provided that this
21 chapter shall not apply to experimental and demonstration
22 housing developed pursuant to section 46-15 or housing developed



1 pursuant to chapter [~~201G~~] 201H if the cost of the project is
2 less than \$500,000 and the eligible bidder or eligible developer
3 is a private nonprofit corporation.

4 For the purposes of this subsection:

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

8 "Governmental contracting agency" includes any person or
9 entity that causes, either directly or indirectly, the building
10 or development of a public work.

11 "Party" includes eligible bidders for and eligible
12 developers of any public work and any housing under chapter
13 [~~201G~~] 201H; provided that this subsection shall not apply to
14 any housing developed under section 46-15 or chapter [~~201G~~] 201H
15 if the entire cost of the project is less than \$500,000 and the
16 eligible bidder or eligible developer is a private nonprofit
17 corporation.

18 "Public work" means any project, including development of
19 any housing pursuant to section 46-15 or chapter [~~201G~~] 201H,
20 and development, construction, renovation, and maintenance
21 related to refurbishment of any real or personal property, where
22 the funds or resources required to undertake the project are to



1 any extent derived, either directly or indirectly, from public
2 revenues of the State or any county, or from the sale of
3 securities or bonds whose interest or dividends are exempt from
4 state or federal taxes."

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

7 "**§171-18.5 Sugarcane lands conveyed for the development of**
8 **housing projects.** (a) This section applies to the amount to
9 which the department of Hawaiian home lands is entitled pursuant
10 to [~~Article~~] article XII, [~~Section~~] section 1 of the [~~State~~
11 ~~Constitution~~] state constitution, from land as designated in
12 subsection (e) previously cultivated as sugarcane land under any
13 provision of law [~~which~~] that is conveyed by the department to
14 the Hawaii housing finance and development corporation for the
15 development of housing projects as defined under section [~~201G-~~
16 ~~4-~~] 201H-1. The amount to which the department of Hawaiian home
17 lands is entitled shall be determined by multiplying the fair
18 market value of the land by thirty per cent. For the purpose of
19 this section [~~, "fair~~]:

20 "Fair market value" means the amount of money [~~which~~] that
21 a purchaser willing but not obliged to buy the land would pay to
22 an owner willing but not obliged to sell it, taking into



1 consideration the highest and best use of the land. [~~For the~~
2 ~~purpose of this section, "highest]~~

3 "Highest and best use" means the most profitable, probable,
4 and legal use to which the land can be put.

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



1 of the land to the Hawaii housing finance and development
2 corporation.

3 If any party fails or refuses to contract the services of
4 an appraiser, then the other party may petition [~~the presiding~~
5 ~~judge of~~] the circuit court [~~of the State~~] in the county where
6 the land is located to appoint the other of the two appraisers.
7 If the two appraisers are unable to agree on a fair market
8 value, then within thirty days thereafter, the department and
9 the department of Hawaiian home lands, together with the office
10 of Hawaiian affairs if the land is [~~of~~] sugarcane lands and of
11 the public land trust, shall contract for the services of a
12 mutually [~~selected~~] agreed upon third appraiser and the decision
13 of the majority of the appraisers shall be final with respect to
14 determination of the fair market value[~~-~~] of the land. If the
15 department and the department of Hawaiian home lands, together
16 with the office of Hawaiian affairs if the land is [~~of~~]
17 sugarcane lands and of the public land trust, are unable to
18 agree on the selection of the third appraiser, any party may
19 petition [~~the presiding judge of~~] the circuit court [~~of the~~
20 ~~State~~] in the county where the land is located to appoint the
21 third appraiser.



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

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



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

8 (2) If borrowed moneys are used to finance the development
9 of land for commercial, industrial, or other [~~non-~~
10 ~~residential~~] nonresidential purposes, annual payments
11 due to the department of Hawaiian home lands under
12 this subsection shall be made pursuant to the
13 following order of priority:

14 (A) The Hawaii housing finance and development
15 corporation satisfies as a first priority the
16 amount computed annually on the pro rata portion
17 (not the total debt service over the life of the
18 debt) of its total debt service on the borrowed
19 moneys;

20 (B) The Hawaii housing finance and development
21 corporation satisfies as a second priority its
22 operating expense obligations [+]directly



1 incurred from the development and operating of
2 land used for commercial, industrial, or other
3 [~~non-residential~~] nonresidential purposes[+] in
4 an amount not exceeding one per cent of revenues;
5 and

6 (C) After the first and second priorities are
7 satisfied, the Hawaii housing finance and
8 development corporation shall make annual
9 payments due to the department of Hawaiian home
10 lands under this subsection from any remaining
11 revenues; and

12 (3) In the event of a sale of land used for commercial,
13 industrial, or other [~~non-residential~~] nonresidential
14 purposes, the department of Hawaiian home lands shall
15 receive thirty per cent of the revenue received by the
16 Hawaii housing finance and development corporation.

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

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



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

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

19 "(b) For the purpose of aiding and cooperating in the
20 planning, construction, and operation of housing projects
21 located within their respective territorial boundaries, any



1 state or county agency, upon those terms, with or without
2 consideration, as it determines, may:

3 (1) Dedicate, grant, sell, convey, or lease any of its
4 property or grant easements, licenses, or any other
5 rights or privileges therein to the corporation or to
6 the federal government;

7 (2) To the extent that it is within the scope of the
8 agency:

9 (A) Cause the services customarily provided by the
10 agency to be rendered for the benefit of housing
11 projects and the occupants thereof;

12 (B) Provide and maintain parks [~~and~~], sewage, water,
13 lights, and other facilities adjacent to or in
14 connection with housing projects;

15 (C) Open, close, pave, install, or change the grade
16 of streets, roads, roadways, alleys, sidewalks,
17 or other related facilities; and

18 (D) Change the map of a political subdivision or
19 plan, replan, zone, or rezone any part of a
20 political subdivision;

21 (3) Enter into agreements with the corporation with
22 respect to the exercise of their powers relating to



- 1 the repair, closing, or demolition of unsafe,
2 unsanitary, or unfit dwellings;
- 3 (4) Employ, notwithstanding any other law as to what
4 constitutes legal investments, any available funds
5 belonging to them or within their control, including
6 funds derived from the sale or furnishing of property
7 or facilities to the corporation, in the purchase of
8 bonds or other obligations of the corporation [~~to the~~
9 ~~extent provided under section 201G-161~~]; and exercise
10 all the rights of any holder of the bonds or other
11 obligations;
- 12 (5) Do any and all things necessary or convenient to aid
13 and cooperate in the planning, undertaking, and
14 construction of [~~such~~] those housing projects; and
- 15 (6) Enter into contracts with the corporation or the
16 federal government for any period agreeing to exercise
17 any of the powers conferred hereby or to take any
18 other action in aid of [~~such~~] those housing projects.

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



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

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

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

20 Insofar as this subsection is inconsistent with the
21 provisions of any other law, this subsection shall be
22 controlling."



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

3 "(a) Any department or agency of the State, any department
4 or agency of the county in which the land is situated, or any
5 person with a property interest in the land sought to be
6 reclassified, may petition the land use commission for a change
7 in the boundary of a district. This section applies to all
8 petitions for changes in district boundaries of lands within
9 conservation districts, lands designated or sought to be
10 designated as important agricultural lands, and lands greater
11 than fifteen acres in the agricultural, rural, and urban
12 districts, except as provided in section [~~201G-118.~~] 201H-38.
13 The land use commission shall adopt rules pursuant to chapter 91
14 to implement section [~~201G-118.~~] 201H-38."

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

17 1. By adding a definition for "federal government" to
18 read:

19 ""Federal government" shall have the same meaning as set
20 forth in section 201H-1."

21 2. By amending the definitions of "government" and
22 "federal government" to read:



1 "Government" [~~and "federal government"~~] shall have the
2 respective meaning set forth in section [~~201G-1.~~] 201H-1."

3 3. By amending the definition of "lands" to read:

4 "\"Lands\" means either undeveloped lands or land together
5 with improvements and appurtenances and includes real property
6 as defined in section [~~201G-1.~~] 201H-1. All lands owned by the
7 State [~~or~~], any political subdivision, or the federal government
8 are "government lands". All other lands are "private lands"."

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

11 "(a) This chapter shall not apply to the following
12 persons:

13 (1) Public service companies [~~+~~]as that term is defined in
14 section 239-2[~~+~~], with respect to the gross income,
15 either actual gross income or gross income estimated
16 and adjusted, [~~which~~] that is included in the measure
17 of the tax imposed by chapter 239;

18 (2) Public utilities owned and operated by the State or
19 any county, or other political subdivision thereof;

20 (3) Fraternal benefit societies, orders, or associations,
21 operating under the lodge system, or for the exclusive
22 benefit of the members of the fraternity itself,



1 operating under the lodge system, and providing for
2 the payment of death, sick, accident, prepaid legal
3 services, or other benefits to the members of [~~such~~]
4 the societies, orders, or associations, and to their
5 dependents;

6 (4) Corporations, associations, trusts, or societies
7 organized and operated exclusively for religious,
8 charitable, scientific, or educational purposes, as
9 well as that of operating senior citizens housing
10 facilities qualifying for a loan under the laws of the
11 United States as authorized by section 202 of the
12 Housing Act of 1959, as amended, as well as that of
13 operating a prepaid legal services plan, as well as
14 that of operating or managing a homeless facility, or
15 any other program for the homeless authorized under
16 [~~chapter 201C, part IV;~~] part VII of chapter 356D;

17 (5) Business leagues, chambers of commerce, boards of
18 trade, civic leagues, agricultural and horticultural
19 organizations, and organizations operated exclusively
20 for the benefit of the community and for the promotion
21 of social welfare [~~which~~] that shall include the
22 operation of a prepaid legal service plan, and from



1 which no profit inures to the benefit of any private
2 stockholder or individual;

3 (6) Hospitals, infirmaries, and sanitararia;

4 (7) Cooperative associations incorporated under chapter
5 421 or Code section 521 cooperatives which fully meet
6 the requirements of section 421-23, except Code
7 section 521 cooperatives need not be organized in
8 Hawaii; provided that:

9 (A) The exemption shall apply only to the gross
10 income derived from activities [~~which~~] that are
11 pursuant to purposes and powers authorized by
12 chapter 421, except those provisions pertaining
13 to or requiring corporate organization in Hawaii
14 do not apply to Code section 521 cooperatives;

15 (B) The exemption shall not relieve any person who
16 receives any proceeds of sale from the
17 association of the duty of returning and paying
18 the tax on the total gross proceeds of the sales
19 on account of which the payment was made, in the
20 same amount and at the same rate as would apply
21 thereto had the sales been made directly by the



1 person, and all [~~such~~] those persons shall be so
2 taxable; and

3 (C) As used in this paragraph, "section 521
4 cooperatives" mean associations [~~which~~] that
5 qualify as a cooperative under section 521 (with
6 respect to exemption of farmers' cooperatives
7 from tax) of the Internal Revenue Code of 1986,
8 as amended;

9 (8) Persons affected with Hansen's disease and kokuas,
10 with respect to business within the county of Kalawao;

11 (9) Corporations, companies, associations, or trusts
12 organized for the establishment and conduct of
13 cemeteries no part of the net earnings of which inures
14 to the financial benefit of any private stockholder or
15 individual; [~~+~~] provided that the exemption shall apply
16 only to the activities of [~~such~~] those persons in the
17 conduct of cemeteries and shall not apply to any
18 activity the primary purpose of which is to produce
19 income, even though the income is to be used for or in
20 the furtherance of the exempt activities of [~~such~~]
21 those persons[~~+~~]; and



1 (10) Nonprofit shippers associations operating under part
2 296 of the Civil Aeronautics Board Economic
3 Regulations."

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

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

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

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

18 "**§247-7 Disposition of taxes.** All taxes collected under
19 this chapter shall be paid into the state treasury to the credit
20 of the general fund of the State, to be used and expended for
21 the purposes for which the general fund was created and exists
22 by law; provided that of the taxes collected each fiscal year:



- 1 (1) Ten per cent shall be paid into the land conservation
2 fund established pursuant to section 173A-5;
- 3 (2) Thirty per cent shall be paid into the rental housing
4 trust fund established by section [~~201G-432;~~
5 201H-202; and
- 6 (3) Twenty-five per cent shall be paid into the natural
7 area reserve fund established by section 195-9;
8 provided that the funds paid into the natural area
9 reserve fund shall be annually disbursed by the
10 department of land and natural resources in the
11 following priority:
- 12 (A) To natural area partnership and forest
13 stewardship programs after joint consultation
14 with the forest stewardship committee and the
15 natural area reserves system commission;
- 16 (B) Projects undertaken in accordance with watershed
17 management plans pursuant to section 171-58 or
18 watershed management plans negotiated with
19 private landowners, and management of the natural
20 area reserves system pursuant to section 195-3;
21 and



1 (C) The youth conservation corps established under
2 chapter 193."

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

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

8 (1) Protect the health, safety, and civil rights of
9 persons residing in facilities regulated;

10 (2) Provide for the licensing of adult residential care
11 homes; provided that the rules shall allow group
12 living in two categories of adult residential care
13 homes as licensed by the department of health:

14 (A) Type I allowing five or fewer residents; provided
15 that up to six residents may be allowed at the
16 discretion of the department to live in a type I
17 home; provided further that the primary caregiver
18 or home operator is a certified nurse aide who
19 has completed a state-approved training program
20 and other training as required by the department;
21 and



- 1 (B) Type II allowing six or more residents, including
2 but not limited to the mentally ill, elders,
3 persons with disabilities, the developmentally
4 disabled, or totally disabled persons who are not
5 related to the home operator or facility staff;
- 6 (3) Comply with applicable federal laws and regulations of
7 Title XVI of the Social Security Act, as amended; and
- 8 (4) Provide penalties for the failure to comply with any
9 rule.

10 For the purposes of this subsection:

11 "Developmentally disabled" means a person with
12 developmental disabilities as defined under section 333F-1.

13 "Elder" has the same meaning as defined under section
14 [~~201G-1.~~] 356D-1.

15 "Mentally ill" means a mentally ill person as defined under
16 section 334-1.

17 "Persons with disabilities" means persons having a
18 disability under section 515-2.

19 "Totally disabled person" has the same meaning as a person
20 totally disabled as defined under section 235-1."

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



- 1 "(a) Nothing in this part shall be construed to include:
- 2 (1) A person caring for children related to the caregiver
- 3 by blood, marriage, or adoption;
- 4 (2) A person, group of persons, or facility caring for a
- 5 child less than six hours a week;
- 6 (3) A kindergarten, school, or program licensed by the
- 7 department of education;
- 8 (4) A program that provides exclusively for a specialized
- 9 training or skill development for children,
- 10 including~~[7]~~ but not limited to~~[7]~~ programs providing
- 11 ~~[such]~~ activities such as athletic sports, foreign
- 12 language, the Hawaiian language, dance, drama, music,
- 13 or martial arts;
- 14 (5) A multiservice organization or community association,
- 15 duly incorporated under the laws of the State~~[7-which]~~
- 16 that operates for the purpose of promoting recreation,
- 17 health, safety, or social group functions for eligible
- 18 pupils in public and private schools through seventeen
- 19 years of age;
- 20 (6) Programs for children four years of age and older~~[7~~
- 21 ~~which]~~ that operate for no more than two consecutive
- 22 calendar weeks in a three-month period;



1 (7) A provider agency operating or managing a homeless
2 facility or any other program for homeless persons
3 authorized under part [~~IV~~] VII of chapter [~~201G~~;
4 356D;

5 (8) After-school, weekend, and summer recess programs
6 conducted by the department of education pursuant to
7 section 302A-408;

8 (9) Child care programs for children five years of age and
9 older conducted by counties pursuant to section
10 302A-408; provided that each county [~~adopt~~] adopts
11 rules for its programs;

12 (10) Any person who enters a home in a child caring
13 capacity and only cares for children who are of that
14 household; and

15 (11) A person caring for two or fewer children unrelated to
16 the caregiver by blood, marriage, or adoption."

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

19 "**§467-2 Exceptions.** The provisions requiring licensing as
20 a real estate broker or salesperson shall not apply:

21 (1) To any individual who, as owner of any real estate or
22 acting under power of attorney from the owner,



1 performs any of the acts enumerated in the definitions
2 of real estate broker and real estate salesperson with
3 reference to [~~such~~] the real estate; provided that the
4 term "owner" as used in this paragraph shall not
5 include any individual engaged in the business of real
6 estate development or brokerage or include an
7 individual who acquires any interest in any real
8 estate for the purpose or as a means of evading the
9 licensing requirements of this chapter; and provided
10 further that the term individual "acting under power
11 of attorney" as used in this paragraph shall not
12 include any individual engaged in the business of real
13 estate development or brokerage or any individual who
14 acts under a power of attorney for the purpose or as a
15 means of evading the licensing requirements of this
16 chapter;

17 (2) To any person acting as a receiver, trustee in
18 bankruptcy, personal representative, or trustee acting
19 under any trust agreement, deed of trust, or will, or
20 otherwise acting under any order of authorization of
21 any court;



- 1 (3) To any individual who leases, offers to lease, rents,
2 or offers to rent, any real estate or the improvements
3 thereon of which the individual is the custodian or
4 caretaker;
- 5 (4) To any person who manages, rents, or operates a hotel;
6 or
- 7 (5) To any provider agency owning, leasing, operating, or
8 managing a homeless facility~~[7]~~ or any other program
9 for the homeless authorized under part ~~[IV]~~ VII of
10 chapter ~~[201G.]~~ 356D."

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

13 **"§480-11 Exemption of certain cooperative organizations;**
14 **insurance transactions; approved mergers of federally regulated**
15 **companies; homeless facility and program donors and provider**
16 **agencies.** (a) Nothing in this chapter shall be construed to
17 forbid the existence and operation of fishery, agricultural, or
18 consumer cooperative organizations or associations instituted
19 for the purpose of mutual help~~[, and which]~~ that are organized
20 and operated under chapter 421~~[, 422,]~~ or 421C, or ~~[which]~~ that
21 conform and continue to conform to the requirements of the
22 Capper-Volstead Act (7 U.S.C. 291 and 292); provided that if any



1 ~~[such]~~ organization or association monopolizes or restrains
2 trade or commerce in any section of this State to ~~[such]~~ an
3 extent that the price of any fishery, agricultural, or consumer
4 product is unduly enhanced by reason thereof, this chapter shall
5 apply to ~~[such]~~ those acts.

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

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

17 (d) This chapter shall not apply to:

18 (1) Any provider agencies or donors under ~~[chapter 201G,~~
19 ~~part IV;]~~ part VII of chapter 356D;

20 (2) Any provider agency or donor method or act that
21 complies with ~~[chapter 201G, part IV;]~~ part VII of
22 chapter 356D; or



1 (3) Any cooperation or agreement authorized pursuant to
2 rule under [~~chapter 201G, part IV.~~] part VII of
3 chapter 356D."

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

6 "(c) This section [~~does~~] shall not apply:

7 (1) To apartments developed under chapter [~~201G~~] 201H or
8 356D;

9 (2) To apartments in a mixed-use project developed under
10 chapter 206E that has a shared parking program
11 approved by the Hawaii community development
12 authority; provided that such a program shall require
13 the availability of the use of not less than one
14 parking space per apartment; and

15 (3) To apartments designated in the declaration of
16 condominium property regime for hotel, time share,
17 transient vacation rental, or commercial use."

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

20 "(a) This part shall not apply to a project developed
21 pursuant to section 46-15 or 46-15.1, or chapter 53, [~~201G, or~~]
22 201H, 206[+], or 356D; provided that the developer of the



1 project may elect to be subject to this part through a written
2 notification to the commission."

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

5 "(a) This subpart shall not apply to:

6 (1) A project developed pursuant to section 46-15 or
7 46-15.1, or chapter 53, [~~201G, or~~] 201H, 206[+], or
8 356D; provided that the developer of the project may
9 elect to be subject to this subpart through a written
10 notification to the commission;

11 (2) Condominium projects where the developer conveys all
12 of the residential units in the project to a spouse,
13 or family members related by blood, descent or
14 adoption; and

15 (3) Condominium projects consisting of two or fewer
16 units."

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

20 ""Corporation" means the Hawaii housing finance and
21 development corporation created by chapter [+]201H[+]."



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

3 **"§516-31 Disposition by lease.** The Hawaii housing finance
4 and development corporation may lease any of the residential
5 lots in a development tract at [~~such~~] lease rentals and upon
6 [~~such~~] terms and conditions as it may determine. The leases
7 shall be subject to all of the rights of lessees enumerated in
8 part III [~~of this chapter~~]. The corporation [~~may~~], in its
9 discretion, may utilize any of the residential lots and rent out
10 the same for periods of twenty years or less for the purposes
11 set forth in chapter [+]201H[+], or for any other purpose, all
12 upon [~~such~~] terms and conditions as the corporation may
13 determine."

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

16 **"§516-104 Revenue bonds; investment of proceeds[~~7~~] and**
17 **redemption.** Subject to any agreement with the holders of its
18 revenue bonds, the corporation may:

19 (1) Invest its moneys not required for immediate use,
20 including proceeds from the sale of any revenue bonds,
21 in accordance with section [~~201G-167~~] 201H-77; and



1 (2) Purchase its revenue bonds out of any fund or money of
2 the corporation available therefor, and hold, cancel,
3 or resell the revenue bonds."

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

6 "**§521-7 Exclusions from application of chapter.** Unless
7 created solely to avoid the application of this chapter, this
8 chapter shall not apply to:

9 (1) Residence at an institution, whether public or
10 private, where residence is merely incidental to
11 detention or the provision of medical, geriatric,
12 educational, religious, or similar services;

13 (2) Residence in a structure directly controlled and
14 managed by the University of Hawaii for housing
15 students or faculty of the University of Hawaii or
16 residence in a structure erected on land leased from
17 the University of Hawaii by a nonprofit corporation
18 for the exclusive purpose of housing students or
19 faculty of the University of Hawaii;

20 (3) Occupancy under a bona fide contract of sale of the
21 dwelling unit or the property of which it is a part



- 1 where the tenant is, or succeeds to the interest of,
2 the purchaser;
- 3 (4) Residence by a member of a fraternal organization in a
4 structure operated without profit for the benefit of
5 the organization;
- 6 (5) Transient occupancy on a day-to-day basis in a hotel
7 or motel;
- 8 (6) Occupancy by an employee of the owner or landlord
9 whose right to occupancy is conditional upon ~~such~~
10 that employment or by a pensioner of the owner or
11 landlord or occupancy for a period of up to four years
12 subsequent thereto, pursuant to a plan for the
13 transfer of the dwelling unit or the property of which
14 it is a part to the occupant;
- 15 (7) A lease of improved residential land for a term of
16 fifteen years or more, measured from the date of the
17 commencement of the lease;
- 18 (8) Occupancy by the prospective purchaser after an
19 accepted offer to purchase and prior to the actual
20 transfer of the owner's rights;



- 1 (9) Occupancy in a homeless facility~~[7]~~ or any other
2 program for the homeless authorized under [~~chapter~~
3 ~~201G, part IV;~~] part VII of chapter 356D;
- 4 (10) Residence or occupancy in a public housing project or
5 complex directly controlled, owned, or managed by the
6 Hawaii public housing authority pursuant to the
7 federal low rent public housing program; or
- 8 (11) Residence or occupancy in a transitional facility for
9 abused family or household members."

10 **PART II**

11 SECTION 31. During the regular session of 2006, the
12 legislature enacted a number of measures amending chapter 201G,
13 Hawaii Revised Statutes, the housing and community development
14 corporation of Hawaii. Chapter 201G, Hawaii Revised Statutes,
15 was repealed by Act 180, Session Laws of Hawaii 2006, and the
16 functions and duties of the housing finance and development
17 corporation of Hawaii were divided between two new agencies:
18 The Hawaii housing finance and development corporation (chapter
19 201H, Hawaii Revised Statutes) and the Hawaii public housing
20 authority (chapter 356D, Hawaii Revised Statutes).

21 The purpose of this part is to amend chapters 201H and
22 356D, Hawaii Revised Statutes, to incorporate the amendments



1 that were made to the now repealed chapter 201G, Hawaii Revised
2 Statutes, by Acts 24, 100, 179, and 217, Session Laws of Hawaii
3 2006.

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

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

14 (1) The corporation finds the housing project is
15 consistent with the purpose and intent of this
16 chapter, and meets minimum requirements of health and
17 safety;

18 (2) The development of the proposed housing project does
19 not contravene any safety standards, tariffs, or rates
20 and fees approved by the public utilities commission
21 for public utilities or of the various boards of water
22 supply authorized under chapter 54;



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

4 (A) The legislative body shall approve, approve with
5 modification, or disapprove the project by
6 resolution within forty-five days after the
7 corporation has submitted the preliminary plans
8 and specifications for the project to the
9 legislative body. If on the forty-sixth day a
10 project is not disapproved, it shall be deemed
11 approved by the legislative body;

12 (B) No action shall be prosecuted or maintained
13 against any county, its officials, or employees
14 on account of actions taken by them in reviewing,
15 approving, modifying, or disapproving the plans
16 and specifications; and

17 (C) The final plans and specifications for the
18 project shall be deemed approved by the
19 legislative body if the final plans and
20 specifications do not substantially deviate from
21 the preliminary plans and specifications. The
22 final plans and specifications for the project



1 shall constitute the zoning, building,
 2 construction, and subdivision standards for that
 3 project. For purposes of sections 501-85 and
 4 502-17, the executive director of the corporation
 5 or the responsible county official may certify
 6 maps and plans of lands connected with the
 7 project as having complied with applicable laws
 8 and ordinances relating to consolidation and
 9 subdivision of lands, and the maps and plans
 10 shall be accepted for registration or recordation
 11 by the land court and registrar; and

12 (4) The land use commission shall approve, approve with
 13 modification, or disapprove a boundary change within
 14 forty-five days after the corporation has submitted a
 15 petition to the commission as provided in section
 16 205-4. If, on the forty-sixth day, the petition is
 17 not disapproved, it shall be deemed approved by the
 18 commission."

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

21 "(i) For the period commencing July 1, 2005, through
 22 June 30, [~~2007~~,] 2009, the fund may be used to provide grants



1 for rental units set aside for persons and families with incomes
2 at or below thirty per cent of the median family income in any
3 project financed in whole or in part by the fund in proportion
4 of those units to the total number of units in the project. At
5 the conclusion of the period described in this subsection, the
6 corporation shall report to the legislature on the number and
7 use of grants provided and whether the grants were an effective
8 use of the funds for purposes of developing rental housing for
9 families at or below thirty per cent of the median family
10 income."

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

13 "[~~f~~]**\$356D-3**[~~]~~ **Board; establishment, functions, duties.**

14 (a) There is created a board of directors consisting of [~~nine~~]
15 eleven members, of whom [~~seven~~] nine shall be public members
16 appointed by the governor as provided in section 26-34. Public
17 members shall be appointed from each of the counties of
18 Honolulu, Hawaii, Maui, and Kauai. At least one public member
19 shall be a person who is directly assisted by the authority
20 under the federal low-rent public housing or federal section 8
21 tenant-based housing assistance payments program while serving
22 on the board. One public member shall be an advocate for low-



1 income or homeless persons. One public member shall be a person
2 with a disability or an advocate for persons with disabilities.
3 The public members of the board shall serve four-year staggered
4 terms; provided that the initial appointments shall be as
5 follows: four members shall be appointed for four years; three
6 members shall be appointed for three years; and two members
7 shall be appointed for two years. The director of human
8 services, or a designated representative, and a representative
9 of the governor's office, shall be ex officio voting members.
10 The authority shall be headed by the board.

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

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

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



1 " [†]§356D-44[‡] **Administration of state low-income public**
2 **housing projects and programs.** (a) The authority [~~may~~] shall
3 construct, develop, and administer property or housing for the
4 purpose of state low-income public housing projects and
5 programs.

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

14 (1) The housing project is wholly owned by the State on
15 either state-owned or ceded lands;

16 (2) The authority has determined that the housing project
17 is not eligible for rehabilitation using the
18 authority's current resources; and

19 (3) The nonprofit or for-profit organization or government
20 agency demonstrates expertise in rehabilitation of
21 housing projects and has community, public, and



1 private resources to substantially pay for the
2 rehabilitation.

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

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

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

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

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



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

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

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

15 (1) The tenant has [~~thirty days~~] ten business days from
16 receipt of this notice to request a grievance hearing;
17 and

18 (2) If the tenant fails to request a grievance hearing
19 within [~~thirty days,~~] ten business days, the authority
20 has the right to proceed with the eviction hearing
21 pursuant to section 356D-93."



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

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

6 "~~§201G-~~ §356D- **Temporary emergency housing.** (a) In
7 addition to any other duties prescribed by law, the
8 [~~administration~~] authority shall develop, in consultation with
9 the four counties, a procedure for identifying locations that
10 shall be used for temporary emergency shelters for homeless
11 individuals and families. The [~~administration~~] authority shall
12 actively partner with and monitor the efforts of the counties.

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

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

21 (d) The [~~administration~~] authority shall submit an annual
22 report to the legislature detailing the activities and outcomes



1 under this section no later than twenty days prior to the
2 convening of each regular session beginning with the [2007] 2008
3 regular session."

4 **PART III**

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

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

14 "Elderly housing project" means a housing project that is
15 intended and operated as housing that satisfies the definition
16 of housing for older persons under 42 United States Code section
17 3607(b)(2)."

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

20 "(d) The [~~housing and community development corporation of~~
21 ~~Hawaii]~~ Hawaii public housing authority and the Hawaii state



1 commission on the status of women are placed within the
2 department of human services for administrative purposes only."

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

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

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

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

21 "(d) Notwithstanding any other law to the contrary, any
22 agency that reviews and comments upon an application for a



1 business or development-related permit, license, or approval for
2 a housing project developed under section [~~201G-118~~] 201H-38
3 shall respond within forty-five days of receipt of the
4 application, or the application shall be deemed acceptable as
5 submitted to the agency."

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

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

17 The department of human services shall establish rules to
18 be aligned with individual development accounts[~~after June 28,~~
19 ~~1999~~]."

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



1 "~~[+]§302A-831[+]~~ **Purpose.** The purpose of this subpart is
2 to transfer the administration of the teachers' housing program
3 from the ~~[housing and community development corporation of~~
4 ~~Hawaii]~~ Hawaii public housing authority to the department of
5 education. This subpart also establishes a revolving fund for
6 the accounting and control of receipts and disbursements in
7 connection with the department of education's functions of
8 planning, constructing, repairing, maintaining, and operating
9 housing programs for teachers employed and assigned by the
10 department of education."

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

15 "SECTION 11. **Issuance of revenue bond; amount authorized.**
16 Revenue bonds may be issued by the ~~[housing and community~~
17 ~~development corporation of Hawaii]~~ Hawaii housing finance and
18 development corporation pursuant to part III, chapter 39 and
19 subpart ~~[B]~~ A of part III of chapter ~~[201G,]~~ 201H, Hawaii
20 Revised Statutes, in an aggregate principal amount not to exceed
21 \$300,000,000, at such times and in such amounts as the ~~[housing~~
22 ~~and community development corporation of Hawaii]~~ Hawaii housing



1 finance and development corporation deems advisable for the
2 purpose of undertaking and maintaining any of the housing loan
3 programs under subpart ~~[B]~~ A of part III of chapter ~~[201G,]~~
4 201H, Hawaii Revised Statutes, relating to the funding or
5 purchasing of eligible project loans."

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

8 "SECTION 1. The provisions of section ~~[201G-120(a),]~~
9 201H-40(a), Hawaii Revised Statutes, relating to the
10 corporation's requirement to first offer not less than ten per
11 cent of the total number of units in single-family projects
12 consisting of fifty units or more sponsored by the ~~[housing and~~
13 ~~community development corporation of Hawaii]~~ Hawaii housing
14 finance and development corporation to owner-builders or
15 nonprofit organizations assisting owner-builders in construction
16 of units, shall not apply to the ~~[housing and community~~
17 ~~development corporation of Hawaii's]~~ Hawaii housing finance and
18 development corporation's current or future development in
19 Kapolei, Oahu, consisting of approximately ~~[888]~~ eight hundred
20 eighty-eight acres, known as the Villages of Kapolei."

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



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

9 SECTION 2. Notwithstanding Act 15, Session Laws of Hawaii
10 1988, the affordable housing requirements for the undeveloped
11 parcels in the villages of Kapolei, Oahu, villages of Leiali'i,
12 Maui, and villages of La'i'opua, Hawaii, shall be established by
13 agreement between the ~~[housing and community development~~
14 ~~corporation of Hawaii]~~ Hawaii housing finance and development
15 corporation and the respective counties.

16 The undeveloped parcels are further defined as follows:

17 Villages of Kapolei: Tax map key numbers 9-1-16:35, 36, 37,
18 38, 39, 58, 59, 64, 76, 82, 88, 90, 93; 9-1-79:1 through 35, 54,
19 129 through 134; 9-1-92:37 through 66, 104; 9-1-104:1 through
20 88; and 9-1-105:1 through 117.



1 Villages of Leialii'i: Tax map key numbers 4-5-21:3, por. 4,
2 18, 19, por. 20, por. 21, por.22; and 4-5-36:1 through 14, 55,
3 through 61, 69 through 104.

4 Villages of La'i'opua: Tax map key numbers 7-4-21:1 through
5 18 and 7-4-20:1 through 7."

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

8 "SECTION 3. Notwithstanding Act 15, Session Laws of Hawaii
9 1988, the affordable housing requirements for the undeveloped
10 parcels in Puukolii village shall be established by agreement
11 among:

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



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

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

6 **PART IV**

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

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

13 SECTION 52. This Act shall take effect on July 1, 2007;
14 provided that section 4 of this Act shall take effect on July 1,
15 2008; provided further that the amendments made by section 19 of
16 this Act shall not be repealed on June 30, 2007, by section 30
17 of Act 100, Session Laws of Hawaii 2006; provided further that
18 section 33 of this Act shall take effect on June 29, 2007.



H.B. NO. 487
H.D. 1
S.D. 1
C.D. 1

Report Title:

Housing Laws; Technical Amendments

Description:

Makes technical amendments to a variety of state laws to implement the recommendations of the Legislative Reference Bureau report to the legislature pursuant to section 14 of Act 180, Session Laws of Hawaii 2006 concerning references that should be substituted in place of references to the Housing and Community Development Corporation of Hawaii that was repealed. (HB487 CD1)

