
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 Act 180, Session Laws of Hawaii 2006, repealed
3 chapter 201G, Hawaii Revised Statutes, the Housing and Community
4 Development Corporation of Hawaii, and divided its powers and
5 functions between two separate agencies: the Hawaii housing
6 finance and development corporation and the Hawaii public
7 housing authority, established in chapters 201H and 356D, Hawaii
8 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12 repealed chapter 201G, or any of its various sections, and
13 proposing substitutions to the new chapters 201H and 356D,
14 Hawaii Revised Statutes. This part implements these changes.

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

17 "**§10-13.6 Public land trust conveyed for the development**
18 **of housing projects.** (a) This section applies to the revenue



1 derived from [~~any~~] land of the public land trust [~~which~~] as
2 designated in subsection (e) that is conveyed by the department
3 of land and natural resources to the Hawaii housing finance and
4 development corporation for the development of housing projects
5 as defined under [~~sections 201G-1 and 201G-112.~~] section 201H-1.
6 The amount due to the office shall be determined by multiplying
7 the fair market value of the land by twenty per cent. For the
8 purpose of this section, "fair market value" means the amount of
9 money [~~which~~] that a purchaser willing but not obliged to buy
10 the land would pay to an owner willing but not obliged to sell
11 it, taking into consideration the highest and best use of the
12 land. For the purpose of this section, "highest and best use"
13 means the most profitable, probable, and legal use to which the
14 land can be put.

15 (b) Fair market value shall be determined on a per acre
16 basis pursuant to appraisals performed in conformance with the
17 uniform standards of professional appraisal practice as adopted
18 by the department of commerce and consumer affairs, not more
19 than ninety days before the conveyance of the land to the Hawaii
20 housing finance and development corporation. The appraisals
21 shall be performed by two disinterested appraisers each of whose
22 services shall be contracted by the department of land and



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

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



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

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



1 time of the conveyance and payable annually by the State to the
2 office.

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

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

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

18 (A) The Hawaii housing finance and development
19 corporation satisfies as a first priority the
20 amount computed annually on the pro rata portion
21 (not the total debt service over the life of the



1 debt) of its total debt service on the borrowed
2 moneys;

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

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

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



1 (e) This section shall apply only 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, [~~201G-55, 201G-74,~~] 231-25, 281-108, 281-111,
13 286-52, 286-52.5, 321-1, 322-6, 325-9, [~~325-80,~~] 353-11, 356D-
14 54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485-6, 501-42, 501-
15 171, 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, 634-
17 22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16, 666-
18 11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41, 805-
19 1, 806-71, and 832-23 shall be exercised to the same extent by
20 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, 356D-
9 54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485A-202, 501-42,
10 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2,
11 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21, 634-
12 22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16, 666-
13 11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41, 805-
14 1, 806-71, and 832-23 shall be exercised to the same extent by
15 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[~~, which~~] that
7 shall establish the county executive, administrative,
8 and legislative structure and organization,
9 including[~~,~~] but not limited to[~~,~~] 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 police matters; all matters of sanitation; all
7 matters of inspection of buildings; all matters
8 of condemnation of unsafe structures, plumbing,
9 sewers, dairies, milk, fish, and morgues; all
10 matters of the collection and disposition of
11 rubbish and garbage; and to provide exemptions
12 for homeless facilities and any other program for
13 the homeless authorized by chapter ~~[201C7]~~ 356D,
14 for all matters under this paragraph; ~~and to~~
15 ~~appoint~~]

16 (B) Appoint county physicians and sanitary and other
17 inspectors as necessary to carry into effect
18 ordinances made under this paragraph, who shall
19 have the same power as given by law to agents of
20 the department of health, subject only to
21 limitations placed on them by the terms and
22 conditions of their appointments; and ~~[to fix]~~



1 (C) Fix a penalty for the violation of any ordinance,
2 which penalty may be a misdemeanor, petty
3 misdemeanor, or violation as defined by general
4 law;

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

10 (16) Each county shall have the power to purchase and
11 otherwise acquire, lease, and hold real and personal
12 property within the defined boundaries of the county
13 and to dispose of the real and personal property as
14 the interests of the inhabitants of the county may
15 require, except that: any property held for school
16 purposes may not be disposed of without the consent of
17 the superintendent of education; no property bordering
18 the ocean shall be sold or otherwise disposed of; and
19 all proceeds from the sale of park lands shall be
20 expended only for the acquisition of property for park
21 or recreational purposes;



1 (17) Each county shall have the power to provide by charter
2 for the prosecution of all offenses and to prosecute
3 for offenses against the laws of the State under the
4 authority of the attorney general of the State;

5 (18) Each county shall have the power to make
6 appropriations in amounts deemed appropriate from any
7 moneys in the treasury, for the purpose of community
8 promotion and public celebrations, the entertainment
9 of distinguished persons as may from time to time
10 visit the county, for the entertainment of other
11 distinguished persons as well as public officials when
12 deemed to be in the best interest of the community,
13 and the rendering of civic tribute to individuals who,
14 by virtue of their accomplishments and community
15 service, merit civic commendations, recognition, or
16 remembrance;

17 (19) Each county shall have the power to:
18 (A) Construct, purchase, take on lease, lease,
19 sublease, or in any other manner acquire, manage,
20 maintain, or dispose of buildings for county
21 purposes, sewers, sewer systems, pumping
22 stations, waterworks, including reservoirs,



- 1 wells, pipelines, and other conduits for
2 distributing water to the public, lighting
3 plants, and apparatus and appliances for lighting
4 streets and public buildings and manage,
5 regulate, and control the same;
- 6 (B) Regulate and control the location and quality of
7 all appliances necessary to the furnishing of
8 water, heat, light, power, [~~telephonic,~~
9 telephone, and [~~telegraphic~~] telecommunications
10 service to the county;
- 11 (C) Acquire, regulate, and control any and all
12 appliances for the sprinkling and cleaning of the
13 streets and the public ways and for flushing the
14 sewers; and
- 15 (D) Open, close, construct, or maintain county
16 highways or charge toll on county highways;
17 provided that all revenues received from a toll
18 charge shall be used for the construction or
19 maintenance of county highways;
- 20 (20) Each county shall have the power to regulate the
21 renting, subletting, and rental conditions of property
22 for places of abode by ordinance;



- 1 (21) Unless otherwise provided by law, each county shall
2 have the power to establish by ordinance the order of
3 succession of county officials in the event of a
4 military or civil disaster;
- 5 (22) Each county shall have the power to sue and be sued in
6 its corporate name;
- 7 (23) Each county shall have the power to establish and
8 maintain waterworks and sewer works; to collect rates
9 for water supplied to consumers and for the use of
10 sewers; to install water meters whenever deemed
11 expedient; provided that owners of premises having
12 vested water rights under existing laws appurtenant to
13 the premises shall not be charged for the installation
14 or use of the water meters on the premises; to take
15 over from the State existing waterworks systems,
16 including water rights, pipelines, and other
17 appurtenances belonging thereto, and sewer systems,
18 and to enlarge, develop, and improve the same;
- 19 (24) (A) Each county may impose civil fines, in addition
20 to criminal penalties, for any violation of
21 county ordinances or rules after reasonable
22 notice and requests to correct or cease the



1 violation have been made upon the violator. Any
2 administratively imposed civil fine shall not be
3 collected until after an opportunity for a
4 hearing under chapter 91. Any appeal shall be
5 filed within thirty days from the date of the
6 final written decision. These proceedings shall
7 not be a prerequisite for any civil fine or
8 injunctive relief ordered by the circuit court;

9 (B) Each county by ordinance may provide for the
10 addition of any unpaid civil fines, ordered by
11 any court of competent jurisdiction, to any
12 taxes, fees, or charges, with the exception of
13 fees or charges for water for residential use and
14 sewer charges, collected by the county. Each
15 county by ordinance may also provide for the
16 addition of any unpaid administratively imposed
17 civil fines, which remain due after all judicial
18 review rights under section 91-14 are exhausted,
19 to any taxes, fees, or charges, with the
20 exception of water for residential use and sewer
21 charges, collected by the county. The ordinance
22 shall specify the administrative procedures for



1 the addition of the unpaid civil fines to the
2 eligible taxes, fees, or charges and may require
3 hearings or other proceedings. After addition of
4 the unpaid civil fines to the taxes, fees, or
5 charges, the unpaid civil fines shall not become
6 a part of any taxes, fees, or charges. The
7 county by ordinance may condition the issuance or
8 renewal of a license, approval, or permit for
9 which a fee or charge is assessed, except for
10 water for residential use and sewer charges, on
11 payment of the unpaid civil fines. Upon
12 recordation of a notice of unpaid civil fines in
13 the bureau of conveyances, the amount of the
14 civil fines, including any increase in the amount
15 of the fine which the county may assess, shall
16 constitute a lien upon all real property or
17 rights to real property belonging to any person
18 liable for the unpaid civil fines. The lien in
19 favor of the county shall be subordinate to any
20 lien in favor of any person recorded or
21 registered prior to the recordation of the notice
22 of unpaid civil fines and senior to any lien



1 recorded or registered after the recordation of
2 the notice. The lien shall continue until the
3 unpaid civil fines are paid in full or until a
4 certificate of release or partial release of the
5 lien, prepared by the county at the owner's
6 expense, is recorded. The notice of unpaid civil
7 fines shall state the amount of the fine as of
8 the date of the notice and maximum permissible
9 daily increase of the fine. The county shall not
10 be required to include a social security number,
11 state general excise taxpayer identification
12 number, or federal employer identification number
13 on the notice. Recordation of the notice in the
14 bureau of conveyances shall be deemed, at such
15 time, for all purposes and without any further
16 action, to procure a lien on land registered in
17 land court under chapter 501. After the unpaid
18 civil fines are added to the taxes, fees, or
19 charges as specified by county ordinance, the
20 unpaid civil fines shall be deemed immediately
21 due, owing, and delinquent and may be collected
22 in any lawful manner. The procedure for



1 collection of unpaid civil fines authorized in
2 this paragraph shall be in addition to any other
3 procedures for collection available to the State
4 and county by law or rules of the courts;

5 (C) Each county may impose civil fines upon any
6 person who places graffiti on any real or
7 personal property owned, managed, or maintained
8 by the county. The fine may be up to \$1,000 or
9 may be equal to the actual cost of having the
10 damaged property repaired or replaced. The
11 parent or guardian having custody of a minor who
12 places graffiti on any real or personal property
13 owned, managed, or maintained by the county shall
14 be jointly and severally liable with the minor
15 for any civil fines imposed hereunder. Any such
16 fine may be administratively imposed after an
17 opportunity for a hearing under chapter 91, but
18 such a proceeding shall not be a prerequisite for
19 any civil fine ordered by any court. As used in
20 this subparagraph, "graffiti" means any
21 unauthorized drawing, inscription, figure, or



1 mark of any type intentionally created by paint,
2 ink, chalk, dye, or similar substances;
3 (D) At the completion of an appeal in which the
4 county's enforcement action is affirmed and upon
5 correction of the violation if requested by the
6 violator, the case [~~will~~] shall be reviewed by
7 the county agency that imposed the civil fines to
8 determine the appropriateness of the amount of
9 the civil fines that accrued while the appeal
10 proceedings were pending. In its review of the
11 amount of the accrued fines, the county agency
12 may consider the following: nature and
13 egregiousness of the violation, duration of the
14 violation, number of recurring and other similar
15 violations, effort taken by the violator to
16 correct the violation, degree of involvement in
17 causing or continuing the violation, reasons for
18 any delay in the completion of the appeal, and
19 other extenuating circumstances. The civil fine
20 [~~which~~] that is imposed by administrative order
21 after this review is completed and the violation
22 is corrected is subject to only judicial review,



1 notwithstanding any provisions for administrative
2 review in county charters;

3 (E) After completion of a review of the amount of
4 accrued civil fine by the county agency [~~which~~
5 that imposed the fine, the amount of the civil
6 fine determined appropriate, including both the
7 initial civil fine and any accrued daily civil
8 fine, shall immediately become due and
9 collectible following reasonable notice to the
10 violation. If no review of the accrued civil fine
11 is requested, the amount of the civil fine, not
12 to exceed the total accrual of civil fine prior
13 to correcting the violation, shall immediately
14 become due and collectible following reasonable
15 notice to the violator, at the completion of all
16 appeal proceedings;

17 (F) If no county agency exists to conduct appeal
18 proceedings for a particular civil fine action
19 taken by the county, then one shall be
20 established by ordinance before the county shall
21 impose that civil fine;



1 (25) Any law to the contrary notwithstanding, any county
2 mayor may exempt by executive order donors, provider
3 agencies, homeless facilities, and any other program
4 for the homeless under chapter [~~201G~~] 356D from real
5 property taxes, water and sewer development fees,
6 rates collected for water supplied to consumers and
7 for use of sewers, and any other county taxes,
8 charges, or fees; provided that any county may enact
9 ordinances to regulate and grant the exemptions
10 granted by this paragraph;

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

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

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

17 "(f) For purposes of this section:

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

22 (1) Are recovering from substance abuse;



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

5 provided that the home shall meet all applicable laws, codes,

6 and rules of the counties and State.

7 "Developmentally disabled person" means a person suffering

8 from developmental disabilities as defined under section 333F-1.

9 "Disabled person" means a person with a disability as

10 defined under section 515-2.

11 "Drug rehabilitation home" means:

12 (1) A residential treatment facility that provides a

13 therapeutic residential program for care, diagnosis,

14 treatment, or rehabilitation for socially or

15 emotionally distressed persons, mentally ill persons,

16 persons suffering from substance abuse, and

17 developmentally disabled persons; or

18 (2) A supervised living arrangement that provides mental

19 health services, substance abuse services, or

20 supportive services for individuals or families who do

21 not need the structure of a special treatment facility

22 and are transitioning to independent living;



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

3 "Elder" means an elder as defined under section [~~201G-1.~~]
4 356D-1.

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

7 (1) Have been released or are under supervised release
8 from a correctional facility;

9 (2) Have been released from a mental health treatment
10 facility; or

11 (3) Are receiving substance abuse or sex offender
12 treatment; and

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

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



1 "Mental health treatment facility" means a psychiatric
2 facility or special treatment facility as defined under section
3 334-1.

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

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

8 "Treatment program" means a "substance abuse program" or
9 "treatment program", as those terms are defined under section
10 353G-2."

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

13 "(a) Any law to the contrary notwithstanding, any county
14 shall have and may exercise the same powers, subject to
15 applicable limitations, as those granted the Hawaii housing
16 finance and development corporation pursuant to chapter [~~201G~~]
17 201H insofar as such powers may be reasonably construed to be
18 exercisable by a county for the purpose of developing,
19 constructing, and providing [~~low~~] low- and [~~moderate-income~~]
20 moderate-income housing; provided that no county shall be
21 empowered to cause the State to issue general obligation bonds
22 to finance a project pursuant to this section; provided further



1 that county projects shall be granted an exemption from general
 2 excise or receipts taxes in the same manner as projects of the
 3 Hawaii housing finance and development corporation pursuant to
 4 section [~~201G-116~~], 201H-36; and provided further that the
 5 provisions of section [~~201G-15~~] 201H-16 shall not apply to this
 6 section unless federal guidelines specifically provide local
 7 governments with that authorization and the authorization does
 8 not conflict with any state laws. The powers shall include the
 9 power, subject to applicable limitations, to:

- 10 (1) Develop and construct dwelling units, alone or in
 11 partnership with developers;
- 12 (2) Acquire necessary land by lease, purchase, exchange,
 13 or eminent domain;
- 14 (3) Provide assistance and aid to a public agency or
 15 person in developing and constructing new housing and
 16 rehabilitating [~~old~~] existing housing for elders of
 17 low and moderate income, other persons of low and
 18 moderate income, and persons displaced by any
 19 governmental action, by making long-term mortgage or
 20 interim construction loans available;



- 1 (4) Contract with any eligible bidders to provide for
2 construction of urgently needed housing for persons of
3 low and moderate income;
- 4 (5) Guarantee the top twenty-five per cent of the
5 principal balance of real property mortgage loans,
6 plus interest thereon, made to qualified borrowers by
7 qualified lenders;
- 8 (6) Enter into mortgage guarantee agreements with
9 appropriate officials of any agency or instrumentality
10 of the United States in order to induce those
11 officials to commit to insure or to insure mortgages
12 under the provisions of the National Housing Act, as
13 amended;
- 14 (7) Make a direct loan to any qualified buyer for the
15 downpayment required by a private lender to be made by
16 the borrower as a condition of obtaining a loan from
17 the private lender in the purchase of residential
18 property;
- 19 (8) Provide funds for a share, not to exceed fifty per
20 cent, of the principal amount of a loan made to a
21 qualified borrower by a private lender who is unable
22 otherwise to lend the borrower sufficient funds at



1 reasonable rates in the purchase of residential
2 property; and

3 (9) Sell or lease completed dwelling units.

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

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

9 "**§46-15.2 Housing; additional county powers.** In addition
10 and supplemental to the powers granted to counties by section
11 46-15.1, any county shall have and may exercise any of the
12 following powers:

13 (1) To provide assistance and aid to persons of low and
14 moderate income in acquiring housing by ~~[providing]~~:

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

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

21 (C) Making and ~~[execute]~~ executing contracts with
22 private lenders or a public agency for the



1 origination and servicing of [~~such~~] the loans and
2 [~~pay~~] paying the reasonable value of [~~such~~] those
3 services;

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

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

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

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



1 and constitute an "undertaking" under section 49-
2 1 and [~~the provisions of~~] chapter 49 shall apply
3 to [~~such~~] the loan program or county-owned
4 dwelling units to the extent applicable;

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

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



1 may be made redeemable before maturity at the
2 option of the county, the holder, or both, at
3 such price or prices and upon such terms and
4 conditions~~[7]~~; and may be issued in coupon or
5 registered form, or both, all as the county may
6 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 trust
13 indenture, trust agreement, or indenture of
14 mortgage with such trustee whereby such trustee
15 may be authorized to receive and receipt for,
16 hold, and administer the proceeds of ~~[such]~~ those
17 bonds and to apply the proceeds to the purposes
18 for which ~~[such]~~ the bonds are issued, or to
19 receive and receipt for, hold, and administer the
20 revenues and other receipts derived by the county
21 from the application of the proceeds of ~~[such]~~
22 the bonds and to apply ~~[such]~~ the revenues and



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



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

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



1 mortgage, if any, authorizing or securing [~~sueh~~
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 [~~sueh~~] 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 bonds
21 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 [~~2016~~] 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 or
10 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 [~~2016~~] 201H; provided that this subsection shall not apply to
14 any housing developed under section 46-15 or chapter [~~2016~~] 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 [~~2016~~] 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 [~~201C-~~
16 ~~1.~~] 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 market value" means the amount of money
20 [~~which~~] that a purchaser willing but not obliged to buy the land
21 would pay to an owner willing but not obliged to sell it, taking
22 into consideration the highest and best use of the land. For



1 the purpose of this section, "highest and best use" means the
2 most profitable, probable, and legal use to which the land can
3 be put.

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



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

20 (c) The amount due to the department of Hawaiian home
21 lands shall be due and payable by the State on the date of
22 conveyance of the land to the Hawaii housing finance and



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

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

19 (1) The department of Hawaiian home lands shall not
20 receive payment under this subsection until the Hawaii
21 housing finance and development corporation recovers
22 all moneys previously paid to the department of



1 Hawaiian home lands for that portion of land used for
2 commercial, industrial, or other [~~non-residential~~]
3 nonresidential purposes;

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

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

16 (B) The Hawaii housing finance and development
17 corporation satisfies as a second priority its
18 operating expense obligations (directly incurred
19 from the development and operating of land used
20 for commercial, industrial, or other [~~non-~~
21 ~~residential~~] nonresidential purposes) in an



1 amount not exceeding one per cent of revenues;

2 and

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

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

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

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

19 "(c) Upon fulfillment of the purposes of this section, any
20 unexpended or unencumbered funds appropriated by the legislature
21 or remaining in the infrastructure development fund as of the
22 close of business on December 31, 2004, shall not lapse into



1 that fund or to the credit of the general fund, but shall be
2 transferred to the credit of the Kikala-Keokea housing revolving
3 fund established in section [~~201G-170.5~~] 201H-81 as of that
4 date; provided that any unexpended or unencumbered moneys that
5 were provided by the office of Hawaiian affairs and deposited
6 into the infrastructure development fund for the purpose of
7 infrastructure development shall be refunded to the office of
8 Hawaiian affairs upon the completion of the fund's intended
9 purpose. No funds shall be transferred until all funding
10 commitments entered into by the department of land and natural
11 resources to complete the design and construction of
12 infrastructure improvements have been executed."

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

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

20 (1) Dedicate, grant, sell, convey, or lease any of its
21 property or grant easements, licenses, or any other



- 1 rights or privileges therein to the corporation or to
2 the federal government;
- 3 (2) To the extent that it is within the scope of the
4 agency:
- 5 (A) Cause the services customarily provided by the
6 agency to be rendered for the benefit of housing
7 projects and the occupants thereof;
- 8 (B) Provide and maintain parks; and sewage, water,
9 lights, and other facilities adjacent to or in
10 connection with housing projects;
- 11 (C) Open, close, pave, install, or change the grade
12 of streets, roads, roadways, alleys, sidewalks,
13 or other related facilities; and
- 14 (D) Change the map of a political subdivision or
15 plan, replan, zone, or rezone any part of a
16 political subdivision;
- 17 (3) Enter into agreements with the corporation with
18 respect to the exercise of their powers relating to
19 the repair, closing, or demolition of unsafe,
20 unsanitary, or unfit dwellings;
- 21 (4) Employ, notwithstanding any other law as to what
22 constitutes legal investments, any available funds



1 belonging to them or within their control, including
2 funds derived from the sale or furnishing of property
3 or facilities to the corporation, in the purchase of
4 bonds or other obligations of the corporation [~~to the~~
5 ~~extent provided under section 201G-161~~]; and exercise
6 all the rights of any holder of the bonds or other
7 obligations;

8 (5) Do any and all things necessary or convenient to aid
9 and cooperate in the planning, undertaking, and
10 construction of [~~such~~] those housing projects; and

11 (6) Enter into contracts with the corporation or the
12 federal government for any period agreeing to exercise
13 any of the powers conferred hereby or to take any
14 other action in aid of [~~such~~] those housing projects.

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

19 For the purpose of aiding and cooperating in the planning,
20 construction, and operation of housing projects, the department
21 of land and natural resources, the Hawaiian homes commission,
22 and any other agency of the State having power to manage or



1 dispose of its public lands, with the approval of the governor
2 and with or without consideration, may grant, sell, convey, or
3 lease, for any period, any parts of [~~such~~] those public lands,
4 without limit as to area, to the corporation or to the federal
5 government.

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

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

16 Insofar as this subsection is inconsistent with the
17 provisions of any other law, this subsection shall be
18 controlling."

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

21 "(a) Any department or agency of the State, any department
22 or agency of the county in which the land is situated, or any



1 person with a property interest in the land sought to be
2 reclassified, may petition the land use commission for a change
3 in the boundary of a district. This section applies to all
4 petitions for changes in district boundaries of lands within
5 conservation districts, lands designated or sought to be
6 designated as important agricultural lands, and lands greater
7 than fifteen acres in the agricultural, rural, and urban
8 districts, except as provided in section [~~201C-118.~~] 201H-38.
9 The land use commission shall adopt rules pursuant to chapter 91
10 to implement section [~~201C-118.~~] 201H-38."

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

13 1. By amending the definitions of "government" and
14 "federal government" to read:

15 ""Government" and "federal government" shall have the
16 respective [~~meaning~~] meanings set forth in section [~~201C-1.~~]
17 201H-1."

18 2. By amending the definition of "lands" to read:

19 ""Lands" means either undeveloped lands or land together
20 with improvements and appurtenances and includes real property
21 as defined in section [~~201C-1.~~] 201H-1. All lands owned by the



1 State, ~~[or]~~ any political subdivision, or the federal government
2 are "government lands". All other lands are "private lands".

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

5 "(a) This chapter shall not apply to the following
6 persons:

- 7 (1) Public service companies (as that term is defined in
8 section 239-2), with respect to the gross income,
9 either actual gross income or gross income estimated
10 and adjusted, which is included in the measure of the
11 tax imposed by chapter 239;
- 12 (2) Public utilities owned and operated by the State or
13 any county or other political subdivision thereof;
- 14 (3) Fraternal benefit societies, orders, or associations,
15 operating under the lodge system, or for the exclusive
16 benefit of the members of the fraternity itself,
17 operating under the lodge system, and providing for
18 the payment of death, sick, accident, prepaid legal
19 services, or other benefits to the members of such
20 societies, orders, or associations, and to their
21 dependents;



- 1 (4) Corporations, associations, trusts, or societies
2 organized and operated exclusively for religious,
3 charitable, scientific, or educational purposes, as
4 well as that of operating senior citizens housing
5 facilities qualifying for a loan under the laws of the
6 United States as authorized by section 202 of the
7 Housing Act of 1959, as amended, as well as that of
8 operating a prepaid legal services plan, as well as
9 that of operating or managing a homeless facility, or
10 any other program for the homeless authorized under
11 [~~chapter 201C, part IV;~~] part VII of chapter 356D;
- 12 (5) Business leagues, chambers of commerce, boards of
13 trade, civic leagues, agricultural and horticultural
14 organizations, and organizations operated exclusively
15 for the benefit of the community and for the promotion
16 of social welfare which shall include the operation of
17 a prepaid legal service plan, and from which no profit
18 inures to the benefit of any private stockholder or
19 individual;
- 20 (6) Hospitals, infirmaries, and sanitararia;
- 21 (7) Cooperative associations incorporated under chapter
22 421 or Code section 521 cooperatives which fully meet



1 the requirements of section 421-23, except Code
2 section 521 cooperatives need not be organized in
3 Hawaii; provided that:

4 (A) The exemption shall apply only to the gross
5 income derived from activities which are pursuant
6 to purposes and powers authorized by chapter 421,
7 except those provisions pertaining to or
8 requiring corporate organization in Hawaii do not
9 apply to Code section 521 cooperatives;

10 (B) The exemption shall not relieve any person who
11 receives any proceeds of sale from the
12 association of the duty of returning and paying
13 the tax on the total gross proceeds of the sales
14 on account of which the payment was made, in the
15 same amount and at the same rate as would apply
16 thereto had the sales been made directly by the
17 person, and all [~~such~~] those persons shall be so
18 taxable; and

19 (C) As used in this paragraph, "section 521
20 cooperatives" mean associations which qualify as
21 a cooperative under section 521 (with respect to



- 1 exemption of farmers' cooperatives from tax) of
2 the Internal Revenue Code of 1986, as amended;
- 3 (8) Persons affected with Hansen's disease and kokuas,
4 with respect to business within the county of Kalawao;
- 5 (9) Corporations, companies, associations, or trusts
6 organized for the establishment and conduct of
7 cemeteries no part of the net earnings of which inures
8 to the financial benefit of any private stockholder or
9 individual (provided that the exemption shall apply
10 only to the activities of [~~such~~] those persons in the
11 conduct of cemeteries and not to any activity the
12 primary purpose of which is to produce income, even
13 though the income is to be used for or in the
14 furtherance of the exempt activities of [~~such~~] those
15 persons); and
- 16 (10) Nonprofit shippers associations operating under part
17 296 of the Civil Aeronautics Board Economic
18 Regulations."

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

21 "(a) All gross income received by any qualified person or
22 firm for the planning, design, financing, construction, sale, or



1 lease in the State of a housing project which has been certified
2 or approved under section [~~201G-116~~] 201H-36 shall be exempt
3 from general excise taxes.

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

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

10 "**§247-7 Disposition of taxes.** All taxes collected under
11 this chapter shall be paid into the state treasury to the credit
12 of the general fund of the State, to be used and expended for
13 the purposes for which the general fund was created and exists
14 by law; provided that of the taxes collected each fiscal year:

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

17 (2) Thirty per cent shall be paid into the rental housing
18 trust fund established by section [~~201G-432;~~] 201H-
19 202; and

20 (3) Twenty-five per cent shall be paid into the natural
21 area reserve fund established by section 195-9;
22 provided that the funds paid into the natural area



1 reserve fund shall be annually disbursed by the
2 department of land and natural resources in the
3 following priority:

4 (A) To natural area partnership and forest
5 stewardship programs after joint consultation
6 with the forest stewardship committee and the
7 natural area reserves system commission;

8 (B) Projects undertaken in accordance with watershed
9 management plans pursuant to section 171-58 or
10 watershed management plans negotiated with
11 private landowners, and management of the natural
12 area reserves system pursuant to section 195-3;
13 and

14 (C) The youth conservation corps established under
15 chapter 193."

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

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

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



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

22 For the purposes of this subsection:



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

3 "Elder" has the same meaning as defined under section
4 [~~201G-1.~~] 356D-1.

5 "Mentally ill" means a mentally ill person as defined under
6 section 334-1.

7 "Persons with disabilities" means persons having a
8 disability under section 515-2.

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

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

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

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

16 (2) A person, group of persons, or facility caring for a
17 child less than six hours a week;

18 (3) A kindergarten, school, or program licensed by the
19 department of education;

20 (4) A program that provides exclusively for a specialized
21 training or skill development for children,
22 including[~~τ~~] but not limited to[~~τ~~] programs providing



- 1 such activities as athletic sports, foreign language,
2 the Hawaiian language, dance, drama, music, or martial
3 arts;
- 4 (5) A multiservice organization or community association,
5 duly incorporated under the laws of the State, [~~which~~
6 that operates for the purpose of promoting recreation,
7 health, safety, or social group functions for eligible
8 pupils in public and private schools through seventeen
9 years of age;
- 10 (6) Programs for children four years of age and older,
11 [~~which~~] that operate for no more than two consecutive
12 calendar weeks in a three-month period;
- 13 (7) A provider agency operating or managing a homeless
14 facility or any other program for homeless persons
15 authorized under part [~~IV~~] VII of chapter [~~201G,~~
16 356D;
- 17 (8) After-school, weekend, and summer recess programs
18 conducted by the department of education pursuant to
19 section 302A-408;
- 20 (9) Child care programs for children five years of age and
21 older conducted by counties pursuant to section 302A-



1 408; provided that each county [~~adopt~~] adopts rules
2 for its programs;

3 (10) Any person who enters a home in a child caring
4 capacity and only cares for children who are of that
5 household; and

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

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

10 "**§467-2 Exceptions.** The provisions requiring licensing as
11 a real estate broker or salesperson shall not apply:

12 (1) To any individual who, as owner of any real estate or
13 acting under power of attorney from the owner,
14 performs any of the acts enumerated in the definitions
15 of real estate broker and real estate salesperson with
16 reference to such real estate; provided that the term
17 "owner" as used in this paragraph shall not include
18 any individual engaged in the business of real estate
19 development or brokerage or include an individual who
20 acquires any interest in any real estate for the
21 purpose or as a means of evading the licensing
22 requirements of this chapter; and provided further



1 that the term individual "acting under power of
 2 attorney" as used in this paragraph shall not include
 3 any individual engaged in the business of real estate
 4 development or brokerage or any individual who acts
 5 under a power of attorney for the purpose or as a
 6 means of evading the licensing requirements of this
 7 chapter;

8 (2) To any person acting as a receiver, trustee in
 9 bankruptcy, personal representative, or trustee acting
 10 under any trust agreement, deed of trust, or will, or
 11 otherwise acting under any order of authorization of
 12 any court;

13 (3) To any individual who leases, offers to lease, rents,
 14 or offers to rent, any real estate or the improvements
 15 thereon of which the individual is the custodian or
 16 caretaker;

17 (4) To any person who manages, rents, or operates a hotel;
 18 or

19 (5) To any provider agency owning, leasing, operating, or
 20 managing a homeless facility[~~r~~] or any other program
 21 for the homeless authorized under part [~~IV~~] VII of
 22 chapter [~~201G.~~] 356D."



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

3 **"§480-11 Exemption of certain cooperative organizations;**
4 **insurance transactions; approved mergers of federally regulated**
5 **companies; homeless facility and program donors and provider**
6 **agencies.** (a) Nothing in this chapter shall be construed to
7 forbid the existence and operation of fishery, agricultural, or
8 consumer cooperative organizations or associations instituted
9 for the purpose of mutual help [~~and which~~] that are organized
10 and operated under chapter 421, 422, or 421C, or [~~which~~] that
11 conform and continue to conform to the requirements of the
12 Capper-Volstead Act (7 U.S.C. 291 and 292); provided that if any
13 such organization or association monopolizes or restrains trade
14 or commerce in any section of this State to such an extent that
15 the price of any fishery, agricultural, or consumer product is
16 unduly enhanced by reason thereof, this chapter shall apply to
17 [~~such~~] those acts.

18 (b) This chapter shall not apply to any transaction in the
19 business of insurance [~~which~~] that is in violation of any
20 section of this chapter if the transaction is expressly
21 permitted by the insurance laws of this State; [~~and~~] provided
22 [~~further~~] that nothing in this section shall render this chapter



1 inapplicable to any agreement to boycott, coerce, or intimidate
2 or any act of boycott, coercion, or intimidation.

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

7 (d) This chapter shall not apply to:

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

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

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

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

18 "(c) This section does not apply:

19 (1) To apartments developed under chapter [~~201G;~~] 201H or
20 356D;

21 (2) To apartments in a mixed-use project developed under
22 chapter 206E that has a shared parking program



1 approved by the Hawaii community development
2 authority; provided that such a program shall require
3 the availability of the use of not less than one
4 parking space per apartment; and

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

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

10 "(a) This part shall not apply to a project developed
11 pursuant to section 46-15 or 46-15.1, or chapter 53, [~~201G, or~~]
12 201H, 206[+], or 356D; provided that the developer of the
13 project may elect to be subject to this part through a written
14 notification to the commission."

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

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

18 (1) A project developed pursuant to section 46-15 or
19 46-15.1, or chapter 53, [~~201G, or~~] 201H, 206[+], or
20 356D; provided that the developer of the project may
21 elect to be subject to this subpart through a written
22 notification to the commission;



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

5 (3) Condominium projects consisting of two or fewer
6 units."

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

10 ""Corporation" means the Hawaii housing finance and
11 development corporation created by chapter [†]201H[†]."

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

14 "**§516-31 Disposition by lease.** The Hawaii housing finance
15 and development corporation may lease any of the residential
16 lots in a development tract at such lease rentals and upon such
17 terms and conditions as it may determine. The leases shall be
18 subject to all of the rights of lessees enumerated in part III
19 [~~of this chapter~~]. The corporation [~~may~~], in its discretion,
20 may utilize any of the residential lots and rent out the same
21 for periods of twenty years or less for the purposes set forth



1 in chapter [~~+~~201H~~+~~], or for any other purpose, all upon such
2 terms and conditions as the corporation may determine."

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

5 "**§516-104 Revenue bonds; investment of proceeds~~[7]~~ and**
6 **redemption.** Subject to any agreement with the holders of its
7 revenue bonds, the corporation may:

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

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

16 "**§521-7 Exclusions from application of chapter.** Unless
17 created solely to avoid the application of this chapter, this
18 chapter shall not apply to:

- 19 (1) Residence at an institution, whether public or
20 private, where residence is merely incidental to
21 detention or the provision of medical, geriatric,
22 educational, religious, or similar services;



- 1 (2) Residence in a structure directly controlled and
2 managed by the University of Hawaii for housing
3 students or faculty of the University of Hawaii or
4 residence in a structure erected on land leased from
5 the University of Hawaii by a nonprofit corporation
6 for the exclusive purpose of housing students or
7 faculty of the University of Hawaii;
- 8 (3) Occupancy under a bona fide contract of sale of the
9 dwelling unit or the property of which it is a part
10 where the tenant is, or succeeds to the interest of,
11 the purchaser;
- 12 (4) Residence by a member of a fraternal organization in a
13 structure operated without profit for the benefit of
14 the organization;
- 15 (5) Transient occupancy on a day-to-day basis in a hotel
16 or motel;
- 17 (6) Occupancy by an employee of the owner or landlord
18 whose right to occupancy is conditional upon [~~such~~]
19 that employment or by a pensioner of the owner or
20 landlord or occupancy for a period of up to four years
21 subsequent thereto, pursuant to a plan for the



- 1 transfer of the dwelling unit or the property of which
2 it is a part to the occupant;
- 3 (7) A lease of improved residential land for a term of
4 fifteen years or more, measured from the date of the
5 commencement of the lease;
- 6 (8) Occupancy by the prospective purchaser after an
7 accepted offer to purchase and prior to the actual
8 transfer of the owner's rights;
- 9 (9) Occupancy in a homeless facility[~~7~~] or any other
10 program for the homeless authorized under [~~chapter~~
11 ~~201G, part IV;~~] part VII of chapter 356D;
- 12 (10) Residence or occupancy in a public housing project or
13 complex directly controlled, owned, or managed by the
14 Hawaii public housing authority pursuant to the
15 federal low rent public housing program; or
- 16 (11) Residence or occupancy in a transitional facility for
17 abused family or household members."

PART II

19 SECTION 31. During the regular session of 2006, the
20 legislature enacted a number of measures amending chapter 201G,
21 Hawaii Revised Statutes, the housing and community development
22 corporation of Hawaii. Chapter 201G was repealed by Act 180,



1 Session Laws of Hawaii 2006, and the functions and duties of the
2 housing finance and development corporation of Hawaii were
3 divided between two new agencies: The Hawaii housing finance
4 and development corporation (chapter 201H, Hawaii Revised
5 Statutes) and the Hawaii public housing authority (chapter 356D,
6 Hawaii Revised Statutes).

7 The purpose of this part is to amend chapters 201H and
8 356D, Hawaii Revised Statutes, to incorporate the amendments
9 that were made to the now repealed chapter 201G, Hawaii Revised
10 Statutes, by Acts 24, 100, 179, and 217, Session Laws of Hawaii
11 2006.

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

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



- 1 (1) The corporation finds the housing project is
2 consistent with the purpose and intent of this
3 chapter, and meets minimum requirements of health and
4 safety;
- 5 (2) The development of the proposed housing project does
6 not contravene any safety standards, tariffs, or rates
7 and fees approved by the public utilities commission
8 for public utilities or of the various boards of water
9 supply authorized under chapter 54;
- 10 (3) The legislative body of the county in which the
11 housing project is to be situated shall have approved
12 the project[+] with or without modifications:
- 13 (A) The legislative body shall approve, approve with
14 modification, or disapprove the project by
15 resolution within forty-five days after the
16 corporation has submitted the preliminary plans
17 and specifications for the project to the
18 legislative body. If on the forty-sixth day a
19 project is not disapproved, it shall be deemed
20 approved by the legislative body;
- 21 (B) No action shall be prosecuted or maintained
22 against any county, its officials, or employees



1 on account of actions taken by them in reviewing,
2 approving, modifying, or disapproving the plans
3 and specifications; and

4 (C) The final plans and specifications for the
5 project shall be deemed approved by the
6 legislative body if the final plans and
7 specifications do not substantially deviate from
8 the preliminary plans and specifications. The
9 final plans and specifications for the project
10 shall constitute the zoning, building,
11 construction, and subdivision standards for that
12 project. For purposes of sections 501-85 and
13 502-17, the executive director of the corporation
14 or the responsible county official may certify
15 maps and plans of lands connected with the
16 project as having complied with applicable laws
17 and ordinances relating to consolidation and
18 subdivision of lands, and the maps and plans
19 shall be accepted for registration or recordation
20 by the land court and registrar; and

21 (4) The land use commission shall approve, approve with
22 modification, or disapprove a boundary change within



1 forty-five days after the corporation has submitted a
2 petition to the commission as provided in section
3 205-4. If on the forty-sixth day the petition is not
4 disapproved, it shall be deemed approved by the
5 commission."

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

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

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



1 " ~~[+]~~§356D-3~~[+]~~ **Board; establishment, functions, duties.**

2 (a) There is created a board of directors consisting of [~~nine~~]
3 eleven members, of whom [~~seven~~] nine shall be public members
4 appointed by the governor as provided in section 26-34. Public
5 members shall be appointed from each of the counties of
6 Honolulu, Hawaii, Maui, and Kauai. At least one public member
7 shall be a person who is directly assisted by the authority
8 under the federal low-rent public housing or federal section 8
9 tenant-based housing assistance payments program while serving
10 on the board. One public member shall be an advocate for low-
11 income or homeless persons. One public member shall be a person
12 with a disability or an advocate for persons with disabilities.
13 The public members of the board shall serve four-year staggered
14 terms; provided that the initial appointments shall be as
15 follows: four members to be appointed for four years; three
16 members to be appointed for three years; and two members to be
17 appointed for two years. The director of human services, or a
18 designated representative, and a representative of the
19 governor's office, shall be ex officio voting members. The
20 authority shall be headed by the board.

21 (b) The board of directors shall select a chairperson and
22 vice-chairperson from among its members. The director of human



1 services and the governor's representative shall be ineligible
2 to serve as chairperson of the board.

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

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

10 "[~~§~~§356D-44[~~§~~] **Administration of state low-income public**
11 **housing projects and programs.** (a) The authority [~~may~~] shall
12 construct, develop, and administer property or housing for the
13 purpose of state low-income public housing projects and
14 programs.

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



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

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

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

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



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

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

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

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

17 "(f) If the tenant meets with the authority as provided
18 for in subsection (b), the authority shall decide, based upon
19 the facts discussed at the meeting, what action is appropriate
20 to address the tenant's case. The authority shall notify the
21 tenant of its decision in writing. If the authority decides to



1 proceed with an action to terminate the tenancy, the authority
2 shall further inform the tenant in the same written notice that:

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

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

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

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

15 "~~§201G-~~ §356D- **Temporary emergency housing.** (a) In
16 addition to any other duties prescribed by law, the
17 [~~administration~~] authority shall develop, in consultation with
18 the four counties, a procedure for identifying locations that
19 shall be used for temporary emergency shelters for homeless
20 individuals and families. The [~~administration~~] authority shall
21 actively partner with and monitor the efforts of the counties.



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

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

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

14 PART III

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

21 SECTION 40. Section 26-14, Hawaii Revised Statutes, is
22 amended by amending subsection (d) to read as follows:



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

5 SECTION 41. Section 26-18, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

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

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

21 SECTION 42. Section 91-13.5, Hawaii Revised Statutes, is
22 amended by amending subsection (d) to read as follows:



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

8 SECTION 43. Section 257-7, Hawaii Revised Statutes, is
9 amended to read as follows:

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

19 The department of human services shall establish rules to
20 be aligned with individual development accounts after June 28,
21 1999."



1 SECTION 44. Section 302A-831, Hawaii Revised Statutes, is
2 amended to read as follows:

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

13 SECTION 45. Act 291, Session Laws of Hawaii 1980, as
14 amended by Act 304, Session Laws of Hawaii 1996, as amended by
15 Act 185, Session Laws of Hawaii 2004, is amended by amending
16 section 11 to read as follows:

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



1 \$300,000,000, at such times and in such amounts as the [~~housing~~
 2 ~~and community development corporation of Hawaii~~] Hawaii housing
 3 finance and development corporation deems advisable for the
 4 purpose of undertaking and maintaining any of the housing loan
 5 programs under subpart [~~B~~] A of part III of chapter [~~201G7~~]
 6 201H, Hawaii Revised Statutes, relating to the funding or
 7 purchasing of eligible project loans."

8 SECTION 46. Act 274, Session Laws of Hawaii 1998, is
 9 amended by amending section 1 to read as follows:

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



1 SECTION 47. Act 100, Session Laws of Hawaii 2001, is
2 amended by amending sections 1 and 2 to read as follows:

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

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

18 The undeveloped parcels are further defined as follows:

19 Villages of Kapolei: Tax map key numbers 9-1-16:35, 36, 37,
20 38, 39, 58, 59, 64, 76, 82, 88, 90, 93; 9-1-79:1 through 35, 54,
21 129 through 134; 9-1-92:37 through 66, 104; 9-1-104:1 through
22 88; and 9-1-105:1 through 117.



1 Villages of Leialii: 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 48. 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 49. 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 50. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 51. This Act shall take effect on July 1, 2007;
14 provided that section 4 shall take effect on July 2, 2008.



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 by Act 180. (HB487 HD1)

