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# 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 Act 180, Session Laws of Hawaii 2006, repealed  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12 repealed chapter 201G, or any of its various sections, and  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 as designated  
2 in subsection (e), [~~which~~] that is conveyed by the department of  
3 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, 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  
3 Kealakehe and Lahaina."

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, 485A-202, 501-42,  
15 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2,  
16 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21, 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 29-15.5, Hawaii Revised Statutes, is  
22 amended by amending subsection (c) to read as follows:



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

3           SECTION 5. Section 46-1.5, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "**§46-1.5 General powers and limitation of the counties.**

6 Subject to general law, each county shall have the following  
7 powers and shall be subject to the following liabilities and  
8 limitations:

9           (1) Each county shall have the power to frame and adopt a  
10 charter for its own self-government [~~, which~~] that  
11 shall establish the county executive, administrative,  
12 and legislative structure and organization,  
13 including [~~]~~ but not limited to [~~]~~ the method of  
14 appointment or election of officials, their duties,  
15 responsibilities, and compensation, and the terms of  
16 their office;

17           (2) Each county shall have the power to provide for and  
18 regulate the marking and lighting of all buildings and  
19 other structures that may be obstructions or hazards  
20 to aerial navigation, so far as may be necessary or  
21 proper for the protection and safeguarding of life,  
22 health, and property;



1           (3) Each county shall have the power to enforce all claims  
 2           on behalf of the county and approve all lawful claims  
 3           against the county, but shall be prohibited from  
 4           entering into, granting, or making in any manner any  
 5           contract, authorization, allowance payment, or  
 6           liability contrary to the provisions of any county  
 7           charter or general law;

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

12          (5) Each county shall have the power to:

13            (A) ~~[maintain]~~ Maintain channels, whether natural or  
 14            artificial, including their exits to the ocean,  
 15            in suitable condition to carry off storm waters;  
 16            ~~[and to remove]~~

17            (B) Remove from the channels, and from the shores and  
 18            beaches, any debris that is likely to create an  
 19            unsanitary condition or become a public nuisance;  
 20            provided that, to the extent any of the foregoing  
 21            work is a private responsibility, the  
 22            responsibility may be enforced by the county in



1            lieu of the work being done at public expense[  
2            ~~Counties also shall have the power to~~  
3            ~~construct,];~~

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

11           (D) Enact zoning ordinances providing that lands  
12           deemed subject to seasonable, periodic, or  
13           occasional flooding shall not be used for  
14           residence or other purposes in a manner as to  
15           endanger the health or safety of the occupants  
16           thereof, as required by the Federal Flood  
17           Insurance Act of 1956 (chapter 1025, Public Law  
18           1016);

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



- 1           (7) Each county shall have the power to exercise
- 2                   regulatory powers over business activity as are
- 3                   assigned to them by chapter 445 or other general law;
- 4           (8) Each county shall have the power to fix the fees and
- 5                   charges for all official services not otherwise
- 6                   provided for;
- 7           (9) Each county shall have the power to provide by
- 8                   ordinance assessments for the improvement or
- 9                   maintenance of districts within the county;
- 10          (10) Except as otherwise provided, no county shall have the
- 11                   power to give or loan credit to, or in aid of, any
- 12                   person or corporation, directly or indirectly, except
- 13                   for a public purpose;
- 14          (11) Where not within the jurisdiction of the public
- 15                   utilities commission, each county shall have the power
- 16                   to regulate by ordinance the operation of motor
- 17                   vehicle common carriers transporting passengers within
- 18                   the county and adopt and amend rules the county deems
- 19                   necessary for the public convenience and necessity;
- 20          (12) Each county shall have the power to enact and enforce
- 21                   ordinances necessary to prevent or summarily remove
- 22                   public nuisances and to compel the clearing or removal



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

18 (13) Each county shall have the power to enact ordinances  
19 deemed necessary to protect health, life, and  
20 property, and to preserve the order and security of  
21 the county and its inhabitants on any subject or  
22 matter not inconsistent with, or tending to defeat,



1 the intent of any state statute [~~provided also that~~]  
2 where the statute does not disclose an express or  
3 implied intent that the statute shall be exclusive or  
4 uniform throughout the State;

5 (14) Each county shall have the power to:

6 (A) [~~make~~] Make and enforce within the limits of the  
7 county all necessary ordinances covering: all  
8 local police matters; all matters of sanitation;  
9 all matters of inspection of buildings; all  
10 matters of condemnation of unsafe structures,  
11 plumbing, sewers, dairies, milk, fish, and  
12 morgues; all matters of the collection and  
13 disposition of rubbish and garbage; and to  
14 provide exemptions for homeless facilities and  
15 any other program for the homeless authorized by  
16 chapter [~~201G,~~] 356D, for all matters under this  
17 paragraph; [~~and to appoint~~]

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



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

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

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



1           expended only for the acquisition of property for park  
2           or recreational purposes;

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

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

19          (19) Each county shall have the power to:  
20                (A) Construct, purchase, take on lease, lease,  
21                sublease, or in any other manner acquire, manage,  
22                maintain, or dispose of buildings for county



1 purposes, sewers, sewer systems, pumping  
2 stations, waterworks, including reservoirs,  
3 wells, pipelines, and other conduits for  
4 distributing water to the public, lighting  
5 plants, and apparatus and appliances for lighting  
6 streets and public buildings and manage,  
7 regulate, and control the same;

8 (B) Regulate and control the location and quality of  
9 all appliances necessary to the furnishing of  
10 water, heat, light, power, [~~telephonic,~~  
11 telephone, and [~~telegraphic~~] telecommunications  
12 service to the county;

13 (C) Acquire, regulate, and control any and all  
14 appliances for the sprinkling and cleaning of the  
15 streets and the public ways and for flushing the  
16 sewers; and

17 (D) Open, close, construct, or maintain county  
18 highways or charge toll on county highways;  
19 provided that all revenues received from a toll  
20 charge shall be used for the construction or  
21 maintenance of county highways;



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



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

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



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



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



1 charges as specified by county ordinance, the  
2 unpaid civil fines shall be deemed immediately  
3 due, owing, and delinquent and may be collected  
4 in any lawful manner. The procedure for  
5 collection of unpaid civil fines authorized in  
6 this paragraph shall be in addition to any other  
7 procedures for collection available to the State  
8 and county by law or rules of the courts;

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



1 any civil fine ordered by any court. As used in  
2 this subparagraph, "graffiti" means any  
3 unauthorized drawing, inscription, figure, or  
4 mark of any type intentionally created by paint,  
5 ink, chalk, dye, or similar substances;

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



1           ~~[which]~~ that is imposed by administrative order  
2           after this review is completed and the violation  
3           is corrected is subject to only judicial review,  
4           notwithstanding any provisions for administrative  
5           review in county charters;

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

20          (F) If no county agency exists to conduct appeal  
21          proceedings for a particular civil fine action  
22          taken by the county, then one shall be



1                    established by ordinance before the county shall  
2                    impose that civil fine;

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

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

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

17           SECTION 6. Section 46-4, Hawaii Revised Statutes, is  
18           amended by amending subsection (f) to read as follows:

19           "(f) For purposes of this section:  
20           "Clean and sober home" means a house that is operated  
21           pursuant to a program designed to provide a stable environment

1 of clean and sober living conditions to sustain recovery and  
2 that is shared by unrelated adult persons who:

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

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

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

12 "Disabled person" means a person with a disability as  
13 defined under section 515-2.

14 "Drug rehabilitation home" means:

- 15 (1) A residential treatment facility that provides a  
16 therapeutic residential program for care, diagnosis,  
17 treatment, or rehabilitation for socially or  
18 emotionally distressed persons, mentally ill persons,  
19 persons suffering from substance abuse, and  
20 developmentally disabled persons; or
- 21 (2) A supervised living arrangement that provides mental  
22 health services, substance abuse services, or



1           supportive services for individuals or families who do  
2           not need the structure of a special treatment facility  
3           and are transitioning to independent living;  
4 provided that drug rehabilitation homes shall not include  
5 halfway houses or clean and sober homes.

6           "Elder" means an elder as defined under section [~~201G-1.~~]  
7 356D-1.

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

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

12           (2) Have been released from a mental health treatment  
13           facility; or

14           (3) Are receiving substance abuse or sex offender  
15           treatment; and

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

18           "Intermediate care facility/mental retardation-community"  
19 means [~~as~~] an identifiable unit providing residence and care for  
20 eight or fewer mentally retarded individuals. Its primary  
21 purpose is the provision of health, social, and rehabilitation  
22 services to the mentally retarded through an individually



1 designed active treatment program for each resident. No person  
2 who is predominantly confined to bed shall be admitted as a  
3 resident of such a facility.

4 "Mental health treatment facility" means a psychiatric  
5 facility or special treatment facility as defined under section  
6 334-1.

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

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

11 "Treatment program" means a "substance abuse program" or  
12 "treatment program", as those terms are defined under section  
13 353G-2."

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

16 "(a) Any law to the contrary notwithstanding, any county  
17 shall have and may exercise the same powers, subject to  
18 applicable limitations, as those granted the Hawaii housing  
19 finance and development corporation pursuant to chapter [2016]  
20 201H insofar as such powers may be reasonably construed to be  
21 exercisable by a county for the purpose of developing,  
22 constructing, and providing [~~low~~] low- and [~~moderate income~~]



1 moderate-income housing; provided that no county shall be  
2 empowered to cause the State to issue general obligation bonds  
3 to finance a project pursuant to this section; provided further  
4 that county projects shall be granted an exemption from general  
5 excise or receipts taxes in the same manner as projects of the  
6 Hawaii housing finance and development corporation pursuant to  
7 section [~~201G-116~~] 201H-36; and provided further that the  
8 provisions of section [~~201G-15~~] 201H-16 shall not apply to this  
9 section unless federal guidelines specifically provide local  
10 governments with that authorization and the authorization does  
11 not conflict with any state laws. The powers shall include the  
12 power, subject to applicable limitations, to:

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



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



1 qualified borrower by a private lender who is unable  
 2 otherwise to lend the borrower sufficient funds at  
 3 reasonable rates in the purchase of residential  
 4 property; and

5 (9) Sell or lease completed dwelling units.

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

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

11 "**§46-15.2 Housing; additional county powers.** In addition  
 12 and supplemental to the powers granted to counties by section  
 13 46-15.1, any county shall have and may exercise any of the  
 14 following powers:

15 (1) To provide assistance and aid to persons of low and  
 16 moderate income in acquiring housing by:

17 (A) Providing loans secured by a  
 18 mortgage [~~including by acquiring such~~];

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



1           (C) ~~[to make]~~ Making and ~~[execute]~~ executing  
2           contracts with private lenders or a public agency  
3           for the origination and servicing of ~~[such]~~ the  
4           loans and ~~[pay]~~ paying the reasonable value of  
5           ~~[such]~~ those services;

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

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

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

21          (C) If bonds are issued pursuant to section 47-4 or  
22          chapter 49, any loan program established pursuant



1 to this section or any county-owned dwelling  
2 units constructed under section 46-15.1 shall be  
3 and constitute an "undertaking" under section 49-  
4 1 and [~~the provisions of~~] chapter 49 shall apply  
5 to [~~such~~] the loan program or county-owned  
6 dwelling units to the extent applicable;

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

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



1            those bonds to be deemed subject to income  
2            taxation by the United States of America;  
3            (F) Notwithstanding any limitation otherwise  
4            established by law, with respect to the amount of  
5            compensation permitted to be paid for the  
6            servicing of loans made under any loan program  
7            established pursuant to this section, a county  
8            may fix such reasonable compensation as the  
9            county may determine;  
10           (G) Notwithstanding the requirement of any other law,  
11           a county may establish such separate funds and  
12           accounts with respect to bonds issued pursuant to  
13           chapter 47 or 49 to provide moneys to carry out  
14           the purposes of this section or section 46-15.1  
15           as [~~such~~] the county may deem appropriate;  
16           (H) Notwithstanding any provision of chapter 47 or 49  
17           or of any other law, but subject to the  
18           limitations of the [~~State Constitution,~~] state  
19           constitution, bonds issued to provide moneys to  
20           carry out the purposes of this section or section  
21           46-15.1 may be sold at public or private sale at  
22           such price[~~7~~]; i may bear interest at such rate or



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

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



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



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

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



1 indenture, trust agreement, or indenture of  
 2 mortgage, if any, authorizing or securing [~~such~~]  
 3 the bonds; and

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

14 (3) To acquire such policies of insurance and enter into  
 15 such banking arrangements as [~~such~~] the county may  
 16 deem necessary in order to better secure bonds issued  
 17 to provide money to carry out the purposes of this  
 18 section or section 46-15.1, including[~~;~~] without  
 19 limitation[~~;~~] contracting for a support facility or  
 20 facilities as may be necessary with respect to bonds  
 21 issued with a right of the holders to put such bonds  
 22 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 9. 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 10. Section 104-2, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:

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



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

4 For the purposes of this subsection:

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

8 "Governmental contracting agency" includes any person or  
9 entity that causes either directly or indirectly the building 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 [~~201G~~] 201H; provided that this subsection shall not apply to  
14 any housing developed under section 46-15 or chapter [~~201G~~] 201H  
15 if the entire cost of the project is less than \$500,000 and the  
16 eligible bidder or eligible developer is a private nonprofit  
17 corporation.

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



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

5 SECTION 11. Section 171-18.5, Hawaii Revised Statutes, is  
6 amended to read as follows:

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

17 SECTION 12. 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 13. 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 14. 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 [~~201G-118.~~] 201H-38.  
9 The land use commission shall adopt rules pursuant to chapter 91  
10 to implement section [~~201G-118.~~] 201H-38."

11 SECTION 15. 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 [~~201G-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 [~~201G-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 16. 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 201G, part IV;]~~ part VII of chapter 201H;
- 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 17. 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 18. 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 19. 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 that the primary caregiver or
- 9           home operator is a certified nurse aide who has
- 10          completed a state-approved training program and
- 11          other training as required by the department; and
- 12          (B) Type II allowing six or more residents, including
- 13          but not limited to the mentally ill, elders,
- 14          persons with disabilities, the developmentally
- 15          disabled, or totally disabled persons who are not
- 16          related to the home operator or facility staff;
- 17          (3) Comply with applicable federal laws and regulations of
- 18          Title XVI of the Social Security Act, as amended; and
- 19          (4) Provide penalties for the failure to comply with any
- 20          rule.

21          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 20. 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[~~7~~] but not limited to[~~7~~] 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 21. 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~~[7]~~ or any other program  
21 for the homeless authorized under part ~~[IV]~~ VII of  
22 chapter ~~[201G.]~~ 356D."



1 SECTION 22. 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. Section 291 and 292); provided  
13 that if any such organization or association monopolizes or  
14 restrains trade or commerce in any section of this State to such  
15 an extent that the price of any fishery, agricultural, or  
16 consumer product is unduly enhanced by reason thereof, this  
17 chapter shall apply to ~~[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 23. 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 24. 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 25. 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 26. 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 27. 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 28. 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;  
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 29. 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."

18 PART II

19 SECTION 30. 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 31. 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 32. 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 33. 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 34. 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 35. 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 36. 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 37. 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.""

PART III

15 SECTION 38. 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 39. 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 40. 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 41. 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 42. 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 43. Section 302A-831, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§302A-831[+] **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 44. 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 [201G,  
 6 201H, Hawaii Revised Statutes, relating to the funding or  
 7 purchasing of eligible project loans."

8 SECTION 45. 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's~~] 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 acres, known as the Villages of  
 22 Kapolei."



1 SECTION 46. 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 Leiali`i: Tax map key numbers 4-5-21:3, por. 4,  
2 18, 19, por. 20, por. 21, por.22; and 4-5-36:1 through 14, 55,  
3 through 61, 69 through 104.

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

6 SECTION 47. 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."

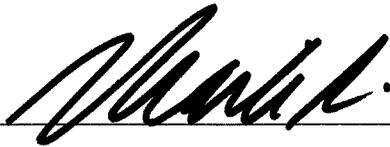
6 PART IV

7 SECTION 48. 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 49. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 50. This Act shall take effect on July 1, 2007;  
14 provided that the amendments made to section 26-14.6(f), Hawaii  
15 Revised Statutes, by section 3 of this Act, shall not be  
16 repealed when the amendments made to section 26-14.6(f), Hawaii  
17 Revised Statutes, by Act 229, Session Laws of Hawaii 2006, take  
18 effect on July 1, 2008.

19

INTRODUCED BY: 

JAN 19 2007



**Report Title:**

Housing Laws; Technical Amendments

**Description:**

Makes technical amendments to a variety of state laws to implement recommendations of legislative reference bureau report to 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 that was repealed by Act 180.

