A BILL FOR AN ACT

RELATING TO HOUSING.

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

- 1 SECTION 1. The purpose of this Act is to correct
- 2 inadvertent drafting errors which resulted in, among other
- 3 things, amendments to chapter 201G, Hawaii Revised Statutes,
- 4 which was repealed. This Act affirms the legislature's intent
- 5 to enact these amendments in the appropriate places in chapter
- 6 201H, Hawaii Revised Statutes, and makes other technical and
- 7 housekeeping amendments.
- 8 PART I
- 9 SECTION 2. The purpose of this part is to correct drafting
- 10 errors in Act 180, Session Laws of Hawaii 2006.
- 11 SECTION 3. Section 201H-1, Hawaii Revised Statutes, is
- 12 amended by adding a new definition to be appropriately inserted
- 13 and to read as follows:
- ""Elder" or "elderly" means a person who is a resident of
- 15 the State and has attained the age of sixty-two years."
- 16 SECTION 4. Section 201H-202, Hawaii Revised Statutes, is
- 17 amended by amending subsection (i) to read as follows:

1 "(i) For the period commencing July 1, 2005, through June 30, [2007,] 2009, the fund may be used to provide grants for 2 rental units set aside for persons and families with incomes at 3 or below thirty per cent of the median family income in any 4 project financed in whole or in part by the fund in proportion 5 of those units to the total number of units in the project. At the conclusion of the period described in this subsection, the 7 corporation shall report to the legislature on the number and 8 use of grants provided and whether the grants were an effective 9 10 use of the funds for purposes of developing rental housing for families at or below thirty per cent of median family income." 11 PART II 12 The purpose of this part is to correct relevant SECTION 5. 13 provisions of Act 217, Session Laws of Hawaii 2006, as 14 amendments to chapter 201H, Hawaii Revised Statutes. 15 SECTION 6. Section 201H-38, Hawaii Revised Statutes, is 16 amended by amending subsection (a) to read as follows: 17 "(a) The corporation may develop on behalf of the State or 18 with an eligible developer, or may assist under a government 19 assistance program in the development of, housing projects that 20 shall be exempt from all statutes, ordinances, charter 21

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S.B. NO. <u>1352</u>

| 2 | planning, | zoning, construction standards for subdivisions, |
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| 3 | developme | nt and improvement of land, and the construction of |
| 4 | dwelling | units thereon; provided that: |
| 5 | (1) | The corporation finds the housing project is |
| 6 | | consistent with the purpose and intent of this |
| 7 | | chapter, and meets minimum requirements of health and |
| 8 | | safety; |
| 9 | (2) | The development of the proposed housing project does |
| 10 | | not contravene any safety standards, tariffs, or rates |
| 11 | | and fees approved by the public utilities commission |
| 12 | | for public utilities or of the various boards of water |
| 13 | | supply authorized under chapter 54; |
| 14 | (3) | The legislative body of the county in which the |
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provisions, and rules of any government agency relating to

(A) The legislative body shall approve, approve with modifications, or disapprove the project by resolution within forty-five days after the corporation has submitted the preliminary plans and specifications for the project to the

housing project is to be situated shall have approved

the project[+] with or without modifications:

| 1 | | legislative body. If on the forty-sixth day a |
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| 2 | | project is not disapproved, it shall be deemed |
| 3 | | approved by the legislative body; |
| 4 | (B) | No action shall be prosecuted or maintained |
| 5 | | against any county, its officials, or employees |
| 6 | | on account of actions taken by them in reviewing, |
| 7 | | approving, modifying, or disapproving the plans |
| 8 | | and specifications; and |
| 9 | (C) | The final plans and specifications for the |
| 10 | | project shall be deemed approved by the |
| 11 | | legislative body if the final plans and |
| 12 | | specifications do not substantially deviate from |
| 13 | | the preliminary plans and specifications. The |
| 14 | | final plans and specifications for the project |
| 15 | | shall constitute the zoning, building, |
| 16 | | construction, and subdivision standards for that |
| 17 | | project. For purposes of sections 501-85 and |
| 18 | | 502-17, the executive director of the corporation |
| 19 | | or the responsible county official may certify |
| 20 | | maps and plans of lands connected with the |
| 21 | | project as having complied with applicable laws |

S.B. NO. 1352

| 1 | and ordinances relating to consolidation and | | |
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| 2 | subdivision of lands, and the maps and plans | | |
| 3 | shall be accepted for registration or recordation | | |
| 4 | by the land court and registrar; and | | |
| 5 | (4) The land use commission shall approve, approve with | | |
| 6 | modifications, or disapprove a boundary change within | | |
| 7 | forty-five days after the corporation has submitted a | | |
| 8 | petition to the commission as provided in section 205- | | |
| 9 | 4. If on the forty-sixth day the petition is not | | |
| 10 | disapproved, it shall be deemed approved by the | | |
| 11 | commission." | | |
| 12 | PART III | | |
| 13 | SECTION 7. The purpose of this part is to make technical | | |
| 14 | and conforming amendments to correct references to the repealed | | |
| 15 | chapter 201G, Hawaii Revised Statutes, and to the "Hawaii | | |
| 16 | housing finance and development administration" or | | |
| 17 | "administration" throughout various session laws and amendments | | |
| 18 | to the Hawaii Revised Statutes, passed during the regular | | |
| 19 | session of 2006. | | |
| 20 | SECTION 8. Section 201H-57, Hawaii Revised Statutes, is | | |
| 21 | amended by amending subsection (a) to read as follows: | | |

| İ | "(a) Notwithstanding any provision to the contrary, the |
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| 2 | [+]corporation[+], pursuant to section 201H-4(b), may lease land |
| 3 | to any qualified nonprofit organization providing affordable |
| 4 | housing, under the following terms and conditions: |
| 5 | (1) Leases shall be for ninety-nine years at \$1 per year |
| 6 | per parcel; and |
| 7 | (2) The instrument of lease shall include provisions, |
| 8 | enforceable by the [+]corporation[+], that the land |
| 9 | shall: |
| .0. | (A) Be used only for providing affordable housing |
| 1 | through long-term, renewable, and transferable |
| 2 | leases or other means that are in accordance with |
| 3 | rules adopted by the [+] corporation[+] under |
| 4 | chapter 91; and |
| .5 | (B) Revert back to the [+] corporation[+] if: |
| .6 | (i) The land is used for any purpose other than |
| .7 | as provided under subparagraph (A); or |
| 8 | (ii) The qualified nonprofit organization ceases |
| 9 | operations." |
| 20 | SECTION 9. Section 201H-58, Hawaii Revised Statutes, is |
| 1 | amended to read as follows: |

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S.B. NO. **1352**

"[+] \$201H-58[+] Leases; self-help housing. 2 [+]corporation[+] may lease parcels that it deems suitable for 3 affordable housing at \$1 per year for up to fifty years to 4 organizations or community trusts to develop the parcel with 5 ownership units through self-help development. 6 (b) The [+] corporation[+] may extend or modify the fixed rental period of the lease or extend the term of the lease. 7 8 Parcels leased under this section may be transferred 9 or assigned by devise, bequest, or intestate succession, and may be sublet with the approval of the [{] corporation[}]." 10 SECTION 10. Act 100, Session Laws of Hawaii 2006, is 11 amended by amending section 22 to read as follows: 12 13 "SECTION 22. There is appropriated out of the general revenues of the State of Hawaii the sum of \$700,000 or so much 14 thereof as may be necessary for fiscal year 2006-2007 as a 15 grant-in-aid to the Hawaii Habitat for Humanity Association to 16 establish a zero interest revolving loan fund to be used to 17 18 provide loans to low-income families to build self-help ownership homes on lands leased from the State and administered 19 in accordance with subpart B of part III of chapter [2016,] 20 201H, Hawaii Revised Statutes. 21

- 1 The sum appropriated shall be expended by the Hawaii
- 2 housing finance and development [administration] corporation for
- 3 the purposes of this part."
- 4 SECTION 11. Act 179, Session Laws of Hawaii 2006, is
- 5 amended by amending section 5 to read as follows:
- 6 "SECTION 5. The department of land and natural resources
- 7 shall initiate transfer to the Hawaii housing finance and
- 8 development [administration,] corporation, no later than
- 9 December 1, 2006, of the lands identified as suitable for
- 10 affordable housing development in Appendix F of the Joint
- 11 Legislative Housing and Homeless Task Force Report to the 2006
- 12 Session of the Legislature."
- SECTION 12. Act 196, Session Laws of Hawaii 2006, is
- 14 amended by amending section 2 to read as follows:
- "SECTION 2. There is appropriated out of the general
- 16 revenues of the State of Hawaii the sum of \$200,000 or so much
- 17 thereof as may be necessary for fiscal year 2006-2007 for
- 18 deposit into the Kikala-Keokea housing revolving fund
- 19 established under section [201G-170.5,] 201H-81, Hawaii Revised
- 20 Statutes, to provide low-interest home construction loans for
- 21 Kikala-Keokea leaseholders and to fund related activities.

S.B. NO. 1352

The sum appropriated shall be expended by the Hawaii 1 housing finance and development [administration] corporation for 2 the purposes of this Act." 3 SECTION 13. Act 288, Session Laws of Hawaii 2006, is 4 amended by amending sections 3, 4, and 5 to read as follows: 5 "SECTION 3. The Hawaii housing finance and development 6 [administration] corporation or any appropriate entity of the 7 State shall immediately initiate negotiations with Kukui Gardens 8 Corporation, or its successor in interest, to either: (1) Make available, without competitive award, public 10 financing resources to extend affordable rents at 11 Kukui Gardens through at least 2016; provided that at 12 least fifty per cent of the rental units at Kukui 13 Gardens are retained at affordable rents to households 14 whose incomes do not exceed eighty per cent of the 15 median family income, of which five per cent of the 16 units are set aside for households whose incomes do 17 not exceed thirty per cent of the median family 18 income; or 19 (2) Acquire the property known as Kukui Gardens, tax map 20 key (I) 1-7-26: 07, and may partner with private for-21

profit or nonprofit developers for acquisition of the 1 property; provided that eighty per cent of the housing 2 units on the property shall be retained in perpetuity 3 as affordable housing for households at or below one 4 hundred forty per cent of the median family income as 5 determined by the United States Department of Housing 6 and Urban Development. 7 The Hawaii housing finance and development [administration] 8 corporation or the appropriate entity of the State shall submit 9 a report to the legislature not later than twenty days prior to 10 the convening of the regular session of 2007 regarding its 11 efforts to acquire Kukui Gardens and its recommendations for 12 financing the purchase of the property. 13 SECTION 4. If an agreement to either extend affordable 14 rents to at least 2016 or acquire the property is not reached 15 within a reasonable time as determined by the Hawaii housing 16 finance and development [administration] corporation or any 17 other appropriate entity of the State, the state agency shall 18 exercise its power of eminent domain to acquire the property. 19 For the purposes of this Act, and notwithstanding any provision 20 of section [2016-16,] 201H-13, Hawaii Revised Statutes, to the 21

| 1 | contrary, condemnation of the Kukui Gardens property shall not |
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| 2 | be subject to legislative disapproval. |
| 3 | SECTION 5. There is appropriated out of the general |
| 4 | revenues of the State of Hawaii the sum of \$200,000 or so much |
| 5 | thereof as may be necessary for fiscal year 2006-2007 for the |
| 6 | purpose of negotiating with the owner of Kukui Gardens to either |
| 7 | extend the period of affordable rents to at least 2016, acquire |
| 8 | Kukui Gardens, or to commence the condemnation process. |
| 9 | The sum appropriated shall be expended by the Hawaii |
| 10 | housing finance and development [administration] corporation for |
| 11 | the purposes of this Act." |
| 12 | SECTION 14. Statutory material to be repealed is bracketed |
| 13 | and stricken. New statutory material is underscored. |
| 14 | SECTION 15. This Act, upon its approval, shall take effect |
| 15 | retroactive to July 1, 2006. |
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| 17 | INTRODUCED BY: |
| 18 | BY REQUEST |

JUSTIFICATION SHEET

DEPARTMENT:

Business, Economic Development and Tourism

TITLE:

A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE:

To correct certain legislative amendments to chapter 201G, Hawaii Revised Statutes (HRS), relating to the Hawaii Housing Finance and Development Corporation (HHFDC) which should instead have been made to the new chapter 201H, HRS, and to make other necessary technical and housekeeping amendments to chapter 201H, HRS.

MEANS:

Amend sections 201H-1, 201H-38(a), 201H-202(i), 201H-57(a), and 201H-58, HRS, section 22 of Act 100, Session Laws of Hawaii (SLH) 2006, section 5 of Act 179, SLH 2006, section 2 of Act 196, SLH 2006, and sections 3, 4, and 5 of Act 288, SLH 2006.

JUSTIFICATION:

This measure is intended to clarify that those amendments to chapter 201G, HRS relating to the HHFDC and the programs it administers were meant to be made to the new chapter 201H, HRS, as amended by Acts 100, 180, and 217, Session Laws of Hawaii (SLH) 2006.

This measure also corrects an inadvertent omission made in the drafting process for new chapter 201H, HRS, for the Hawaii Housing Finance and Development Corporation.

In Act 180, SLH 2006, section 201H-1, HRS, the definition of "elderly" and "elderly family" that was intended to carry over from section 201G-1, HRS, was inadvertently omitted.

Finally, this measure makes necessary technical and housekeeping amendments to HRS sections and uncodified session laws to replace references to chapter 201G in other HRS chapters with the appropriate reference to chapter 201H, and to replace references to the "Hawaii housing finance and development administration" with the HHFDC.

Impact on the public: None.

Impact on the department and other agencies: Clarifies the intent of the legislature with respect to 2006 housing legislation relating to the HHFDC and chapter 201H, HRS.

GENERAL FUND:

None.

OTHER FUNDS:

None.

PPBS PROGRAM

DESIGNATION:

BED 160.

OTHER AFFECTED

AGENCIES:

None.

EFFECTIVE DATE:

Retroactive to July 1, 2006.