
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the cost and
2 availability of housing in the State are significant challenges
3 facing Hawaii residents. Although Hawaii has the tenth highest
4 median wage nationally, living expenses are two-thirds higher
5 than the rest of the nation, with the cost of housing being a
6 major contributing factor. In September 2018, the median price
7 for a single-family home on Oahu rose to \$812,500, while the
8 median price for condominiums on Oahu rose to \$428,000.
9 According to a local news report, a household would need to earn
10 almost \$160,000 annually to afford to buy a home on Oahu, making
11 homeownership out of reach for many of Hawaii's residents,
12 especially first-time buyers.

13 Because of the many barriers hindering the production of
14 new housing, such as geographic limitations, lack of major
15 infrastructure, construction costs, and government regulation,
16 the State and housing developers have not been able to produce
17 enough housing for Hawaii residents. According to a 2015 report



1 from the department of business, economic development, and
2 tourism, the projected long-run estimate of demand for total new
3 housing in Hawaii is between 64,700 to 66,000 for the 2015 to
4 2025 period. The legislature has responded through the passage
5 of various legislation. During the regular session of 2016, the
6 legislature passed a bill enacted as Act 127, Session Laws of
7 Hawaii 2016, that, among other things, establishes a goal of
8 developing or vesting the development of at least 22,500
9 affordable rental housing units ready for occupancy by the end
10 of 2026. During the regular session of 2017, the legislature
11 passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to
12 expand the types of rental housing projects that can be exempt
13 from general excise tax, thereby encouraging the development of
14 rental housing projects targeted for occupancy by households at
15 or below the one hundred forty per cent and eighty per cent area
16 median income levels. During the regular session of 2018, the
17 legislature passed a bill enacted as Act 39, Session Laws of
18 Hawaii 2018, that, among other things, provides an estimated
19 total value of \$570,000,000 to address Hawaii's affordable
20 rental housing crisis and is expected to generate more than
21 25,000 affordable units by the year 2030.



1 Despite these efforts, the amount of new construction of
2 housing, especially for low- to middle-income families,
3 continues to be inadequate as the supply of housing remains
4 constrained while demand for housing increases. This lack of
5 supply leads to higher housing prices and rents for households
6 of all income levels, leaving all tenants with less disposable
7 income, increasing the personal stress on buyers and renters,
8 and exacerbating overcrowding and homelessness. Given these
9 consequences, the lack of affordable housing requires the
10 concentrated attention of state government at the highest level.

11 The legislature further finds that Singapore faced a
12 housing crisis in the 1940s through 1960s but was subsequently
13 able to provide nearly one million residential units for its
14 citizens. The housing and development board -- the government
15 entity responsible for the rapid increase in housing development
16 -- plans, develops, and constructs the housing units, including
17 commercial, recreational, and social amenities. The result is
18 that units built by the housing and development board house
19 eighty per cent of the resident population and that, overall,
20 ninety per cent of the resident population are owners of their
21 units. Through government loans, subsidies, and grants and the



1 use of money saved through a government-run mandatory savings
2 program, residents are able to purchase residential units at an
3 affordable price, including options to upgrade to a better
4 living environment in the future.

5 The legislature further finds that with Honolulu's
6 construction of an elevated rail transit system, the State has
7 an opportunity to enhance Oahu's urban environment and increase
8 the quality of life for residents by increasing the affordable
9 housing inventory and eliminating the need for personal
10 automobiles, among other public benefits. As the largest
11 landowner of properties along the transit line, with
12 approximately two thousand acres under the jurisdiction of
13 various departments, the State must be proactive in establishing
14 a unified vision and approach toward redevelopment of its
15 properties to maximize the benefits of state lands available for
16 redevelopment.

17 The purpose of this Act is to:

18 (1) Establish the ALOHA homes program to facilitate the
19 creation of low-cost leasehold homes for sale to
20 Hawaii residents on state-owned land near public
21 transit stations; and



1 (2) Authorize the Hawaii housing finance and development
2 corporation to sell the leasehold interest in
3 residential condominium units located on state lands
4 for lease terms of ninety-nine years.

5 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
6 amended by adding two new subparts to part II to be
7 appropriately designated and to read as follows:

8 "B. ALOHA Homes Program

9 **§201H-A Definitions.** As used in this subpart, the
10 following terms have the following meanings, unless the context
11 indicates a different meaning or intent:

12 "ALOHA" means affordable, locally owned homes for all.

13 "ALOHA home" means a residential unit within the urban
14 redevelopment district.

15 "Commercial project" means an undertaking involving
16 commercial or light industrial development, which includes a
17 mixed-use development where commercial or light industrial
18 facilities may be built into, adjacent to, under, or above
19 residential units.

20 "High density" means a project or area that has at least
21 two hundred fifty units per acre.



1 "Multipurpose project" means a project consisting of any
2 combination of a commercial project, redevelopment project, or
3 residential project.

4 "Owner-occupied residential use" means any use currently
5 permitted in existing residential zones consistent with owner
6 occupancy, but shall not mean renting or leasing to any tenant
7 or lessee of any kind.

8 "Project" means a specific work or improvement, including
9 real and personal properties, or any interest therein, acquired,
10 owned, constructed, reconstructed, rehabilitated, or improved by
11 the corporation, including a commercial project, redevelopment
12 project, or residential project.

13 "Public agency" means any office, department, board,
14 commission, bureau, division, public corporation agency, or
15 instrumentality of the federal, state, or county government.

16 "Public facilities" includes streets, utility and service
17 corridors, and utility lines where applicable, sufficient to
18 adequately service developable improvements in the district,
19 sites for schools, parks, parking garages, sidewalks, pedestrian
20 ways, and other community facilities. "Public facilities" also
21 includes public highways, as defined in section 264-1, storm



1 drainage systems, water systems, street lighting systems, off-
2 street parking facilities, and sanitary sewerage systems.

3 "Public transit station" means:

4 (1) A station connected to a locally preferred alternative
5 for a mass transit project; or

6 (2) For the city and county of Honolulu, a station of the
7 Honolulu rail transit system.

8 "Redevelopment project" means an undertaking for the
9 acquisition, clearance, replanning, reconstruction, and
10 rehabilitation, or a combination of these and other methods, of
11 an area for a residential project, for an incidental commercial
12 project, and for other facilities incidental or appurtenant
13 thereto, pursuant to and in accordance with this subpart. The
14 terms "acquisition, clearance, replanning, reconstruction, and
15 rehabilitation" shall include renewal, redevelopment,
16 conservation, restoration, or improvement, or any combination
17 thereof.

18 "Residential project" means a project or that portion of a
19 multipurpose project, including residential dwelling units,
20 designed and intended for the purpose of providing housing and
21 any facilities as may be incidental or appurtenant thereto.



1 "Small and medium vendor" means a commercial vendor that
2 employs nine hundred ninety-nine employees or less.

3 **§201H-B ALOHA homes program.** There is established the
4 ALOHA homes program for the purpose of providing low-cost, high
5 density leasehold homes for sale to Hawaii residents on state-
6 owned lands within a one-half mile radius of a public transit
7 station.

8 **§201H-C Community and public notice requirements; posting**
9 **on the corporation's website; required.** For the purposes of
10 this subpart, the corporation shall adopt community and public
11 notice procedures pursuant to chapter 91 that shall include at a
12 minimum:

13 (1) A means to effectively engage the community in which
14 the corporation is planning a development project
15 under this subpart to ensure that community concerns
16 are received and considered by the corporation;

17 (2) The posting of the corporation's proposed plans for
18 any development project under this subpart, public
19 hearing notices, and minutes of its proceedings on the
20 corporation's website;



- 1 (3) The posting of every application for a development
2 project on the corporation's website when the
3 application is deemed complete;
- 4 (4) Notification by the applicant of any application for a
5 development project valued at \$250,000 or more by
6 first class United States mail, postage prepaid to
7 owners and lessees of record of real property located
8 within a three hundred foot radius of the perimeter of
9 the proposed project identified from the most current
10 list available from the real property assessment
11 division of the department of budget and fiscal
12 services of the city and county of Honolulu when the
13 application is deemed complete; provided that notice
14 mailed pursuant to this paragraph shall include but
15 not be limited to notice of:
- 16 (A) Project specifications;
- 17 (B) Requests for exemptions from statutes,
18 ordinances, charter provisions, and rules
19 pursuant to section 201H-38; and
- 20 (C) Procedures for intervention and a contested case
21 hearing; and



1 (5) Any other information that the public may find useful
2 so that it may meaningfully participate in the
3 corporation's decision-making processes.

4 **§201H-D Urban redevelopment district; established;**
5 **boundaries.** The urban redevelopment district is established.
6 The urban redevelopment district shall include all state-owned
7 and county-owned land within county-designated transit-oriented
8 development areas or within a one-half-mile radius of a public
9 transit station in a county with a population greater than five
10 hundred thousand.

11 **§201H-E Rules; guidelines.** (a) The corporation shall
12 establish rules under chapter 91 on health, safety, building,
13 planning, zoning, and land use, which shall supersede all other
14 inconsistent ordinances and rules relating to the use, zoning,
15 planning, and development of land and construction thereon.
16 Rules adopted under this section shall follow existing law,
17 rules, ordinances, and regulations as closely as is consistent
18 with standards meeting minimum requirements of good design,
19 pleasant amenities, health, safety, and coordinated development.
20 The corporation may provide that lands within the urban
21 redevelopment district shall not be developed beyond existing



1 uses or that improvements thereon shall not be demolished or
2 substantially reconstructed, or provide other restrictions on
3 the use of the lands.

4 (b) The following shall be the principles generally
5 governing the corporation's action in the urban redevelopment
6 district:

7 (1) The corporation shall endeavor to produce enough
8 housing supply to meet housing demand;

9 (2) Each development may include facilities to replace any
10 facilities that must be removed for the development's
11 construction;

12 (3) Development shall be revenue-neutral to the State, and
13 all revenues generated shall be used for the purposes
14 of this subpart;

15 (4) The corporation may build infrastructure beyond what
16 exists in any development under this subpart and may
17 sell the infrastructure capacity to other private
18 sector developers;

19 (5) The corporation may build common area facilities for
20 any development undertaken pursuant to this subpart,



1 which shall be paid through the sales of ALOHA homes
2 units;

3 (6) Development shall result in a community that permits
4 an appropriate land mixture of residential,
5 commercial, light industrial, and other uses. In view
6 of the innovative nature of the mixed use approach,
7 urban design policies shall be established for the
8 public and private sectors in the proper development
9 of the urban redevelopment district; provided that any
10 of the corporation's proposed actions in the urban
11 redevelopment district that are subject to chapter 343
12 shall comply with chapter 343 and federal
13 environmental requirements; provided further that the
14 corporation may engage in any studies or coordinative
15 activities permitted in this subpart which affect
16 areas lying outside the district, where the
17 corporation in its discretion decides that those
18 activities are necessary to implement the intent of
19 this subpart. The studies or coordinative activities
20 shall be limited to facility systems, resident and
21 industrial relocation, and other activities with the



1 counties and appropriate state agencies. The
2 corporation may engage in construction activities
3 outside of the urban redevelopment district; provided
4 that the construction relates to infrastructure
5 development or residential or business relocation
6 activities; provided further that the construction
7 shall comply with the general plan, development plan,
8 ordinances, and rules of the county in which the urban
9 redevelopment district is located;

10 (7) Existing and future light industrial uses accessory to
11 shall be permitted and encouraged in appropriate
12 locations within the urban redevelopment district. No
13 plan or implementation strategy shall prevent
14 continued activity or redevelopment of light
15 industrial and commercial uses which meet reasonable
16 performance standards;

17 (8) Activities shall be located so as to provide primary
18 reliance on public transportation and pedestrian
19 facilities for internal circulation within the urban
20 redevelopment district or designated subareas;



- 1 (9) Major view planes, view corridors, and other
2 environmental elements such as natural light and
3 prevailing winds, may be preserved through appropriate
4 regulation and design review;
- 5 (10) All projects shall comply with all applicable
6 statutes, rules, and ordinances related to historic
7 and cultural resource preservation;
- 8 (11) Where compatible, land use activities within the urban
9 redevelopment district shall to the greatest possible
10 extent be mixed horizontally within blocks or other
11 land areas, and vertically as integral units of multi-
12 purpose structures;
- 13 (12) Development shall prioritize maximizing density on
14 lands that are most urbanized and most suitable for
15 high density; provided that development may require a
16 mixture of densities, building types, and
17 configurations in accordance with appropriate urban
18 design guidelines and vertical and horizontal
19 integration of residents of varying incomes, ages, and
20 family groups that reflect the diversity of Hawaii.
21 Development shall provide necessary community



1 facilities, such as parks, community meeting places,
2 child care centers, schools, educational facilities,
3 libraries, and other services, within and adjacent to
4 residential development; provided that any school that
5 is provided by the corporation as a necessary
6 community facility shall be exempt from school size
7 requirements as calculated by recent school site area
8 averages pursuant to section 302A-1602;

9 (13) Public facilities within the urban redevelopment
10 district shall be planned, located, and developed so
11 as to support the redevelopment policies for the
12 district established by this subpart and plans and
13 rules adopted pursuant to it;

14 (14) Development shall be achieved through the efficient
15 and cost-effective use of government and private-
16 sector workforces through public-private partnerships
17 and other mechanisms to incentivize development to be
18 on time and on budget;

19 (15) Development shall be designed, to the extent possible,
20 to minimize traffic, parking, the use of private
21 automobiles, and noise;



1 (16) Development shall be subject to chapter 104; and
2 (17) Development shall incorporate universal design in
3 compliance with the Americans with Disabilities Act of
4 1990 and Uniform Federal Accessibility Standards, to
5 the extent possible, and exceed accessibility
6 requirements under those authorities.

7 (c) ALOHA homes within the urban redevelopment district
8 shall not be advertised for rent, rented, or used for any
9 purpose other than owner-occupied residential use; provided that
10 the corporation, by rule, shall establish penalties for
11 violations of this subsection up to and including forced sale of
12 an ALOHA home.

13 (d) The corporation shall establish a competition process
14 for selecting the design and development vendors of ALOHA homes
15 with the appropriate number of units to accommodate small and
16 medium vendors. The criteria of the competition process shall
17 include preferences on the basis of prior experience in the
18 State and an understanding of the State's unique culture;
19 provided that the corporation may include an opportunity for
20 community input through public vote. The corporation may



1 provide a stipend in a manner and an amount to be determined by
2 the corporation to competitors pursuant to this subsection.

3 (e) The corporation may transfer ALOHA homes units to the
4 office of Hawaiian affairs and department of Hawaiian home lands
5 for use by their respective beneficiaries.

6 (f) The corporation shall recoup all expenses through the
7 sales of the leasehold interest of ALOHA homes and other revenue
8 sources, including the leasing of commercial projects.

9 **§201H-F Sale of the leasehold interest of ALOHA homes;**
10 **rules; guidelines.** (a) The corporation shall adopt rules,
11 pursuant to chapter 91, for the sale of the leasehold interest
12 of ALOHA homes under its control within the urban redevelopment
13 district; provided that each lease shall be for a term of
14 ninety-nine years. The rules shall include the following
15 requirements for an eligible buyer or owner of an ALOHA home
16 within the district:

17 (1) The person shall be a resident of the State; provided
18 that voting in the most recent primary or general
19 election shall be an indication of residency in the
20 State; provided further that not voting in any primary



1 or general election creates a rebuttable presumption
2 of non-residency;

3 (2) The person shall not use the ALOHA home for any
4 purpose other than owner-occupied residential use; and

5 (3) The person, or the person's spouse, shall not own any
6 other real property, including any residential and
7 non-residential property, beneficial ownership of
8 trusts, and co-ownership or fractional ownership,
9 while owning an ALOHA home in the district; provided
10 that an eligible buyer may own real property up to six
11 months after closing on the purchase of an ALOHA home;
12 provided further that an owner of an ALOHA home in the
13 process of selling the ALOHA home may own other real
14 property up to six months prior to closing on the sale
15 of the ALOHA home to an eligible buyer;

16 provided that the rules under this subsection shall not include
17 any requirements or limitations related to an individual's
18 income or any preferences to first-time home buyers. The rules
19 shall include strict enforcement of owner-occupancy, including a
20 prohibition on the renting or leasing of an ALOHA home to any
21 tenant or lessee, and may include requirements for the use of



1 face recognition, verification of the presence of owner-
2 occupants and prevention of access of all unauthorized persons
3 through retina scan for a minimum number of days per year, or
4 fingerprint scan technology.

5 (b) ALOHA homes within the urban redevelopment district
6 shall be priced to be affordable, as determined by the United
7 States Department of Housing and Urban Development, to an
8 individual or family whose income does not exceed eighty per
9 cent of the area median income, or \$300,000, whichever is less;
10 provided that the price shall be adjusted for inflation.

11 (c) The corporation shall establish waitlists for each
12 residential development for eligible buyers to determine the
13 order in which ALOHA homes shall be sold. Waitlist priorities
14 may include school, college, or university affiliation if the
15 residential property is a redeveloped school, college, or
16 university; proximity of an eligible buyer's existing residence
17 to an ALOHA home within the urban redevelopment district; and
18 other criteria based on the impact that the development has on
19 the eligible buyer.

20 (d) ALOHA homes within the urban redevelopment district
21 shall be sold only to other eligible buyers.



1 (e) An owner of an ALOHA home may sell the ALOHA home
2 after five or more years of owner-occupancy; provided that the
3 corporation shall have the right of first refusal to purchase
4 the ALOHA home at a price that is determined by the corporation
5 using the price at which the owner purchased the ALOHA home as
6 the cost basis, adjusted for inflation, and may include a
7 percentage of the appreciation in value of the unit. If the
8 corporation does not exercise its right to purchase the ALOHA
9 home, the ALOHA home may be sold by the owner to an eligible
10 buyer; provided that the corporation shall retain seventy-five
11 per cent of all profits from the sale net of closing and
12 financing costs, using the price at which the owner purchased
13 the ALOHA home as the cost basis. Upon the death of the owner
14 of an ALOHA home, the ALOHA home may be transferred to the
15 deceased's heir by devise or as any other real property under
16 existing law; provided that if the heir is not an eligible
17 buyer, the heir shall sell the ALOHA home to the corporation at
18 a price that is determined by the corporation using the price at
19 which the owner purchased the ALOHA home as the cost basis,
20 adjusted for inflation, and may include a percentage of the
21 appreciation in value of the unit.



1 (f) If an owner of an ALOHA home sells the ALOHA home
 2 before five years of owner-occupation, the corporation shall
 3 purchase the ALOHA home at a price that is determined by the
 4 corporation using the price at which the owner purchased the
 5 ALOHA home as the cost basis, adjusted for inflation.

6 (g) Any ALOHA home developed and sold under this subpart
 7 shall not be subject to sections 201H-47, 201H-49, 201H-50, and
 8 201H-51.

9 **§201H-G Use of public lands; acquisition of state lands.**

10 (a) If state lands under the control and management of other
 11 public agencies are required by the corporation for the purposes
 12 of this subpart, the agency having the control and management of
 13 those required lands, upon request by the corporation and with
 14 the approval of the governor, may convey or lease those lands to
 15 the corporation upon terms and conditions as may be agreed to by
 16 the parties.

17 (b) Notwithstanding the foregoing, no public lands shall
 18 be conveyed or leased to the corporation pursuant to this
 19 section if the conveyance or lease would impair any covenant
 20 between the State or any county or any department or board



1 thereof and the holders of bonds issued by the State or that
2 county, department, or board.

3 **§201H-H Acquisition of real property from a county.**

4 Notwithstanding the provision of any law or charter, any county,
5 by resolution of its local governing body, may, without public
6 auction, sealed bids, or public notice, sell, lease, grant, or
7 convey to the corporation any real property owned by it that the
8 corporation certifies to be necessary for the purposes of this
9 subpart. The sale, lease, grant, or conveyance shall be made
10 with or without consideration and upon terms and conditions as
11 may be agreed upon by the county and the corporation.

12 Certification shall be evidenced by a formal request from the
13 corporation. Before the sale, lease, grant, or conveyance may
14 be made to the corporation, a public hearing shall be held by
15 the local governing body to consider the same. Notice of the
16 hearing shall be published at least six days before the date set
17 for the hearing in the publication and in the manner as may be
18 designated by the local governing body.

19 **§201H-I Condemnation of real property.** The corporation,
20 upon making a finding that it is necessary to acquire any real
21 property for its immediate or future use for the purposes of



1 this subpart, may acquire the property, including property
2 already devoted to a public use, by condemnation pursuant to
3 chapter 101. The property shall not thereafter be taken for any
4 other public use without the consent of the corporation. No
5 award of compensation shall be increased by reason of any
6 increase in the value of real property caused by the designation
7 of the urban redevelopment district or plan adopted pursuant to
8 a designation, or the actual or proposed acquisition, use, or
9 disposition of any other real property by the corporation.

10 **§201H-J Relocation.** The corporation shall adopt rules
11 pursuant to chapter 91 in compliance with the Uniform Relocation
12 Assistance and Real Property Acquisition Act of 1970 and chapter
13 111 to ensure the appropriate relocation within or outside the
14 district of persons, families, businesses, or services displaced
15 by governmental action within the urban redevelopment district.

16 **§201H-K Construction contracts.** (a) The corporation
17 shall award construction contracts for ALOHA homes in conformity
18 with section 201H-E(d), without regard to chapter 103D.

19 (b) The corporation shall award construction contracts for
20 commercial projects without regard to chapter 103D.



1 **§201H-L Lease of projects.** Notwithstanding any law to the
2 contrary, the corporation, without recourse to public auction or
3 public notice for sealed bids, may lease for a term not
4 exceeding sixty-five years all or any portion of the real or
5 personal property constituting a commercial project to any
6 person, upon terms and conditions as may be approved by the
7 corporation; provided that all revenues generated from the lease
8 shall be used to support the purpose of this subpart pursuant to
9 section 201H-B.

10 **§201H-M Dedication for public facilities as condition to**
11 **development.** The corporation shall establish rules requiring
12 dedication for public facilities of land or facilities by
13 developers as a condition of developing real property within the
14 urban redevelopment district. Where state and county public
15 facilities dedication laws, ordinances, or rules differ, the
16 provision for greater dedication shall prevail.

17 **§201H-N ALOHA homes revolving fund.** There is created the
18 ALOHA homes revolving fund into which all receipts and revenues
19 of the corporation pursuant to this subpart shall be deposited.
20 Proceeds from the fund shall be used for the purposes of this
21 subpart.



1 **§201H-O Expenditures of ALOHA homes revolving fund under**
2 **the corporation exempt from appropriation and allotment. Except**
3 **as to administrative expenditures, and except as otherwise**
4 **provided by law, expenditures from the ALOHA homes revolving**
5 **fund administered by the corporation may be made by the**
6 **corporation without appropriation or allotment of the**
7 **legislature; provided that no expenditure shall be made from and**
8 **no obligation shall be incurred against the ALOHA homes**
9 **revolving fund in excess of the amount standing to the credit of**
10 **the fund or for any purpose for which the fund may not lawfully**
11 **be expended. Nothing in sections 37-31 to 37-41 shall require**
12 **the proceeds of the ALOHA homes revolving fund administered by**
13 **the corporation to be reappropriated annually.**

14 **§201H-P Assistance by state and county agencies. Any**
15 **state or county agency may render services for the purposes of**
16 **this subpart upon request of the corporation.**

17 **§201H-Q Court proceedings; preferences; venue. (a) Any**
18 **action or proceeding to which the corporation, the State, or the**
19 **county may be a party, in which any question arises as to the**
20 **validity of this subpart, shall be brought in the circuit court**
21 **of the circuit where the case or controversy arises, and shall**



1 be heard and determined in preference to all other civil cases
2 pending therein except election cases, irrespective of position
3 on the calendar.

4 (b) Upon application of counsel to the corporation, the
5 same preference shall be granted in any action or proceeding
6 questioning the validity of this subpart in which the
7 corporation may be allowed to intervene.

8 (c) Notwithstanding any provision of law to the contrary,
9 declaratory relief may be obtained for the action.

10 (d) Any party aggrieved by the decision of the circuit
11 court may appeal in accordance with part I of chapter 641 and
12 the appeal shall be given priority.

13 **§201H-R Issuance of bonds.** The director of finance, from
14 time to time, may issue general obligation bonds pursuant to
15 chapter 39 in amounts as may be authorized by the legislature,
16 for the purposes of this subpart.

17 **§201H-S Violations and penalty.** (a) The corporation may
18 set, charge, and collect reasonable fines for violation of this
19 subpart or any rule adopted pursuant to chapter 91.

20 Notwithstanding section 201H-E(c), any person violating any rule
21 adopted pursuant to chapter 91, for which violation a penalty is



1 not otherwise provided, shall be fined not more than \$500 a day
2 and shall be liable for administrative costs incurred by the
3 corporation.

4 (b) The corporation may maintain an action for an
5 injunction to restrain any violation of this subpart and may
6 take any other lawful action to prevent or remedy any violation.

7 (c) Notwithstanding section 201H-E(c), any person
8 violating this subpart shall, upon conviction, be punished by a
9 fine not exceeding \$1,000 or by imprisonment not exceeding
10 thirty days, or both. The continuance of a violation after
11 conviction shall be deemed a new offense for each day of the
12 continuance.

13 **§201H-T Additional powers.** The powers conferred upon the
14 corporation by this subpart shall be in addition and
15 supplemental to the powers conferred by any other law, and
16 nothing in this subpart shall be construed as limiting any
17 powers, rights, privileges, or immunities so conferred.

18 **§201H-U State lands no longer needed.** State lands that
19 are no longer needed for affordable residential leasehold units
20 by the Hawaii housing finance and development corporation shall
21 be returned to the previous owner of those lands.



1 **§201H-V Rules.** The corporation may adopt rules, pursuant
2 to chapter 91, necessary for the purposes of this subpart.

3 C. Leasehold Condominiums on State Lands

4 **§201H-W Leasehold condominiums on state lands.** (a) The
5 corporation may sell leasehold units in condominiums organized
6 pursuant to chapter 514B and developed under this subpart on
7 state land to a "qualified resident" as defined in section
8 201H-32.

9 (b) The term of the lease may be for ninety-nine years,
10 and the corporation may extend or modify the fixed rental period
11 of the lease or extend the term of the lease.

12 (c) The sale of leasehold units shall be subject to
13 sections 201H-47, 201H-49, and 201H-50, except for units sold at
14 fair market value.

15 (d) State land set aside by the governor to the
16 corporation and lands leased to the corporation by any
17 department or agency of the State for a condominium described in
18 this section shall be exempt from the definition of "public
19 land" under section 171-2, except for the provision in section
20 171-2(6) that subjects corporation lands to the accounting for



1 all receipts for lands subject to section 5(f) of the Admission
2 Act.

3 (e) The powers conferred upon the corporation by this
4 section shall be in addition and supplemental to the powers
5 conferred by any other law, and nothing in this section shall be
6 construed as limiting any powers, rights, privileges, or
7 immunities so conferred."

8 SECTION 3. Chapter 237, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§237- Exemption of sale of leasehold interest for
12 ALOHA home units. In addition to the amounts exempt under
13 section 237-24, this chapter shall not apply to amounts received
14 from the sale of a leasehold interest in an ALOHA homes unit
15 under chapter 201H, subpart B."

16 SECTION 4. Section 171-2, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§171-2 Definition of public lands.** "Public lands" means
19 all lands or interest therein in the State classed as government
20 or crown lands previous to August 15, 1895, or acquired or
21 reserved by the government upon or subsequent to that date by



1 purchase, exchange, escheat, or the exercise of the right of
2 eminent domain, or in any other manner; including lands accreted
3 after May 20, 2003, and not otherwise awarded, submerged lands,
4 and lands beneath tidal waters that are suitable for
5 reclamation, together with reclaimed lands that have been given
6 the status of public lands under this chapter, except:

- 7 (1) Lands designated in section 203 of the Hawaiian Homes
8 Commission Act, 1920, as amended;
- 9 (2) Lands set aside pursuant to law for the use of the
10 United States;
- 11 (3) Lands being used for roads and streets;
- 12 (4) Lands to which the United States relinquished the
13 absolute fee and ownership under section 91 of the
14 Hawaiian Organic Act prior to the admission of Hawaii
15 as a state of the United States unless subsequently
16 placed under the control of the board of land and
17 natural resources and given the status of public lands
18 in accordance with the state constitution, the
19 Hawaiian Homes Commission Act, 1920, as amended, or
20 other laws;
- 21 (5) Lands to which the University of Hawaii holds title;



- 1 (6) Lands that are set aside by the governor to the Hawaii
2 housing finance and development corporation; lands
3 leased to the Hawaii housing finance and development
4 corporation by any department or agency of the State;
5 or lands to which the Hawaii housing finance and
6 development corporation in its corporate capacity
7 holds title; provided that lands described in this
8 paragraph shall be considered "public lands" for the
9 purpose of accounting for all receipts from lands
10 described in section 5(f) of the Admission Act for the
11 prior fiscal year, pursuant to section 5 of Act 178,
12 Session Laws of Hawaii 2006; provided further that
13 payment of receipts pursuant to this paragraph may be
14 made in a form of remuneration or consideration other
15 than cash;
- 16 (7) Lands to which the Hawaii community development
17 authority in its corporate capacity holds title;
- 18 (8) Lands to which the department of agriculture holds
19 title by way of foreclosure, voluntary surrender, or
20 otherwise, to recover moneys loaned or to recover
21 debts otherwise owed the department under chapter 167;



- 1 (9) Lands that are set aside by the governor to the Aloha
2 Tower development corporation; lands leased to the
3 Aloha Tower development corporation by any department
4 or agency of the State; or lands to which the Aloha
5 Tower development corporation holds title in its
6 corporate capacity;
- 7 (10) Lands that are set aside by the governor to the
8 agribusiness development corporation; lands leased to
9 the agribusiness development corporation by any
10 department or agency of the State; or lands to which
11 the agribusiness development corporation in its
12 corporate capacity holds title;
- 13 (11) Lands to which the Hawaii technology development
14 corporation in its corporate capacity holds title; and
- 15 (12) Lands to which the department of education holds
16 title;
- 17 provided that, except as otherwise limited under federal law and
18 except for state land used as an airport as defined in section
19 262-1, public lands shall include the air rights over any
20 portion of state land upon which a county mass transit project
21 is developed after July 11, 2005."



1 SECTION 5. Chapter 201H, Hawaii Revised Statutes, is
2 amended by designating sections 201H-31 to 201H-70 as subpart A
3 and inserting a title before section 201H-31 to read as follows:

4 "A. General Provisions"

5 SECTION 6. Section 302A-1603, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) The following shall be exempt from this section:

8 (1) Any form of housing permanently excluding school-aged
9 children, with the necessary covenants or declarations
10 of restrictions recorded on the property;

11 (2) Any form of housing that is or will be paying the
12 transient accommodations tax under chapter 237D;

13 (3) All nonresidential development; [and]

14 (4) Any development with an executed education
15 contribution agreement or other like document with the
16 department for the contribution of school sites or
17 payment of fees for school land or school
18 construction[-]; and

19 (5) Any form of development by the Hawaii housing finance
20 and development corporation pursuant to chapter 201H,
21 part II, subpart B."



1 SECTION 7. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2019-2020 to be
4 deposited into the ALOHA homes revolving fund established
5 pursuant to section 201H-N, Hawaii Revised Statutes.

6 SECTION 8. There is appropriated out of the ALOHA homes
7 revolving fund established pursuant to section 201H-N, Hawaii
8 Revised Statutes, the sum of \$ or so much thereof as may
9 be necessary for fiscal year 2019-2020 for the purposes for
10 which the revolving fund is established.

11 The sum appropriated shall be expended by the Hawaii
12 housing finance and development corporation for the purposes of
13 this Act.

14 SECTION 9. In codifying the new sections added by section
15 2 of this Act, the revisor of statutes shall substitute
16 appropriate section numbers for the letters used in designating
17 the new sections in this Act.

18 SECTION 10. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 11. This Act shall take effect on July 1, 2050.



Report Title:

ALOHA Homes Program; Housing; HHFDC; Urban Redevelopment District; Transit-oriented Development; Leasehold Condominiums on Lands Controlled by the State; Appropriation

Description:

Establishes the ALOHA homes program under the Hawaii Housing Finance and Development Corporation (HHFDC) to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the urban redevelopment district. Establishes guidelines within the urban redevelopment district and provisions related to the sale of leasehold interest of ALOHA homes. Exempts lands to which HHFDC holds title and land set aside or leased to HHFDC from the definition of public lands in section 171-2, HRS, except for purposes of accounting for receipts from ceded lands. Establishes and appropriates funds into and out of the ALOHA homes revolving fund. Authorizes HHFDC to sell the leasehold interest in residential condominium units located on state lands for lease terms of 99 years. Effective 7/1/2050. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

