

JAN 21 2022

---

# 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 fourth 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. According to the Honolulu Board of  
7       Realtors, by November 2021, the median price for a single-family  
8       home on Oahu had risen to \$1,050,000, while the median price for  
9       condominiums on Oahu had risen to \$500,000. With a simple  
10      mortgage calculator and using conservative assumptions on  
11      interest rates and down payment amounts, a household needs to  
12      earn almost \$170,000 annually to afford to buy a median-priced  
13      home on Oahu in 2021, making homeownership out of reach for many  
14      of Hawaii's residents, especially first-time buyers.

15      Because of the many barriers hindering the production of  
16      new housing, such as geographic limitations, lack of major  
17      infrastructure, construction costs, and government regulation,



# S.B. NO. 2254

1 the State and housing developers have not been able to produce  
2 enough housing for Hawaii residents. According to a 2015 report  
3 from the department of business, economic development, and  
4 tourism, the projected long-run estimate of demand for total new  
5 housing in Hawaii is between 64,700 to 66,000 for the 2015 to  
6 2025 period. The legislature has responded through the passage  
7 of various legislation. During the regular session of 2016, the  
8 legislature passed a bill enacted as Act 127, Session Laws of  
9 Hawaii 2016, that, among other things, established a goal of  
10 developing or vesting the development of at least 22,500  
11 affordable rental housing units ready for occupancy by the end  
12 of 2026. During the regular session of 2017, the legislature  
13 passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to  
14 expand the types of rental housing projects that can be exempt  
15 from general excise tax, thereby encouraging the development of  
16 rental housing projects targeted for occupancy by households at  
17 or below the one hundred forty per cent area median income  
18 level. During the regular session of 2018, the legislature  
19 passed a bill enacted as Act 39, Session Laws of Hawaii 2018,  
20 that, among other things, provides an estimated total value of  
21 \$570,000,000 to address Hawaii's affordable rental housing



1 crisis and is expected to generate more than 25,000 affordable  
2 units by the year 2030.

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

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



1 ninety per cent of the resident population are owners of their  
2 units. Through government loans, subsidies, and grants and the  
3 use of money saved through a government-run mandatory savings  
4 program, residents are able to purchase residential units at an  
5 affordable price, including options to upgrade to a better  
6 living environment in the future.

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

19 The purpose of this Act is to:

20 (1) End the housing shortage in Hawaii;



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

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

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

"B. ALOHA Homes Program

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

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

"ALOHA home" means a residential unit within an urban redevelopment site.

"Commercial project" means an undertaking involving commercial or light industrial development, which includes a mixed-use development where commercial or light industrial



1 facilities may be built into, adjacent to, under, or above  
2 residential units.

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

6 "Owner-occupied residential use" means any use currently  
7 permitted in existing residential zones consistent with owner  
8 occupancy, but shall not mean renting or subleasing by the owner  
9 of an ALOHA home to any tenant or sublessee of any kind.

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

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

18 "Public facilities" includes streets, utility and service  
19 corridors, and utility lines where applicable, sufficient to  
20 adequately service developable improvements in an urban  
21 redevelopment site, sites for schools, parks, parking garages,



1 sidewalks, pedestrian ways, and other community facilities.

2 "Public facilities" also includes public highways, as defined in  
3 section 264-1, storm drainage systems, water systems, street  
4 lighting systems, off-street parking facilities, sanitary  
5 sewerage systems, facilities to address climate change and sea  
6 level rise, as well as the land required for these facilities.

7 "Public facilities" also includes any facility owned and  
8 operated by a public agency and having a useful life of at least  
9 five years.

10 "Public transit station" means:

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

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

15 "Redevelopment project" means an undertaking for the  
16 acquisition, clearance, replanning, reconstruction, and  
17 rehabilitation, or a combination of these and other methods, of  
18 an area for a residential project, for an incidental commercial  
19 project, and for other facilities incidental or appurtenant  
20 thereto, pursuant to and in accordance with this subpart. The  
21 term "acquisition, clearance, replanning, reconstruction, and



1 rehabilitation" includes renewal, redevelopment, conservation,  
2 restoration, or improvement, or any combination thereof.

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

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

12 **§201H-C Urban redevelopment sites; established;**  
13 **boundaries.** There shall be established urban redevelopment  
14 sites that shall include all state-owned land within a one-mile  
15 radius of a public transit station in a county having a  
16 population greater than five hundred thousand.

17 **§201H-D Rules; guidelines.** (a) The corporation shall  
18 establish rules pursuant to chapter 91 on health, safety,  
19 building, planning, zoning, and land use, which shall supersede  
20 all other inconsistent ordinances and rules relating to the use,  
21 zoning, planning, and development of land and construction



1 thereon. Rules adopted under this section shall follow existing  
2 laws, rules, ordinances, and regulations as closely as is  
3 consistent with standards meeting minimum requirements of good  
4 design, pleasant amenities, health, safety, and coordinated  
5 development. The corporation may provide that lands within  
6 urban redevelopment sites shall not be developed beyond existing  
7 uses or that improvements thereon shall not be demolished or  
8 substantially reconstructed or provide other restrictions on the  
9 use of the lands.

10 (b) The following shall be the principles generally  
11 governing the corporation's action in urban redevelopment sites:

12 (1) The program shall seek to produce enough housing to  
13 meet housing demand;

14 (2) Each development may include facilities to replace any  
15 facilities that must be removed for the development's  
16 construction;

17 (3) Developments shall endeavor to be revenue-neutral to  
18 the State and counties, and all revenues generated  
19 shall be used for the purposes of this subpart;

20 (4) The corporation shall consider the infrastructure  
21 burden of each development and the impact of the



1 development on the education system, and any  
2 mitigation actions, prior to construction;

3 (5) The corporation may build infrastructure beyond what  
4 exists in any development under this subpart and may  
5 sell the infrastructure capacity to private sector  
6 developers;

7 (6) The corporation may build common area facilities for  
8 any development undertaken pursuant to this subpart,  
9 which shall be paid through the sales of ALOHA homes  
10 units;

11 (7) Developments shall result in communities that permit  
12 an appropriate land mixture of residential,  
13 commercial, and other uses. In view of the innovative  
14 nature of the mixed use approach, urban design  
15 policies shall be established for the public and  
16 private sectors in the proper development of urban  
17 redevelopment sites; provided that any of the  
18 corporation's proposed actions in urban redevelopment  
19 sites that are subject to chapter 343 shall comply  
20 with chapter 343 and any federal environmental  
21 requirements; provided further that the corporation



1           may engage in any studies or coordinative activities  
2           permitted in this subpart that affect areas lying  
3           outside urban redevelopment sites where the  
4           corporation, in its discretion, decides that those  
5           activities are necessary to implement the intent of  
6           this subpart. The studies or coordinative activities  
7           shall be limited to facility systems, resident and  
8           industrial relocation, and other activities engaged in  
9           with the counties and appropriate state agencies. The  
10          corporation may engage in construction activities  
11          outside of urban redevelopment sites; provided that  
12          the construction relates to infrastructure development  
13          or residential or business relocation activities;  
14          provided further that the construction shall comply  
15          with the general plan, development plan, ordinances,  
16          and rules of the county in which the urban  
17          redevelopment site is located;

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



1       (9) Where compatible, land use activities within urban  
2       redevelopment sites, to the greatest possible extent,  
3       shall be mixed horizontally within blocks or other  
4       land areas and vertically as integral units of  
5       multi-purpose structures;

6       (10) Development shall prioritize maximizing density;  
7       provided that development may require a mixture of  
8       densities, building types, and configurations in  
9       accordance with appropriate urban design guidelines  
10      and vertical and horizontal integration of residents  
11      of varying incomes, ages, and family groups that  
12      reflect the diversity of Hawaii;

13      (11) Development shall provide necessary community  
14      facilities, such as parks, community meeting places,  
15      child care centers, schools, educational facilities,  
16      libraries, and other services, within and adjacent to  
17      residential development; provided that any school that  
18      is designated by the corporation as a necessary  
19      community facility shall be exempt from school size  
20      requirements as calculated by recent school site area  
21      averages pursuant to section 302A-1602;



1       (12) Public facilities within urban redevelopment sites  
2           shall be planned, located, and developed so as to  
3           support the redevelopment policies for the sites  
4           established by this subpart and plans and rules  
5           adopted pursuant to it;

6       (13) Development shall be designed, to the extent possible,  
7           to minimize traffic, parking, the use of private  
8           automobiles, and noise;

9       (14) Development shall be subject to chapter 104;

10      (15) On-site and off-site infrastructure funded by the  
11           State or county, as applicable, shall be brought to  
12           the development site; provided that the State and  
13           respective county may be reimbursed for its  
14           infrastructure contributions with proceeds from the  
15           sale of ALOHA homes; and

16      (16) Development shall include the establishment of a  
17           building operating and maintenance program, together  
18           with the funding to cover its cost.

19      (c) ALOHA homes within urban redevelopment sites shall not  
20      be advertised for rent, rented, or used for any purpose other  
21      than owner-occupied residential use; provided that the



1 corporation, by rule, shall establish penalties for violations  
2 of this subsection, up to and including forced sale of an ALOHA  
3 home.

4 (d) The design and development contracts for ALOHA homes  
5 shall be subject to chapter 103D.

6 (e) The corporation shall, in the interest of revenue-  
7 neutrality, recoup expenses through the sales of the leasehold  
8 interest of ALOHA homes and other revenue sources, including the  
9 leasing of commercial space.

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

18 (1) The person shall be a qualified resident as defined in  
19 section 201H-32;

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



1           (3) The person, or the person's spouse, or any other  
2           person intending to live with the eligible buyer or  
3           owner, shall not own any other real property,  
4           including any residential and non-residential  
5           property, beneficial ownership of trusts, and co-  
6           ownership or fractional ownership, while owning an  
7           ALOHA home in an urban redevelopment site; provided  
8           that an eligible buyer may own real property up to six  
9           months after closing on the purchase of an ALOHA home;  
10          provided further that an owner of an ALOHA home in the  
11          process of selling the ALOHA home may own other real  
12          property up to six months prior to closing on the sale  
13          of the ALOHA home to an eligible buyer;  
14          provided that the rules under this subsection shall not include  
15          any requirements or limitations related to an individual's  
16          income or any preferences to first-time home buyers. The rules  
17          shall include strict enforcement of owner-occupancy, including a  
18          prohibition on renting or subleasing an ALOHA home to any tenant  
19          or sublessee. Enforcement of the owner-occupancy condition may  
20          include requirements for the use of facial recognition,  
21          fingerprint authorization, or retina scan technologies,



1 in-person verification of owner-occupants, and prevention of  
2 access to all unauthorized persons. The corporation may also  
3 establish rules for a minimum number of days residents must be  
4 physically present on the premises and a maximum number of days  
5 non-residents may have access to the premises.

6 (b) The median ALOHA homes within urban redevelopment  
7 sites shall be priced at the minimum levels necessary to ensure  
8 that the development is revenue-neutral for the State and  
9 counties. The median ALOHA homes price shall be adjusted  
10 annually for inflation, as determined by the Bureau of Labor  
11 Statistics Consumer Price Index for urban Hawaii.

12 (c) The corporation shall establish waitlists for each  
13 residential development for eligible buyers to determine the  
14 order in which ALOHA homes shall be sold. Waitlist priorities  
15 may include:

16 (1) School, college, or university affiliation if the  
17 residential property is a redeveloped school, college,  
18 or university;

19 (2) Proximity of an eligible buyer's existing residence to  
20 an ALOHA home within the urban redevelopment site; and



1           (3) Other criteria based on the impact that the  
2           development has on the eligible buyer.

3           (d) ALOHA homes within urban redevelopment sites shall be  
4 sold only to eligible buyers.

5           (e) An owner of an ALOHA home may sell the ALOHA home;  
6 provided that the corporation shall have the right of first  
7 refusal to purchase the ALOHA home at a price that is determined  
8 by the corporation using the price at which the owner purchased  
9 the ALOHA home as the cost basis, adjusted for inflation, as  
10 determined by the department of business, economic development,  
11 and tourism using the Consumer Price Index for All Urban  
12 Consumers for Honolulu, and may include a percentage of the  
13 appreciation, if any, in value of the unit based on an appraisal  
14 obtained by the corporation. If the corporation does not  
15 exercise its right to purchase the ALOHA home, the ALOHA home  
16 may be sold by the owner to an eligible buyer; provided that the  
17 corporation shall retain seventy-five per cent of all profits  
18 from the sale, net of closing and financing costs, using the  
19 price at which the owner purchased the ALOHA home, plus  
20 documented capital improvements, as the cost basis. Upon the  
21 death of the owner of an ALOHA home, the ALOHA home may be



1 transferred to the deceased's heir by devise or as any other  
2 real property under existing law.

3 (f) Any ALOHA home developed and sold under this subpart  
4 shall not be subject to sections 201H-47, 201H-49, 201H-50, and  
5 201H-51.

6 **§201H-F Use of public lands; acquisition of state lands.**

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

14 (b) Notwithstanding the foregoing, no public lands shall  
15 be conveyed or leased to the corporation pursuant to this  
16 section if the conveyance or lease would impair any covenant  
17 between the State or any county or any department or board  
18 thereof and the holders of bonds issued by the State or that  
19 county, department, or board.

20 **§201H-G Acquisition of real property from a county.**

21 Notwithstanding the provision of any law or charter, any county,



1 by resolution of its county council, may, without public  
2 auction, sealed bids, or public notice, sell, lease, grant, or  
3 convey to the corporation any real property owned by the county  
4 that the corporation certifies to be necessary for the purposes  
5 of this subpart. The sale, lease, grant, or conveyance shall be  
6 made with or without consideration and upon terms and conditions  
7 as may be agreed upon by the county and the corporation.

8 Certification shall be evidenced by a formal request from the  
9 corporation. Before the sale, lease, grant, or conveyance may  
10 be made to the corporation, a public hearing shall be held by  
11 the county council to consider the same. Notice of the hearing  
12 shall be published at least six days before the date set for the  
13 hearing in the publication and in the manner as may be  
14 designated by the county council.

15       **§201H-H Condemnation of real property.** The corporation,  
16 upon making a finding that it is necessary to acquire any real  
17 property for its immediate or future use for the purposes of  
18 this subpart, may acquire the property, including property  
19 already devoted to a public use, by condemnation pursuant to  
20 chapter 101. The property shall not thereafter be taken for any  
21 other public use without the consent of the corporation. No



1 award of compensation shall be increased by reason of any  
2 increase in the value of real property caused by the designation  
3 of the urban redevelopment site or plan adopted pursuant to a  
4 designation, or the actual or proposed acquisition, use, or  
5 disposition of any other real property by the corporation.

6       **§201H-I Construction contracts.** The construction  
7 contracts for ALOHA homes shall be subject to chapter 103D.

8       **§201H-J Lease of projects.** Notwithstanding any law to the  
9 contrary, the corporation, without recourse to public auction or  
10 public notice for sealed bids, may lease for a term not  
11 exceeding sixty-five years all or any portion of the real or  
12 personal property constituting a commercial project to any  
13 person, upon terms and conditions as may be approved by the  
14 corporation; provided that all revenues generated from the lease  
15 shall be used to support the purpose of the ALOHA homes program.

16       **§201H-K Dedication for public facilities as condition to**  
17 **development.** The corporation shall establish rules requiring  
18 dedication for public facilities of land or facilities by  
19 developers as a condition of developing real property within  
20 urban redevelopment sites. Where state and county public



1 facilities dedication laws, ordinances, or rules differ, the  
2 provision for greater dedication shall prevail.

3       **§201H-L ALOHA homes revolving fund.** There is established  
4 the ALOHA homes revolving fund into which all receipts and  
5 revenues of the corporation pursuant to this subpart shall be  
6 deposited. Proceeds from the fund shall be used for the  
7 purposes of this subpart.

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



**S.B. NO. 2254**

1       **§201H-N Assistance by state and county agencies.** Any  
2 state or county agency may render services for the purposes of  
3 this subpart upon request of the corporation.

4       **§201H-O Lands no longer needed.** Lands acquired by the  
5 corporation from another government agency that are no longer  
6 needed for the ALOHA homes program by the corporation shall be  
7 returned to the previous owner of those lands. Lands acquired  
8 by the corporation from a private party that are owned by the  
9 corporation and designated for the ALOHA homes program but are  
10 subsequently no longer needed for the ALOHA homes program shall  
11 be retained by the corporation.

12       **§201H-P Rules.** The corporation may adopt rules pursuant  
13 to chapter 91 that are necessary for the purposes of this  
14 subpart.

15               C. Leasehold Condominiums on State Lands

16       **§201H-Q Leasehold condominiums on state lands.** (a) The  
17 corporation may sell leasehold units in condominiums organized  
18 pursuant to chapter 514B and developed under this subpart on  
19 state land to a qualified resident, as defined in section  
20 201H-32.



1 (b) The term of the lease may be for ninety-nine years;  
2 provided that the corporation may extend or modify the fixed  
3 rental period of the lease or extend the term of the lease.

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

7 (d) The powers conferred upon the corporation by this  
8 section shall be in addition and supplemental to the powers  
9 conferred by any other law, and nothing in this section shall be  
10 construed as limiting any powers, rights, privileges, or  
11 immunities so conferred."

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

15 "§237- Exemption of sale of leasehold interest for ALOHA  
16 home units. In addition to the amounts exempt under section  
17 237-24, this chapter shall not apply to amounts received from  
18 the sale of a leasehold interest in an ALOHA home under chapter  
19 201H, part II, subpart B."

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



1       **"§171-2 Definition of public lands.** "Public lands" means  
2 all lands or interest therein in the State classed as government  
3 or crown lands previous to August 15, 1895, or acquired or  
4 reserved by the government upon or subsequent to that date by  
5 purchase, exchange, escheat, or the exercise of the right of  
6 eminent domain, or in any other manner; including lands accreted  
7 after May 20, 2003, and not otherwise awarded, submerged lands,  
8 and lands beneath tidal waters that are suitable for  
9 reclamation, together with reclaimed lands that have been given  
10 the status of public lands under this chapter, except:

11       (1) Lands designated in section 203 of the Hawaiian Homes  
12 Commission Act, 1920, as amended;

13       (2) Lands set aside pursuant to law for the use of the  
14 United States;

15       (3) Lands being used for roads and streets;

16       (4) Lands to which the United States relinquished the  
17 absolute fee and ownership under section 91 of the  
18 Hawaiian Organic Act prior to the admission of Hawaii  
19 as a state of the United States unless subsequently  
20 placed under the control of the board of land and  
21 natural resources and given the status of public lands



1 in accordance with the state constitution, the  
2 Hawaiian Homes Commission Act, 1920, as amended, or  
3 other laws;

4 (5) Lands to which the University of Hawaii holds title;

5 (6) Lands that are set aside by the governor to the Hawaii  
6 housing finance and development corporation; lands  
7 leased to the Hawaii housing finance and development  
8 corporation by any department or agency of the State;  
9 or lands to which the Hawaii housing finance and  
10 development corporation in its corporate capacity  
11 holds title;

12 (7) Lands to which the Hawaii community development  
13 authority in its corporate capacity holds title;

14 (8) Lands set aside by the governor to the Hawaii public  
15 housing authority or lands to which the Hawaii public  
16 housing authority in its corporate capacity holds  
17 title;

18 (9) 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       (10)   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       (11)   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      (12)   Lands to which the Hawaii technology development  
14          corporation in its corporate capacity holds title;

15      (13)   Lands to which the department of education holds  
16          title;

17      (14)   Lands to which the stadium authority holds title; and

18      (15)   Lands to which the school facilities authority holds  
19          title;

20   provided that, except as otherwise limited under federal law and  
21   except for state land used as an airport as defined in section



1 262-1, public lands shall include the air rights over any  
2 portion of state land upon which a county mass transit project  
3 is developed after July 11, 2005; provided further that if the  
4 lands pursuant to paragraph (14) are no longer needed for the  
5 stadium development district or related purposes; the lands  
6 shall be returned to the public land trust administration."

7 SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9 "(a) This section applies to all lands or interest therein  
10 owned or under the control of state departments and agencies  
11 classed as government or crown lands previous to August 15,  
12 1895, or acquired or reserved by the government upon or  
13 subsequent to that date by purchase, exchange, escheat, or the  
14 exercise of the right of eminent domain, or any other manner,  
15 including accreted lands not otherwise awarded, submerged lands,  
16 and lands beneath tidal waters that are suitable for  
17 reclamation, together with reclaimed lands that have been given  
18 the status of public lands under this chapter, including:

- 19 (1) Land set aside pursuant to law for the use of the  
20 United States;



- 1           (2) Land to which the United States relinquished the  
2           absolute fee and ownership under section 91 of the  
3           Organic Act prior to the admission of Hawaii as a  
4           state of the United States;
- 5           (3) Land to which the University of Hawaii holds title;
- 6           (4) Land that is set aside by the governor to the Hawaii  
7           housing finance and development corporation; land  
8           leased to the Hawaii housing finance and development  
9           corporation by any department or agency of the State;  
10          or land to which the Hawaii housing finance and  
11          development corporation in its corporate capacity  
12          holds title;
- 13          (5) Land to which the department of agriculture holds  
14          title by way of foreclosure, voluntary surrender, or  
15          otherwise, to recover moneys loaned or to recover  
16          debts otherwise owed the department under chapter 167;
- 17          (6) Land that is set aside by the governor to the Aloha  
18          Tower development corporation; or land to which the  
19          Aloha Tower development corporation holds title in its  
20          corporate capacity;



(7) Land that is set aside by the governor to the agribusiness development corporation; or land to which the agribusiness development corporation in its corporate capacity holds title;

(8) Land to which the Hawaii technology development corporation in its corporate capacity holds title;

(9) Land to which the department of education holds title;

(10) Land to which the Hawaii public housing authority in its corporate capacity holds title;

(11) Land to which the stadium authority holds title; and

(12) Land to which the school facilities authority holds title."

SECTION 6. Chapter 201H, Hawaii Revised Statutes, part II is amended by designating sections 201H-31 to 201H-70 as subpart A and inserting a title before section 201H-31 to read as follows:

"A. General Provisions"

SECTION 7. Section 302A-1603, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

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



- 1       (1) Any form of housing permanently excluding school-aged  
2           children, with the necessary covenants or declarations  
3           of restrictions recorded on the property;
- 4       (2) Any form of housing that is or will be paying the  
5           transient accommodations tax under chapter 237D;
- 6       (3) All nonresidential development;
- 7       (4) Any development with an executed education  
8           contribution agreement or other like document with the  
9           authority or the department for the contribution of  
10          school sites or payment of fees for school land or  
11          school construction; ~~and~~
- 12      (5) Any form of housing developed by the department of  
13          Hawaiian home lands for use by beneficiaries of the  
14          Hawaii Homes Commission Act, 1920, as amended[-]; and
- 15      (6) Any form of development by the Hawaii housing finance  
16          and development corporation pursuant to chapter 201H,  
17          part II, subpart B."

18       SECTION 8. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$                    or so  
20 much thereof as may be necessary for fiscal year 2022-2023 to be



1 deposited into the ALOHA homes revolving fund established  
2 pursuant to section 201H-L, Hawaii Revised Statutes.

3 SECTION 9. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2022-2023 for  
6 the purposes for which the revolving fund is established.

7 The sum appropriated shall be expended by the Hawaii  
8 housing finance and development corporation for the purposes of  
9 this Act.

10 SECTION 10. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2022-2023 to  
13 fund one full-time equivalent (1.0 FTE) program manager  
14 position, one full-time equivalent (1.0 FTE) compliance  
15 specialist position, and one full-time equivalent (1.0 FTE)  
16 fiscal clerk position within the Hawaii housing finance and  
17 development corporation for the ALOHA homes program.

18 The sum appropriated shall be expended by the department of  
19 business, economic development, and tourism for the purposes of  
20 this Act.



1       SECTION 11. In codifying the new sections added by section  
2 2 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5       SECTION 12. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7       SECTION 13. This Act shall take effect upon its approval.  
8

INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, consisting of stylized, cursive letters, is written over a horizontal line.

# S.B. NO. 2254

**Report Title:**

Affordable Housing; ALOHA Homes; Hawaii Housing and Finance Development Corporation; Public Land Exemptions; Appropriation

**Description:**

Establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii housing finance and development corporation (HHFDC) to qualified residents. Exempts certain land from the definition of public lands. Requires HHFDC to gain legislative approval before disposing of certain lands. Provides for the disposition of lands acquired by HHFDC but no longer needed for the ALOHA homes program. Appropriates funds.

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

