
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. According to the Honolulu Board of
7 Realtors, by August 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 at least \$200,000 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,



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 twenty-five
2 thousand affordable 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
18 development -- plans, develops, and constructs the housing
19 units, including commercial, recreational, and social amenities.
20 The result is that units built by the housing and development
21 board house eighty per cent of the resident population and that,



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



- 1 (1) Address critical housing needs in the State by
2 significantly increasing the supply of high density
3 housing;
- 4 (2) Establish the ALOHA homes program to facilitate the
5 creation of low-cost leasehold homes for sale to
6 Hawaii residents on state-owned land near public
7 transit stations;
- 8 (3) Authorize the Hawaii housing finance and development
9 corporation to sell the leasehold interest in
10 residential condominium units located on state lands
11 for lease terms of ninety-nine years;
- 12 (4) Direct the Hawaii housing finance and development
13 corporation to conduct a study and form a working
14 group on the implementation of the ALOHA homes
15 program; and
- 16 (5) Appropriate funds to the department of business,
17 economic development, and tourism for the Hawaii
18 housing finance and development corporation to
19 implement the ALOHA homes program.

20 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
21 amended by amending part II as follows:



1 1. By designating section 201H-31 to 201H-34 as subpart A,
2 entitled "General Provisions";

3 2. By designating sections 201H-35 to 201H-70 as
4 subpart B, entitled "Development Programs"; and

5 3. By adding two new subparts to read:

6 "C. ALOHA Homes Program

7 **§201H-A Definitions.** As used in this subpart, the
8 following terms have the following meanings, unless the context
9 indicates a different meaning or intent:

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

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

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

18 "Multipurpose project" means a project consisting of any
19 combination of a commercial project, redevelopment project, or
20 residential project.



1 "Owner-occupied residential use" means any use currently
2 permitted in existing residential zones consistent with owner
3 occupancy, but does not include renting or subleasing by the
4 owner of an ALOHA home to any tenant or sublessee of any kind.

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

10 "Public agency" means any office, department, board,
11 commission, bureau, division, public corporation agency, or
12 instrumentality of the federal, state, or county government.

13 "Public facilities" includes streets, utility and service
14 corridors, and utility lines where applicable, sufficient to
15 adequately service developable improvements in an urban
16 redevelopment site, sites for schools, parks, parking garages,
17 sidewalks, pedestrian ways, and other community facilities.

18 "Public facilities" also includes public highways, as defined in
19 section 264-1, storm drainage systems, water systems, street
20 lighting systems, off-street parking facilities, sanitary
21 sewerage systems, facilities to address climate change and sea



1 level rise, as well as the land required for these facilities.
2 "Public facilities" also includes any facility owned and
3 operated by a public agency and having a useful life of at least
4 five years.

5 "Public transit station" means:

- 6 (1) A station connected to a locally preferred alternative
7 for a mass transit project; or
8 (2) For the city and county of Honolulu, a station of the
9 Honolulu rail transit system.

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

19 "Residential project" means a project or that portion of a
20 multipurpose project, including residential dwelling units,



1 designed and intended for the purpose of providing housing and
2 any facilities as may be incidental or appurtenant thereto.

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 mile radius of a public transit
7 station.

8 **§201H-C Urban redevelopment sites; established;**
9 **boundaries.** There shall be established urban redevelopment
10 sites that shall include all state-owned land within a one mile
11 radius of a public transit station in a county having a
12 population greater than five hundred thousand.

13 **§201H-D Rules; guidelines.** (a) The corporation shall
14 establish rules pursuant to chapter 91 on health, safety,
15 building, planning, zoning, and land use, which shall supersede
16 all other inconsistent ordinances and rules relating to the use,
17 zoning, planning, and development of land and construction
18 thereon. Rules adopted under this section shall follow existing
19 law, rules, ordinances, and regulations as closely as is
20 consistent with standards meeting minimum requirements of good
21 design, pleasant amenities, health, safety, and coordinated



1 development. The corporation may provide that lands within
2 urban redevelopment sites shall not be developed beyond existing
3 uses or that improvements thereon shall not be demolished or
4 substantially reconstructed or provide other restrictions on the
5 use of the lands.

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

8 (1) The program seeks to produce a significant amount of
9 housing to meet demand from local residents;

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

13 (3) Developments shall endeavor to be financially
14 sustainable; provided that additional appropriations
15 may be required for infrastructure development and
16 other purposes;

17 (4) The corporation shall consider the infrastructure
18 burden of each development and the impact of the
19 development on the education system, and any
20 mitigation actions, prior to construction;



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

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

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



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

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

20 (9) Where compatible, land use activities within urban
21 redevelopment sites, to the greatest possible extent,



1 shall be mixed horizontally within blocks or other
2 land areas and vertically as integral units of
3 multi-purpose structures;

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

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

20 (12) Public facilities within urban redevelopment sites
21 shall be planned, located, and developed so as to



1 support the redevelopment policies for the sites
2 established by this subpart and plans and rules
3 adopted pursuant to it;

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

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

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

14 (16) Development shall include the establishment of a
15 building operating and maintenance program, together
16 with the funding to cover its cost; and

17 (17) Development shall be designed and constructed in
18 consultation and partnership with private developers.

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
7 sustainability, recoup expenses through the sales of the
8 leasehold interest of ALOHA homes and other revenue sources,
9 including the 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 of the State
19 as defined in 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 but may include preferences related to an individual's
17 income; provided further that no rules under this subsection
18 shall prohibit the establishment or use of additional subsidies
19 for low-income households to purchase ALOHA homes. The rules
20 shall include strict enforcement of owner-occupancy, including a
21 prohibition on renting or leasing an ALOHA home to any tenant or



1 lessee. Enforcement of the owner-occupancy condition may
2 include requirements for the use of facial recognition,
3 fingerprint authorization, or retina scan technologies, in-
4 person verification of owner-occupants, and prevention of access
5 to all unauthorized persons. The corporation may also establish
6 rules for a minimum number of days residents must be physically
7 present on the premises and a maximum number of days non-
8 residents may have access to the premises.

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

15 (c) The corporation shall establish waitlists for each
16 residential development for eligible buyers to determine the
17 order in which ALOHA homes shall be sold. Waitlist priorities
18 may include school, college, or university affiliation if the
19 residential property is a redeveloped school, college, or
20 university; proximity of an eligible buyer's existing residence
21 to an ALOHA home within the urban redevelopment site; household



1 income level or ability to otherwise purchase a home; and other
2 criteria based on the impact that the development has on the
3 eligible buyer. Waitlists shall be established in consultation
4 and coordination with existing affordable housing programs
5 administered by each county.

6 (d) ALOHA homes within urban redevelopment sites shall be
7 sold only to other eligible buyers.

8 (e) An owner of an ALOHA home may sell the ALOHA home
9 provided that the corporation shall have the right of first
10 refusal to purchase the ALOHA home at a price that is determined
11 by the corporation using the price at which the owner purchased
12 the ALOHA home as the cost basis, adjusted for inflation, as
13 determined by the department of business, economic development,
14 and tourism using the Consumer Price Index for All Urban
15 Consumers for Honolulu, and may include a percentage of the
16 appreciation, if any, in value of the unit based on an appraisal
17 obtained by the corporation. The corporation may use funds from
18 the dwelling unit and affordable homeownership revolving funds
19 for the purposes of this subpart. If the corporation does not
20 exercise its right to purchase the ALOHA home, the ALOHA home
21 may be sold by the owner to an eligible buyer; provided that the



1 price at which an owner may sell an ALOHA home shall be limited
2 by the corporation in accordance with a consistent formula to be
3 established by the corporation. Upon the death of the owner of
4 an ALOHA home, the ALOHA home may be transferred to the
5 deceased's heir by devise or as any other real property under
6 existing law.

7 (f) Any ALOHA home developed and sold under this subpart
8 shall not be subject to sections 201H-47, 201H-49, 201H-50, and
9 201H-51.

10 **§201H-F Use of public lands; acquisition of state lands.**

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

18 (b) Notwithstanding the foregoing, no public lands shall
19 be conveyed or leased to the corporation pursuant to this
20 section if the conveyance or lease would impair any covenant
21 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-G Acquisition of real property from a county.**

4 Notwithstanding the provision of any law or charter, any county,
5 by resolution of its county council, 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 county council to consider the same. Notice of the hearing
16 shall be published at least six days before the date set for the
17 hearing in the publication and in the manner as may be
18 designated by the county council.

19 **§201H-H 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 site or plan adopted pursuant to a
8 designation, or the actual or proposed acquisition, use, or
9 disposition of any other real property by the corporation.

10 **§201H-I Construction contracts.** The construction
11 contracts for ALOHA homes shall be subject to chapter 103D.

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

20 **§201H-K Dedication for public facilities as condition to**
21 **development.** The corporation shall establish rules requiring



1 dedication for public facilities of land or facilities by
2 developers as a condition of developing real property within
3 urban redevelopment sites. Where state and county public
4 facilities dedication laws, ordinances, or rules differ, the
5 provision for greater dedication shall prevail.

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

11 **§201H-M Assistance by state and county agencies.** Any
12 state or county agency may render services for the purposes of
13 this subpart upon request of the corporation.

14 **§201H-N Lands no longer needed.** Lands acquired by the
15 corporation from another government agency that are no longer
16 needed for the ALOHA homes program by the corporation shall be
17 returned to the previous owner of those lands. Lands acquired
18 by the corporation from a private party that are owned by the
19 corporation and designated for the ALOHA homes program but are
20 subsequently no longer needed for the ALOHA homes program shall
21 be retained by the corporation.



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

4 D. Leasehold Condominiums on State Lands

5 **§201H-P Leasehold condominiums on state lands.** (a) The
6 corporation may sell leasehold units in condominiums organized
7 pursuant to chapter 514B and developed under this subpart on
8 state land to a "qualified resident" as defined in section
9 201H-32.

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

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

16 (d) The powers conferred upon the corporation by this
17 section shall be in addition and supplemental to the powers
18 conferred by any other law, and nothing in this section shall be
19 construed as limiting any powers, rights, privileges, or
20 immunities so conferred."



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

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

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

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



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



- 1 (7) Lands to which the Hawaii community development
2 authority in its corporate capacity holds title;
- 3 (8) Lands set aside by the governor to the Hawaii public
4 housing authority or lands to which the Hawaii public
5 housing authority in its corporate capacity holds
6 title;
- 7 (9) Lands to which the department of agriculture holds
8 title by way of foreclosure, voluntary surrender, or
9 otherwise, to recover moneys loaned or to recover
10 debts otherwise owed the department under chapter 167;
- 11 (10) Lands that are set aside by the governor to the Aloha
12 Tower development corporation, lands leased to the
13 Aloha Tower development corporation by any department
14 or agency of the State, or lands to which the Aloha
15 Tower development corporation holds title in its
16 corporate capacity;
- 17 (11) Lands that are set aside by the governor to the
18 agribusiness development corporation, lands leased to
19 the agribusiness development corporation by any
20 department or agency of the State, or lands to which



1 the agribusiness development corporation in its
2 corporate capacity holds title;
3 (12) Lands to which the Hawaii technology development
4 corporation in its corporate capacity holds title;
5 (13) Lands to which the department of education holds
6 title;
7 (14) Lands to which the stadium authority holds title; and
8 [+] (15) [+] Lands to which the school facilities authority holds
9 title;
10 provided that, except as otherwise limited under federal law and
11 except for state land used as an airport as defined in section
12 262-1, public lands shall include the air rights over any
13 portion of state land upon which a county mass transit project
14 is developed after July 11, 2005; provided further that if the
15 lands pursuant to paragraph (14) are no longer needed for the
16 stadium development district or related purposes, the lands
17 shall be returned to the public land trust administered by the
18 department."
19 SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



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

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

(2) Land to which the United States relinquished the absolute fee and ownership under section 91 of the Organic Act prior to the admission of Hawaii as a state of the United States;

(3) Land to which the University of Hawaii holds title;

(4) ~~[Land]~~ Non-ceded lands set aside by the governor to the Hawaii housing finance and development corporation or lands to which the Hawaii housing finance and



development corporation in its corporate capacity

holds title;

(5) Land to which the department of agriculture holds title by way of foreclosure, voluntary surrender, or otherwise, to recover moneys loaned or to recover debts otherwise owed the department under chapter 167;

(6) Land that is set aside by the governor to the Aloha Tower development corporation or land to which the Aloha Tower development corporation holds title in its 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



1 [+] (12) [+] Land to which the school facilities authority holds
2 title."

3 SECTION 6. Section 201H-191, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is created a dwelling unit revolving fund. The
6 funds appropriated for the purpose of the dwelling unit
7 revolving fund and all moneys received or collected by the
8 corporation for the purpose of the revolving fund shall be
9 deposited in the revolving fund. The proceeds in the revolving
10 fund shall be used to reimburse the general fund to pay the
11 interest on general obligation bonds issued for the purposes of
12 the revolving fund, for the necessary expenses in administering
13 housing development programs, including for the repurchase of
14 ALOHA homes pursuant to subsection 201H-E(e), and regional state
15 infrastructure programs, and for carrying out the purposes of
16 housing development programs and regional state infrastructure
17 programs, including but not limited to the expansion of
18 community facilities and regional state infrastructure
19 constructed in conjunction with housing and mixed-use transit-
20 oriented development projects, permanent primary or secondary
21 financing, and supplementing building costs, federal guarantees



1 required for operational losses, and all things required by any
2 federal agency in the construction and receipt of federal funds
3 or low-income housing tax credits for housing projects."

4 SECTION 7. Section 201H-206, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established an affordable homeownership
7 revolving fund to be administered by the corporation for the
8 purpose of providing, in whole or in part, loans to nonprofit
9 community development financial institutions [and], nonprofit
10 housing development organizations for the development of
11 affordable homeownership housing projects[.], and the Hawaii
12 housing finance and development corporation for the purpose of
13 repurchasing ALOHA homes pursuant to subsection 201H-E(e)."

14 SECTION 8. Section 302A-1603, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

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

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

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



- 1 (3) All nonresidential development;
- 2 (4) Any development with an executed education
3 contribution agreement or other like document with the
4 authority or the department for the contribution of
5 school sites or payment of fees for school land or
6 school construction; [and]
- 7 (5) Any form of housing developed by the department of
8 Hawaiian home lands for use by beneficiaries of the
9 Hawaiian Homes Commission Act, 1920, as amended[-];
10 and
- 11 (6) Any form of development by the Hawaii housing finance
12 and development corporation pursuant to chapter 201H,
13 part II, subpart C."

14 SECTION 9. (a) The Hawaii housing finance and development
15 corporation shall conduct a detailed market study of leasehold
16 housing in the State.

17 (b) The study shall examine buyer preferences regarding
18 leasehold and fee simple housing.

19 (c) The Hawaii housing finance and develop corporation
20 shall submit a report of its findings and recommendations,
21 including any proposed legislation, to the legislature no later



1 than twenty days prior to the convening of the regular session
2 of 2023.

3 SECTION 10. (a) The Hawaii housing finance and
4 development corporation shall establish a working group to study
5 the implementation of the ALOHA homes program.

6 (b) The working group shall consist of members to be
7 appointed by the executive director of the Hawaii housing
8 finance and development corporation.

9 (c) The working group shall submit a report to the
10 legislature of its progress, findings, and recommendations,
11 including any proposed legislation, no later than twenty days
12 prior to the convening of the regular session of 2024.

13 (d) The working group shall dissolve on June 30, 2024.

14 (e) For the purpose of this Act, "ALOHA homes program"
15 means the program described in section 1 of this Act.

16 SECTION 11. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2022-2023 to be
19 deposited into the ALOHA homes revolving fund established
20 pursuant to section 201H-L, Hawaii Revised Statutes.



1 SECTION 12. There is appropriated out of the ALOHA homes
2 revolving fund established pursuant to section 201H-L, Hawaii
3 Revised Statutes, the sum of \$ or so much thereof as
4 may be necessary for fiscal year 2022-2023 for the purposes for
5 which the revolving fund is established.

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

9 SECTION 13. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2022-2023 for
12 the Hawaii housing finance and development corporation to:

- 13 (1) Fund one full-time equivalent (1.0 FTE) program
14 manager position, one full-time equivalent (1.0 FTE)
15 compliance specialist position, one full-time
16 equivalent (1.0 FTE) fiscal clerk position, and five
17 other full-time equivalent (5.0 FTE) positions for the
18 ALOHA homes program; and
19 (2) Fund software and hardware for the ALOHA homes
20 program.



1 The sum appropriated shall be expended by the department of
2 business, economic development, and tourism for the purposes of
3 this Act.

4 SECTION 14. In codifying the new sections added by section
5 2 of this Act, the revisor of statutes shall substitute
6 appropriate section numbers for the letters used in designating
7 the new sections in this Act.

8 SECTION 15. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 16. This Act shall take effect on July 1, 2022.



Report Title:

Hawaii Housing Finance and Development Corporation; Affordable Housing; ALOHA Homes; 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 to qualified residents. Exempts certain land from the definition of public lands. Requires Hawaii Housing Finance and Development Corporation to gain legislative approval before disposing of certain lands. Provides for the disposition of lands acquired by Hawaii Housing Finance and Development Corporation but no longer needed for the ALOHA homes program. Directs the Hawaii Housing Finance and Development Corporation to conduct a study of the market depth for leasehold housing. Directs the Hawaii Housing Finance and Development Corporation to establish a working group to study the implementation of the ALOHA homes program. Appropriates funds. (SD1)

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

