
A BILL FOR AN ACT

RELATING TO RESIDENTIAL CONDOMINIUMS.

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

1 SECTION 1. Section 206E-281, Hawaii Revised Statutes, is
2 amended by amending the definition of "owner-occupied use" to
3 read as follows:

4 "Owner-occupied residential use" means any use currently
5 permitted in existing residential zones consistent with owner
6 occupancy. [~~"Owner-occupied residential use" does not include~~
7 ~~renting or subleasing by the owner of a residential condominium~~
8 ~~unit to any tenant or sublessee of any kind.]"~~

9 SECTION 2. Section 206E-283, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[~~+~~]**§206E-283**[~~+~~] **Rules; guidelines.** (a) [~~Residential~~] At
12 least sixty per cent of the residential condominium units within
13 urban redevelopment sites shall [~~not be advertised for rent,~~
14 ~~rented, or used for any purpose other than owner-occupied~~
15 ~~residential use.] be set aside for owner-occupied residential
16 use for no less than ten years from the date of initial purchase
17 of the unit. The authority, by rule, shall establish penalties~~



1 for violations of this subsection up to and including forced
2 sale of a residential condominium unit within an urban
3 redevelopment site.

4 (b) The design [~~and~~], development, and construction
5 contracts for residential condominium units within an urban
6 redevelopment site shall not be subject to chapter 103D[~~·~~];
7 provided that every laborer and mechanic performing work on the
8 job site for the construction of residential condominium units
9 shall be paid the prevailing wage established by the director of
10 labor and industrial relations pursuant to section 104-2.

11 (c) Development should be revenue-neutral to the greatest
12 extent possible.

13 (d) Urban redevelopment sites shall maximize walkability.

14 (e) One hundred per cent of the residential condominium
15 units within an urban redevelopment site shall be initially
16 offered for sale for owner-occupied residential use; provided
17 that if after sixty days there are unsold units, up to forty per
18 cent of the units may be sold to qualified residents, as defined
19 in section 201H-32."

20 SECTION 3. Section 206E-284, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending subsection (a) to read:

2 "(a) The authority shall adopt rules pursuant to
3 chapter 91 for the sale of the leasehold interest of residential
4 condominium units under its control within urban redevelopment
5 sites; provided that each lease shall be for a term of
6 ninety-nine years. The rules shall include the following
7 requirements [~~for an eligible buyer or owner of a residential~~
8 ~~condominium unit~~] to be an eligible buyer for purchase of a
9 residential condominium unit within an urban redevelopment
10 site[+] set aside for owner-occupied residential use:

11 (1) The person shall be a qualified resident of the State,
12 as defined in section 201H-32; and

13 (2) The person shall not use a residential condominium
14 unit within an urban redevelopment site for any
15 purpose other than owner-occupied residential use[+]
16 and

17 ~~(3) The person, the person's spouse, or any other person~~
18 ~~intending to live with the eligible buyer or owner,~~
19 ~~shall not own any other real property, including any~~
20 ~~residential and non-residential property, beneficial~~
21 ~~ownership of trusts, and co-ownership or fractional~~



1 ~~ownership, while owning a residential condominium unit~~
2 ~~within an urban redevelopment site; provided that an~~
3 ~~eligible buyer may own real property up to six months~~
4 ~~after closing on the purchase of a residential~~
5 ~~condominium unit within an urban redevelopment site;~~
6 ~~provided further that an owner of a residential~~
7 ~~condominium unit within an urban redevelopment site in~~
8 ~~the process of selling the residential condominium~~
9 ~~unit may own other real property up to six months~~
10 ~~prior to closing on the sale of the residential~~
11 ~~condominium unit to an eligible buyer;] for a period~~
12 ~~of no less than ten years from the date of the initial~~
13 ~~purchase of the unit, except as provided in section~~
14 ~~206E-283(e);~~

15 provided that the rules adopted pursuant to this subsection may
16 require at least [~~fifty~~] sixty per cent of the residential
17 condominium units be sold to an individual or household with an
18 income of up to one hundred forty per cent of the area median
19 income. The rules shall include strict enforcement of
20 owner-occupancy, including a prohibition on renting or
21 subleasing a residential condominium unit within an urban



1 redevelopment site to any tenant or sublessee[-] for residential
2 condominium units set aside for owner-occupied residential use.

3 The authority may also establish rules for a minimum number of
4 days residents shall be physically present on the premises and a
5 maximum number of days non-residents may have access to the
6 premises."

7 2. By amending subsections (c) and (d) to read:

8 "(c) [~~Residential~~] Except as provided in section 206E-
9 283(e), residential condominium units within an urban
10 redevelopment site set aside for owner-occupied residential use
11 shall be sold only to other eligible buyers[-] for a period of
12 no less than ten years from the date of the initial purchase of
13 the unit.

14 (d) An owner of a residential condominium unit within an
15 urban redevelopment site set aside for owner-occupied
16 residential use may sell the owner's residential condominium
17 unit; provided that the authority shall have the right of first
18 refusal to purchase the residential condominium unit for certain
19 period of time and for a buyback price to be determined by the
20 authority. If the authority does not exercise its right to
21 purchase the residential condominium unit, the residential



1 condominium unit may be sold by the owner to an eligible buyer.
2 Upon the death of the owner of a residential condominium unit
3 within an urban redevelopment site~~[7]~~ set aside for
4 owner-occupied residential use, the residential condominium unit
5 may be transferred to the deceased's heir by devise or as any
6 other real property under existing law; provided that the
7 deceased's heir shall meet the requirements listed in
8 subsection (a); provided further that if the deceased's heir
9 does not meet requirements to accept transfer of the residential
10 condominium unit, the deceased's heir shall sell the residential
11 condominium unit to an eligible buyer."

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Hawaii Community Development Authority; Affordable Housing;
Ninety-Nine Year Leasehold Program; Condominium Units;
Owner-Occupied Residential Use

Description:

Clarifies the Ninety-Nine Year Leasehold Program by: including the renting or subleasing by the owner of a residential condominium unit to any tenant or sublessee of any kind as a form of owner occupation; requiring at least sixty per cent of the residential condominium units within urban redevelopment sites to be set aside for owner-occupied residential use for at least ten years from the date of initial purchase; exempting the design, development, and construction of contracts for residential condominium units within an urban redevelopment site from procurement requirements; allowing an individual to own other real property and still qualify for the program; and allowing the sale of up to forty per cent of residential condominium units to qualified residents if there are units available after being advertised for sale for more than sixty days. Effective 7/1/3000. (HD1)

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