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A Bill for An Act Amending Chapter 143 of the Revised Laws of Hawaii, 1955, As Amended, Authorizing the Undertaking and Carrying Out of Urban Renewal Project in Disaster Areas; Providing for the Relocation of Persons Displaced from Disaster Areas, and Providing for the Early Acquisition of Real Property.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 143 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to be designated Section 143-7.1 to read as follows:

"143-7.1. Urban Renewal Projects in Disaster Areas. Notwithstanding any other provisions of this Chapter, where the board of supervisors of a county certified that an area within the county is in need of renewal, redevelopment or rehabilitation as a result of a seismic wave, flood, fire, hurricane, earthquake, storm, volcanic activity, explosion, or other catastrophe, natural or man-made (herein called "disaster area") respecting which the Governor of the State has certified the need for disaster assistance under Public Law 875, Eighty-first Congress, or other Federal law, the board of supervisors of a county may approve an urban renewal plan and an urban renewal project with respect to such area without regard to:

(a) the provisions of this Chapter as follows: subsections (j) and (p) of section 143-2; the proviso of the first sentence of subsection (d) of section 143-6; the requirements for housing of displaced families, approval of the plan by planning commission, public hearings and findings required by the board of supervisors prior to the approval of the plan as contained in section 143-7, provided, that the limitation of time in which to contest validity of the proceedings or of the renewal plan provided in section 143-7 in the case of an urban renewal project for disaster areas shall be twenty (20) days instead of thirty days; the exceptions set forth in the second sentence of section 143-20; the proviso in clause (a) of the second sentence of section 143-20.1 and section 143-61; and

(b) any of the provisions of this Chapter requiring public hearings or requiring that the urban renewal plan conform to the master plan for the development of the county or locality as a whole, or that the urban renewal area be a slum area, or a blighted, deteriorated, or deter-

iorating area, or that the urban renewal area be predominantly residential in character or be developed or redeveloped for residential use. In the preparation, planning, financing, acquisition and disposal of real property, and the execution generally of an urban renewal project for disaster areas, an agency shall have all of the rights, powers, privileges and immunities conferred upon such agency by this Chapter including any amendment thereof or addition thereto, or by any other law, in the same manner as though all provisions of law relating to urban renewal projects were applicable to the redevelopment and renewal of such disaster areas as in this section provided, subject to the exceptions hereinabove set forth."

SECTION 2. Section 143-8 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph at the end thereof to read as follows:

"In the event the improvements on any private real property located in any proposed redevelopment area (1) are destroyed by seismic wave, flood, fire, hurricane, earthquake, storm, volcanic activity, explosion, or other catastrophe, natural or man-made, or (2) are declared by an appropriate state or local authority to be unsafe or unfit for human use or habitation, or (3) the owner or owners thereof are unable or unwilling to improve such property in accordance with the land uses in the proposed redevelopment plan and are willing to sell such property to the agency, the agency may, any provision of the law to the contrary notwithstanding and in addition to any authority granted to it, acquire such private real property in such proposed redevelopment area by negotiated purchase from such owner or owners and undertake work thereon as provided in Section 143-9, Revised Laws of Hawaii 1955, upon authorization from the board, by resolution of one reading to purchase such real property, regardless of the stage of development of the redevelopment plan therefor, whether or not the plan has been officially approved by the board or the period of 30 days following such approval has expired. The agency shall not sell, transfer, convey or otherwise dispose of such real property, except in connection with first mortgages or other prior liens upon such real property to the Federal Government for the purpose of securing loans or advances of money made available to the Agency, until the redevelopment plan is approved by the board, but in the event that said plan is not approved by the board or is amended to exclude such acquired real property from the redevelopment area or the redevelopment plan is abandoned for any reason, the agency shall dispose of such real property, subject, however, to any first mortgage or other prior lien of Federal Government upon such real property, by first offering the same to the former owner or owners for repurchase at the same price paid by the agency for the purchase thereof and if such owner or owners refuse or fail within a reasonable time to exercise such right of repurchase, then the same may be sold at public auction or in the manner provided by law."

SECTION 3. Section 143-20 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Section 143-20. **Auxiliary redevelopment area.** Where an agency finds: (a) that there is a shortage of decent, safe and sanitary housing in the county; (b) that the provision of decent, safe and sanitary dwelling

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accommodations on undeveloped vacant land, not within a blighted area, is necessary to accomplish the relocation of families to be displaced from blighted areas which are to be redeveloped or displaced from disaster areas as defined in this chapter; and (c) that the acquisition of a particularly described area of such undeveloped vacant land (hereinafter called an "auxiliary redevelopment area"), suitable for development for predominantly residential uses and so characterized in the master plan, is essential to the proper clearance or redevelopment of blighted or disaster areas or a necessary part of the general program for clearance or redevelopment of blighted or disaster areas in the county; then, subject to the conditions hereinafter stated, the acquisition, planning, preparation for development or disposal of such auxiliary redevelopment area shall constitute a redevelopment project which may be undertaken by the agency in the manner provided by this part. The procedure for the preparation, submission, and the final approval, amendment and approval, or disapproval, of such redevelopment project, and subsequent proceedings with respect thereto, shall be the same, as nearly as may be, as in the case of other redevelopment projects, except that: (a) the board shall not approve such plan or project unless it shall by resolution, concur in every finding of the agency required by this section and also find that such auxiliary redevelopment area will be developed for predominantly residential uses; (b) the requirement of a finding that the redevelopment project is in a blighted area prescribed by section 143-7 shall not be applicable; and (c) the auxiliary redevelopment area must be: (1) within the City of Honolulu, as defined by section 149-2, if the blighted or disaster area or areas to be cleared or redeveloped be within the City of Honolulu; (2) within the City of Hilo, as defined by section 146-1, if such blighted or disaster area or areas be within the City of Hilo; or (3) within fifteen miles of such blighted or disaster area, or one of such blighted or disaster areas, if such blighted or disaster area or areas be located elsewhere than in the cities of Honolulu and Hilo."

SECTION 4. Section 143-20.1, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"**Section 143-20.1. Same, displaced persons.** Where the redevelopment agency of a county finds: (a) that there is a shortage of decent, safe and sanitary housing in the county; (b) that the provision of decent, safe and sanitary housing for rent or dwelling units for sale on undeveloped vacant land is necessary to accomplish the relocation of families displaced or to be displaced from areas acquired by governmental agencies for public purposes or displaced from disaster areas as defined by this chapter; and (c) that the acquisition of a fee or leasehold interest of a particularly described area of such undeveloped vacant land in a county (hereinafter also called an auxiliary redevelopment project), suitable for development for predominantly residential uses and so characterized in the master plan, is essential to provide for the development of housing facilities at rent such displaced families can afford or of dwelling units at prices such displaced families can pay, then the planning, acquisition, preparation for development or disposal of such auxiliary redevelopment area shall constitute a redevelopment project which may be undertaken by the agency in the manner provided by this chapter."

'Undeveloped vacant' land as used in this section shall include:

(a) as applied to the City and County of Honolulu, any land therein which is free or substantially free of buildings, structures or other improvements thereon and shall include any land devoted to farm, pasturage or other agricultural uses, provided, that no land in any agricultural use situated outside the District of Honolulu, excepting those situate in the ahupuaas of Halawa and Aiea inclusive, shall be taken or utilized for auxiliary redevelopment projects under this section.

(b) any land within a redevelopment project area acquired and cleared by the agency, which land, at the time of its disposition, is found by the agency to be suitable and necessary to relocate displaced families as provided in this section.

The procedure and exceptions set forth in section 143-20 (but excluding exception (c) (1) therein) shall apply to any such projects; provided, that pursuant to the provisions of section 8-5, the agency may take and acquire any estate less than a fee simple estate in undeveloped vacant lands whenever it shall appear that the purposes of this section shall be best achieved and promoted by such taking.

Where the redevelopment plan for such project makes provision for the development of housing facilities for rent, the agency shall sell, lease or sublease such land to qualified developers at its fair value for use in accordance with the redevelopment plan, such value to reflect the restrictions imposed on developers and covenants running with such project land, including restrictions on rent ceilings and modification thereof which the agency is hereby authorized to impose by regulation for a period up to thirty years for such development in order to achieve private ownership and operation of such properties at a reasonable profit while providing for rentals which displaced families can afford.

Where the redevelopment plan for such project makes provision for the subdivision and development of such land for single family dwelling units for sale to such displaced families, the agency shall sell such land to qualified developers at its fair value for development and use in accordance with such redevelopment plan, such value to reflect the restrictions imposed on developers and covenants running with such project lands to limit the price of sale thereof to prices which displaced families can afford while permitting developers a reasonable profit therefrom, and to prevent speculative resale thereof by purchasers and their assigns.

All developers of auxiliary redevelopment projects authorized by this section shall be entitled to claim exemption or relief from taxes as provided by section 143-37 for all project lands and improvements providing for housing facilities for rent to families displaced from public projects or from disaster areas.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 6, 1960.) **H.B. 2.**