

ACT 137

H.B. NO. 2544-74

A Bill for an Act Relating to Urban Renewal Law.

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

SECTION 1. Section 53-21, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 53-21 Auxiliary redevelopment area; displaced persons. Where the redevelopment agency of a county finds:

- (1) That there is a shortage of decent, safe, and sanitary housing in the county;

- (2) That the provision of decent, safe, and sanitary housing for rent or dwelling units for sale 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
- (3) That the acquisition of a fee or leasehold interest of a particularly described area 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 rents the displaced families can afford or of dwelling units at prices the displaced families can pay,

then the planning, acquisition, preparation for development or disposal of the auxiliary redevelopment area shall constitute a redevelopment project which may be undertaken by the agency in the manner provided by this chapter.

The procedure and exceptions set forth in section 53-20 shall apply to any projects; provided that pursuant to section 101-5, the agency may take and acquire any estate less than a fee simple estate in lands whenever it appears that the purposes of this section shall be best achieved and promoted by the taking.

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

Where the redevelopment plan for the project makes provision for the subdivision and development of the land for single family dwelling units for sale to the displaced families, the agency shall sell the land or the completed development to qualified developers or non-profit sponsors for development and use in accordance with the redevelopment plan. The sale shall be made at a fair value reflecting the restrictions imposed on developers and covenants running with the project lands to limit the price of sale thereof, the prices which displaced families can afford while permitting developers a reasonable profit therefrom, and preventing 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 53-38 for all project lands and improvements providing for housing facilities for rent to families displaced from public projects or from disaster areas."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 3. This Act shall take effect on January 1, 1975.

(Approved June 3, 1974.)

*Edited accordingly.