

ACT 141

S.B. NO. 71

A Bill for an Act Relating to Housing.

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

SECTION 1. Purpose. The purpose of this Act is to recodify Hawaii's housing laws with substantive changes as necessary.

Hawaii's housing laws have generally followed enactment of federal statutes, a pattern which has created a collection of federal laws recently described by a federal government study as being a "hodgepodge of accumulated authorizations" . . . which contain "internal inconsistencies, numerous duplications, cross purposes, and overlaps as well as outright conflicts and gimmickry." Although Hawaii's laws are not as ill-constructed as the federal laws, many of the present statutory provisions are unnecessary, obsolete, or in need of clarification.

SECTION 2. Chapter 356, Hawaii Revised Statutes, is amended as follows:

1. Section 356-1 is amended to read:

"Sec. 356-1 Finding and declaration of necessity. It is declared: that unsanitary or unsafe dwelling accommodations exist in various areas of the State and that many persons are forced to reside in these dwelling accommodations; that there is a lack of safe or sanitary dwelling accommodations available to all the inhabitants of the State and that consequently many persons are forced to occupy overcrowded and congested dwelling accommodations; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals, and welfare of the inhabitants of the State and impair economic values; that these conditions cannot be remedied by the ordinary operations of private enterprises; that the clearance, replanning, and reconstruction of the areas in which unsanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations are public

uses and purposes for which public money may be spent and private property acquired; that it is in the public interest that work on such projects be instituted as soon as possible to relieve unemployment which now constitutes an emergency; and the necessity in the public interest for this chapter is declared as a matter of legislative determination."

2. Section 356-2 is amended to read as follows:

"Sec. 356-2 Definitions. The following terms, wherever used or referred to in this chapter shall have the following respective meanings, unless a different meaning clearly appears from the context:

"Authority" means the Hawaii housing authority created by this chapter.

"Government" includes the State and the United States and any political subdivision, agency, or instrumentality, corporate or otherwise, of either of them.

"Federal government" includes the United States and any agency, instrumentality, corporate or otherwise, of the United States."

"Housing project" or "project" includes all real and personal property, buildings and improvements, stores, offices, lands for farming and gardening, and community facilities acquired or constructed or to be acquired or constructed pursuant to a single plan or undertaking:

- (1) To demolish, clear, remove, alter, or repair unsanitary or unsafe housing, or
- (2) To provide safe and sanitary dwelling accommodations, or
- (3) To do both.

The term "housing project" or "project" may also be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements, and all other work in connection therewith; and the term includes all other real and personal property and all tangible or intangible assets held or used in connection with the housing project.

"Community facilities" includes real and personal property, and buildings, equipment, lands, and grounds for recreational or social assemblies, for educational, health, or welfare purposes and necessary or convenient utilities, when designed primarily for the benefit and use of the authority or the occupants of the dwelling accommodations.

"Bonds" means any bonds, interim certificates, notes debentures, or other evidences of indebtedness of the authority issued pursuant to this chapter."

"Obligee of the authority" or "obligee" includes any bondholder, trustee or trustees for any bondholders, any lessor demising property to the authority used in connection with a housing project, or any assignee of the lessor's interest or any part thereof, and the United States, when it is a party to any contract with the authority.

3. Section 356-3 is repealed.

[4.]†

†"4" has been supplied by revisor. It is apparent that some material is missing at this point. In S.B. No. 71, S.D. 1, the following reference to §356-5 appeared: "Section 356-5 is amended to read as follows:"

“Sec. 356-5 Hawaii housing authority; establishment, commission, staff. (a) There is established the Hawaii housing authority to be placed within the department of social services and housing for administrative purposes. The authority shall be a public body and a body corporate and politic with perpetual existence.

(b) The authority shall consist of eight members of whom six shall be public members appointed by the governor as provided in section 26-34. Not more than three of the public members shall be members of the same political party. Two of the public members shall be appointed at large; the remaining public members shall be appointed from each of the counties of Honolulu, Hawaii, Maui, and Kauai. The director of social services and the special assistant for housing shall be ex officio voting members.

(c) The authority shall select from its members a chairman and vice-chairman. The director of social services shall not be ex officio chairman of the authority.

(d) Four members shall constitute a quorum, whose affirmative vote shall be necessary for all actions by the authority. The members shall receive no compensation for services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the performance of their duties.

(e) The authority shall employ, not subject to chapters 76 and 77 and section 26-35(4), an executive director. The authority may employ, subject to chapters 76 and 77, technical experts and officers, agents, and employees, permanent and temporary, as required. When, in the determination of the authority, services to be performed are unique and essential to the execution of the functions of the authority, it may hire persons on a contractual basis not subject to chapters 76, 77, and 78; provided that no contract shall be for a period longer than two years, and no person hired under contract shall be employed beyond a maximum of six years. The authority may call upon the attorney general for such legal services as it may require or it may employ its own counsel and legal staff. The authority may delegate to one or more of its agents or employees such powers or duties as it deems proper.”

5. Section 356-6 is repealed.

6. Section 356-7 is repealed.

7. Section 356-8 is repealed.

8. Section 356-9 is repealed.

9. Section 356-10 is amended to read:

“Sec. 356-10 General powers. (a) The authority may: sue and be sued; have a seal and alter the same at pleasure; make and execute contracts and other instruments necessary or convenient to the exercise of its powers; make, amend, and repeal bylaws and rules in accordance with chapter 91 for its organization, internal management, and to carry into effect its purposes, powers, and programs.

(b) In addition to other powers conferred upon it, the authority may do all things necessary and convenient to carry out the powers expressly given in this chapter.”

10. Section 356-11 is amended to read:

“Sec. 356-11 [Power to lease, sell, purchase, etc.] Acquisition, use, disposition of property. (a) The authority may acquire any real or personal property or interest therein by purchase, exchange, gift, grant, lease, or other means from any person or government for the purpose of providing housing. Exchange of real property shall be in accordance with section 171-50.

(b) The authority may own or hold real property. All real property owned or held by the authority shall be exempt from mechanics or materialmen’s liens and also from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the authority be a charge or lien upon its real property; provided that this subsection shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the authority on its rents, fees, or revenues. The authority and its property shall be exempt from all taxes and assessments.

(c) The [Hawaii housing] authority [shall also have power to] may lease or rent [any of the dwellings or other], accommodations or any of the, lands, buildings, structures, or facilities embraced in]† all or a portion of any housing project and [to] establish and revise the rents or charges therefor [; to]. The authority may sell, exchange, transfer, assign, or pledge any property, real or personal, or any interest therein to any person [, firm, corporation,] or government [; to enter upon any building or property in order to conduct investigations or to make surveys or soundings; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any property, real or personal or any interest therein from any person, firm, corporation, or government; to own, hold, clear, and improve property; to].

(d) The authority may insure or provide for the insurance of [the] its property or operations [of the authority] against such risks as [the authority may deem] it deems advisable[; to procure insurance or guarantees from the federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing project].”

11. Section 356-12 is amended to read:

“Sec. 356-12 Cooperative agreements with other governmental agencies.

(a) The authority may:

- (1) Obtain the aid and cooperation of governments in the planning, construction, and operation of housing projects and enter into such agreements and arrangements as it deems advisable to obtain such aid and cooperation;
- (2) Arrange or enter into agreements with any government for the acquisition by the government of property, options, or property rights or for the furnishing, installing, opening, or closing of streets, roads, alleys, sidewalks, or other places, or for the furnishing of property, services, parks, sewage, water, and other facilities in connection with housing

†So in original, opening bracket is missing.

projects, or for the changing of the map of a political subdivision or the planning, replanning, zoning, or rezoning of any part of a political subdivision;

- (3) Procure insurance or guarantees from any government for the payment of any debts or parts thereof incurred by the authority, including the power to pay premiums on any such insurance; and
- (4) Agree to make payments to the state or county government, if the government is authorized to accept, as the authority deems consistent with the maintenance of the character of housing projects or the purposes of this chapter.

(b) For the purpose of aiding and cooperating in the planning, construction, and operation of housing projects located within their respective territorial boundaries, the state or county government, upon such terms, with or without consideration, as it determines, may:

- (1) Dedicate, grant, sell, convey, or lease any of its property, or grant easements, licenses, or any other rights or privileges therein to the authority or to the federal government;
- (2) To the extent that it is within the scope of each of their respective functions:
 - (A) Cause the services customarily provided by each of them to be rendered for the benefit of housing projects and the occupants thereof;
 - (B) Provide and maintain parks and sewage, water, lights, and other facilities adjacent to or in connection with housing projects;
 - (C) Open, close, pave, install, or change the grade of streets, roads, roadways, alleys, sidewalks, or other such facilities; and
 - (D) Change the map of a political subdivision or plan, replan, zone, or rezone any part of a political subdivision;
- (3) Enter into agreements with the authority with respect to the exercise of their powers relating to the repair, closing, or demolition of unsafe, unsanitary, or unfit dwellings;
- (4) Employ, notwithstanding any other law as to what constitute legal investments, any available funds belonging to them or within their control, including funds derived from the sale or furnishing of property or facilities to the authority, in the purchase of the bonds or other obligations of the authority to the extent provided by section 356-33; and exercise all the rights of any holder of such bonds or other obligations;
- (5) Do any and all things, necessary or convenient to aid and cooperate in the planning, undertaking, and construction of such housing projects; and
- (6) Enter into contracts with the authority or the federal government for any period agreeing to exercise any of the powers conferred hereby or to take any other action in aid of such housing projects.

In connection with the exercise of this power, any political subdivision may incur the entire expense of any such public improvements located within its territorial boundaries without assessment against abutting property owners.

For the purpose of aiding and cooperating in the planning, construction, and operation of housing projects, the department of land and natural resources, the Hawaiian homes commission, and any other agency of the State having power to manage or dispose of its public lands, may, with the approval of the governor and with or without consideration, grant, sell, convey, or lease for any period, any parts of such public lands, without limit as to area, to the authority or to the federal government.

Any law or statute to the contrary notwithstanding, any gift, grant, sale, conveyance, lease, or agreement provided for in this section may be made by the state or county government without appraisal, public notice, advertisement, or public bidding.

If at any time title to, or possession of, any housing project is held by any government authorized by law to engage in the development or administration of low-rent housing or slum clearance projects, any agreement made under this chapter relating to such project shall inure to the benefit of and may be enforced by that government.

Insofar as this subsection is inconsistent with the provisions of any other law, this subsection shall be controlling.

(c) The government of any county in which a housing project is located or is about to be located may make donations or advances to the authority in such sums as the county in its discretion may determine. The advances or donations shall be made for the purpose of aiding or cooperating in the construction and operation of the housing project. The authority, when it has money available therefor, shall reimburse the county for all advances made by way of a loan to it."

12. Section 356-13 is amended to read:

"Sec. 356-13 Investigatory powers. (a) The authority may:

- (1) Investigate living, dwelling, and housing conditions and the means and methods of improving such conditions;
- (2) Enter upon any building or property in order to conduct investigations or to make surveys or soundings;
- (3) Conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information;
- (4) Issue subpoenas requiring the attendance of witnesses or the production of books and papers, and order the examination of witnesses who are unable to attend before the authority, are excused from attendance, or by leave of court as provided by chapter 624, are out of the State; and
- (5) Make available to any government agency charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or unsanitary structures within its territorial limits, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety, or welfare.

(b) Investigations or examinations may be conducted by the authority or by a committee appointed by it, consisting of one or more members, or by counsel, or by an officer or employee specially authorized by the authority to

conduct it. Any person designated by the authority to conduct an investigation or examination shall have power to administer oaths, take affidavits, and issue subpoenas or orders for the taking of depositions.”

13. Section 356-14 is amended to read:

“Sec. 356-14 Agents, including corporations. The authority may exercise any or all of the powers conferred upon it, either generally or with respect to any specific housing project through an agent which it may designate, including any corporation which is formed under the laws of this State, and for such purposes the authority may cause one or more corporations to be formed under the laws of this State or may acquire the capital stock of any corporation. Any corporate agent, all of the stock of which shall be owned by the authority or its nominee, may to the extent permitted by law exercise any of the powers conferred upon the authority herein.”

14. Section 356-16 is repealed.

15. Section 356-18 is amended to read:

“Sec. 356-18 Eminent domain. (a) The authority may acquire any real property, including fixtures and improvements, or interest therein, by the exercise of the power of eminent domain which it deems necessary by the adoption of a resolution declaring that the acquisition of the property described therein is in the public interest and necessary for public use. The authority shall exercise the power of eminent domain granted by this section in the same manner and procedure as is provided by chapter 101, and otherwise in accordance with all applicable provisions of the general laws of the State.

The authority may acquire by the exercise of the power of eminent domain property already devoted to a public use, provided that no property belonging to any government may be acquired without its consent, and that no property belonging to a public utility corporation may be acquired without the approval of the public utilities commission.

(b) The federal government may acquire by eminent domain any real property which it deems necessary or convenient for a housing project to be constructed, operated, or aided by the federal government. The power of eminent domain may be exercised in conformity with chapter 101. For the purposes of this subsection, federal government includes any corporation borrowing money or receiving other financial assistance from the federal government for the purposes of financing the construction or operation of any housing project, the operation of which is subject to public supervision or regulation. For the purposes of this subsection, a housing project shall be deemed to be subject to public supervision or regulation if the rents to be charged by it are subject to the supervision, regulation, or approval of any state or county government agency, whether such right to supervise, regulate, or approve is by virtue of law, statute, contract, or otherwise.”

16. Section 356-19 is repealed.

17. Section 356-20 is amended to read:

“Sec. 356-20 Zoning and building laws to be observed. (a) All housing projects of the authority shall be subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the

housing project is situated; provided that housing projects developed pursuant to section 359G-4(d) and section 359G-4.1 shall be exempt from this section.

(b) Notwithstanding any statute or ordinance to the contrary, multi-story housing projects for the elderly shall be developed only on land which is either zoned or designated for apartment or business use on the general plans or detailed land use plan of the respective county wherein the land to be utilized for such projects are located and shall be exempt from all county zoning ordinances and zoning codes and restrictions therein, including, but not limited to, building height restrictions, floor area ration formulas, open space, living space, loading space, recreational space, and land use intensity requirements. The director shall before approving such a project hold a public hearing pursuant to chapter 91."

18. Section 356-21 is amended to read:

"Sec. 356-21 Contracts with federal government. (a) The authority may:

- (1) Borrow money or accept grants from the federal government for or in aid of any housing project which the authority is authorized to undertake;
- (2) Take over any land acquired by the federal government for the construction or operation of a housing project;
- (3) Take over, lease, or manage any housing project constructed or owned by the federal government, and to these ends, enter into such contracts, mortgages, leases, or other agreements as the federal government may require including agreements that the federal government shall have the right to supervise and approve the construction, maintenance, and operation of the housing project;
- (4) Procure insurance or guarantees from the federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing project;
- (5) Agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and include in any construction contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor;
- (6) Comply with any conditions required by the federal government in any contract for financial assistance; and

(b) In any contract for annual contributions with the federal government, the authority may obligate itself to convey to the federal government possession of or title to the project to which the contract relates, if a substantial default, as defined by contract, occurs. Notwithstanding any other law to the contrary, this obligation shall be specifically enforceable and shall not constitute a mortgage.

The contract may provide further that if such conveyance occurs, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project in accordance with the terms of the contract; provided that the contract shall require that as soon as practicable after the federal government

is satisfied that all defaults with respect to the project have been cured and that the project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the authority the project as then constituted.

(c) It is the purpose and intent of this chapter to authorize the authority to do any and all things necessary to secure the financial aid and the cooperation of the federal government in the undertaking, construction, maintenance, and operation of any housing project which the authority is empowered to undertake."

19. Section 356-22 is amended to read:

"Sec. 356-22 Public works contract. The authority may make, execute, and carry out contracts for, or in connection with, any housing project in the manner provided in sections 103-26 to 103-38 and 103-53; and, with regard to such contracts, the term "officers", as used in sections 103-26 to 103-38, shall mean the authority or such officer authorized by the authority to act as its contracting officer. Unless made and executed in the name of the State, each contract made and executed as authorized in this section shall state therein that it is so made and executed."

20. Section 356-24 is repealed.

21. Section 356-25 is repealed.

22. Section 356-27 is amended to read:

"Sec. 356-27 Bonds. (a) The authority may with the approval of the governor issue bonds (including refunding bonds for the purpose of paying or retiring bonds previously issued by the authority) from time to time in such amounts as it may deem advisable for any of its corporate purposes. The authority may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable:

- (1) Exclusively from the income and revenues of the housing project financed with the proceeds of the bonds, or with the proceeds together with a grant from the federal government in aid of the project;
- (2) Exclusively from the income and revenues of certain designated housing projects whether or not they were financed in whole or in part with the proceeds of the bonds; or
- (3) From its revenues generally.

(b) Any of the bonds may be additionally secured by a pledge of any revenues or a mortgage of any housing project or other property of the authority.

(c) Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

(d) The authority may purchase its bonds at a price not more than the principal amount thereof and accrued interest, and all bonds so purchased shall be canceled."

23. Section 356-28 is amended to read:

"Sec. 356-28 State and counties not liable on bonds; bonds tax exempt. (a) The bonds and other obligations of the authority shall not be a debt of the State or of any county; neither the State nor any county shall be liable thereon. The

bonds shall not be payable out of any funds or properties other than those of the authority. The bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction. Bonds may be issued under this chapter notwithstanding any debt or other limitation prescribed by any statute.

(b) Bonds, notes, debentures, and other evidences of indebtedness of the authority are declared to be issued for a public purpose and to be public instrumentalities; and, together with interest thereon, shall be exempt from taxes.

(c) Bonds and obligations of the authority shall state on their face that they are obligations of the authority."

24. Section 356-31 is redesignated and amended to read:

"Sec. 356-24 Remedies of an obligee: mandamus; injunction; possessory action; receiver; accounting; etc. An obligee of the authority shall have the right in addition to all other rights which may be conferred on the obligee subject only to any contractual restrictions binding upon the obligee, and subject to the prior and superior rights of others:

- (1) By mandamus, suit, action, or proceeding in law or equity to compel the authority, and the members, officers, agents, or employees thereof to perform each and every item, provision, and covenant contained in any contract of the authority, and to require the carrying out of any or all covenants and agreements of the authority and the fulfillment of all duties imposed upon the authority by this chapter;
- (2) By suit, action, or proceeding in equity to enjoin any acts or things which may be unlawful, or the violation of any of the rights of the obligee of the authority;
- (3) By suit, action, or proceeding in any court of competent jurisdiction to cause possession of any housing project or any part thereof to be surrendered to any obligee having the right to such possession pursuant to any contract of the authority;
- (4) By suit, action, or proceeding in any court of competent jurisdiction, upon the happening of an event of default (as defined in a contract of the authority), to obtain the appointment of a receiver of any housing project of the authority or any part or parts thereof, and if the receiver is appointed, he may enter and take possession of the housing project or any part or parts thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom in the same manner as the authority itself might do and shall keep the moneys in a separate account or accounts and apply the same in accordance with the obligations of the authority as the court shall direct;
- (5) By suit, action, or proceeding in any court of competent jurisdiction to require the authority and the members thereof to account as if it and they were the trustees of an express trust."

25. Section 356-32 is redesignated and amended to read:

"Sec. 356-25 Subordination of mortgage to agreement with government. The authority may agree in any mortgage made by it that the mortgage shall be

subordinate to a contract for the supervision by a government of the operation and maintenance of the mortgaged property and the construction of improvement thereon. In such event, any purchaser or purchasers at a sale of the property of the authority pursuant to a foreclosure of the mortgage or any other remedy in connection therewith shall obtain title subject to the contract."

26. Section 356-36 is repealed.

27. Section 356-37 is repealed.

28. Section 356-38 is repealed.

29. Section 356-15 is redesignated and amended to read:

"Sec. 356-31 Investment of reserves, etc. The authority may invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control. No provisions with respect to the acquisition, operation, or disposition of property by other public bodies shall be applicable to the authority unless the legislature shall specifically so state."

30. Section 356-17 is redesignated and amended to read:

"Sec. 356-32 Security for funds deposited by authority. The authority may by resolution provide that all moneys deposited by it shall be secured:

- (1) By any securities by which funds deposited by the director of finance may be legally secured as provided in section 38-2, or
- (2) By an undertaking with such sureties as are approved by the authority faithfully to keep and pay over upon the order of the authority any such deposits and agreed interest thereon, and all banks and trust companies are authorized to give any such security for such deposits."

31. Section 359G-14.1 is redesignated and amended to read:

"Sec. 356-6 Housing information system. (a) The authority shall, with the assistance of other agencies of the State and counties with related responsibilities, develop and maintain a housing information system. The system shall make available current information as to housing conditions, needs, supply, characteristics, developments, trends, federal housing programs, and housing laws, ordinances, rules, and regulations.

(b) In establishing and maintaining the information system, the authority shall assemble necessary and appropriate information, including but not limited to statistics and research developed by agencies of the United States, the State, the counties, private research organizations, nonprofit community groups, trade associations, including those of the construction and real estate industries, departments, and individuals at the University of Hawaii.

(c) The information system may be used by housing researchers, planners, administrators, and developers, and shall be coordinated with other housing research efforts. The authority shall maintain a current supply of information, including means to gather new information through surveys, contracted research and investigations, and shall by rule under chapter 91 provide for access to the information system at reasonable rates on an equitable basis.

SECTION 3. Chapter 356, Hawaii Revised Statutes, is amended by adding a new section to be designated and to read:

“Sec. 356-7 Housing research. (a) The authority may study the plans of any government in relation to the problem of clearing, replanning, or reconstruction of an area in which unsafe, or unsanitary dwelling or housing conditions exist.

(b) The authority may purchase materials for the development of land and the construction of dwelling units in the manner it shall conclude to be most conducive to lower costs including purchase from other states or from foreign countries for drop shipment in the State or on cost-plus contracts for such materials with persons or firms doing business in the State, or otherwise. The authority shall not expend more than \$100,000 a year for the purpose of this subsection.

(c) The authority may conduct, or cause to be conducted, research on housing needs, materials, design, or technology, and for applying the findings of such investigation to housing projects, including the following:

- (1) Sociocultural investigation of housing and community utilization, preferences, or needs of residents within the housing need classification of the housing functional plan;
- (2) Development of technology for the application of innovative building systems or materials, to provide energy or resource conservation or cost savings in the construction or operation of a housing project;
- (3) Investigation of the applicability of locally produced building materials and systems to dwelling unit construction;
- (4) Investigation of new forms of project construction, maintenance, operation, financing, or ownership, involving tenants, homeowners, financing agencies, and others; or
- (5) Other necessary or appropriate research which may lower the long-term costs of housing, conserve resources, or create communities best suited to the needs of residents.

(d) In the development and construction of a housing project, the authority may provide for an on-the-job training program for the purpose of developing a larger qualified work force in the State. For this purpose, the authority shall not expend more than \$100,000 a year.”

SECTION 4. Chapter 356, Hawaii Revised Statutes, is amended by adding a new section to read:

“Sec. 356-8 Housing counseling. The authority shall be responsible for providing:

- (1) Counseling to prospective homeowners seeking to purchase a home, and to homeowners seeking to rehabilitate or renovate existing homes;
- (2) Listing and referral services to tenants seeking to rent homes;
- (3) Assistance to any person or government agency regarding the nature and availability of federal assistance for housing development and community development or redevelopment;
- (4) Counseling and guidance services to aid any person or government agency in securing the financial aid or cooperation of the federal government in undertaking, constructing, maintaining, operating, or financing of any housing designed for the elderly, persons displaced by governmental action, university and college students and faculty, and

any other persons; and

- (5) Assistance to a county agency upon request from the agency in the development of programs to correct or eliminate blight and deterioration, and to effect community development."

SECTION 5. Chapter 356, Hawaii Revised Statutes, is amended by adding a new section to read:

"Sec. 356-15 Development of property. (a) The authority, in its own behalf or on behalf of any government, may:

- (1) Clear, improve, and rehabilitate property; and
- (2) Plan, develop, construct, and finance housing.

(b) The authority may develop public land in an agricultural district subject to the prior approval of the land use commission, and public land in a conservation district subject to the prior approval of the board of land and natural resources. The authority shall not develop federal lands, or state monuments, historical sites, or parks. When the authority proposes to develop public land, it shall file with the department of land and natural resources a petition setting forth such purpose. The petition shall be conclusive proof that the intended use is a superior public use to that which the land has been appropriated.

(c) The authority shall not develop any public land where the development may endanger the receipt of any federal grant, impair the eligibility of any public body for a federal grant, prevent the participation of the federal government in any government program, or impair any covenant between the government and the holder of any bond issued by the government.

(d) The authority may contract or sponsor with any county, housing authority, or person, subject to the availability of federal funds, an experimental or demonstration project for permanently fixed or mobile housing designed to meet the needs of the elderly, persons displaced by governmental action, low and moderate income persons or university and college students and faculty."

SECTION 6. Chapters 357 and 358, Hawaii Revised Statutes, are repealed.

SECTION 7. Section 359G-3, Hawaii Revised Statutes, is repealed.

SECTION 8. Every appointment of an acting commissioner or acting member of the authority made prior to May 17, 1949, by the governor together with all proceedings and acts and things undertaken, performed, or done by every such acting commissioner or acting member, under or by color of any such appointment, are hereby validated, ratified, and confirmed, notwithstanding any lack of statutory authority for or defects in the appointment of such acting commissioner or acting member.

SECTION 9. 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 10. This Act shall take effect upon its approval.

(Approved May 30, 1978.)

*Edited accordingly except as to section 2(10), which is set out in full.