A Bill for an Act Relating to Development of Public Housing.

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

SECTION 1. Section 356D-11, Hawaii Revised Statutes, is amended to read as follows:

"§356D-11 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 public housing projects.

(b) The authority may develop public land in an agricultural district subject to the prior approval of the land use commission when developing lands greater than five acres in size[, 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 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 public use superior to that to which the land had been appropriated.

(c) The authority may develop or assist in the development of federal

lands with the approval of appropriate federal authorities.

(d) The authority shall not develop any public land where the development may endanger the receipt of any federal grant, impair the eligibility of any government agency 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.

(e) The authority may contract or sponsor with any county, housing authority, or person, subject to the availability of funds, an experimental or demonstration housing project designed to meet the needs of elders, disabled, displaced or homeless persons, low- and moderate-income persons, government

employees, teachers, or university and college students and faculty.

(f) The authority may enter into contracts with eligible developers to develop public housing projects in exchange for mixed use development rights. Eligibility of a developer for an exchange pursuant to this subsection shall be determined pursuant to rules adopted by the authority in accordance with chapter 91.

As used in this subsection, "mixed use development rights" means the right to develop a portion of a public housing project for commercial use.

(g) The authority may develop, with an eligible developer, or may assist under a government assistance program in the development of, public housing projects. The land planning activities of the authority shall be coordinated with the county planning departments and the county land use plans, policies, and ordinances.

Any person, if qualified, may act simultaneously as developer and contractor.

In selecting eligible developers or in contracting any services or materials for the purposes of this subsection, the authority shall be subject to all federal procurement laws and regulations.

For purposes of this subsection, "government assistance program" means a public housing program qualified by the authority and administered or operated by the authority or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise.

(h) In connection with the development of any public housing dwelling units under this chapter, the authority may also develop commercial and industrial properties and sell or lease other properties if it determines that the uses will be an integral part of the public housing development or a benefit to the community in which the properties are situated. The authority may designate any portions of the public housing development for commercial, industrial, or other use and shall have all the powers granted under this chapter with respect thereto. The authority may use any funding authorized under this chapter to implement this subsection.

The net proceeds of all sales or leases, less costs to the authority, shall be deposited in the public housing revolving fund established by section 356D-28."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2013. (Approved June 21, 2013.)