

JAN 17 2019

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the cost and
2 availability of housing in the State are significant challenges
3 facing Hawaii residents. Although Hawaii has the tenth highest
4 median wage nationally, living expenses are two-thirds higher
5 than the rest of the nation, with the cost of housing being a
6 major contributing factor. In September 2018, the median price
7 for a single-family home on Oahu rose to \$812,500, while the
8 median price for condominiums on Oahu rose to \$428,000.
9 According to a local news report, a household would need to earn
10 almost \$160,000 annually to afford to buy a home on Oahu, making
11 homeownership out of reach for many of Hawaii's residents,
12 especially first-time buyers.

13 Because of the many barriers hindering the production of
14 new housing, such as geographic limitations, lack of major
15 infrastructure, construction costs, and government regulation,
16 the State and housing developers have not been able to produce
17 enough housing for Hawaii residents. According to a 2015 report



1 from the department of business, economic development, and
2 tourism, the projected long-run estimate of demand for total new
3 housing in Hawaii is between 64,700 to 66,000 for the 2015 to
4 2025 period. The legislature has responded through the passage
5 of various legislation. During the regular session of 2016, the
6 legislature passed a bill enacted as Act 127, Session Laws of
7 Hawaii 2016, that, among other things, establishes a goal of
8 developing or vesting the development of at least 22,500
9 affordable rental housing units ready for occupancy by the end
10 of 2026. During the regular session of 2017, the legislature
11 passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to
12 expand the types of rental housing projects that can be exempt
13 from general excise tax, thereby encouraging the development of
14 rental housing projects targeted for occupancy by households at
15 or below the one hundred forty per cent and eighty per cent area
16 median income levels. During the regular session of 2018, the
17 legislature passed a bill enacted as Act 39, Session Laws of
18 Hawaii 2018, that, among other things, provides an estimated
19 total value of \$570,000,000 to address Hawaii's affordable
20 rental housing crisis and is expected to generate more than
21 25,000 affordable units by the year 2030.



1 Despite these efforts, the amount of new construction of
2 housing, especially for low- to middle-income families,
3 continues to be inadequate as the supply of housing remains
4 constrained while demand for housing increases. This lack of
5 supply leads to higher housing prices and rents for households
6 of all income levels, leaving all tenants with less disposable
7 income, increasing the personal stress on buyers and renters,
8 and exacerbating overcrowding and homelessness. Given these
9 consequences, the lack of affordable housing requires the
10 concentrated attention of state government at the highest level.

11 The legislature further finds that Singapore faced a
12 housing crisis in the 1940s through 1960s but was subsequently
13 able to provide nearly one million residential units for its
14 citizens. The housing and development board -- the government
15 entity responsible for the rapid increase in housing development
16 -- plans, develops, and constructs the housing units, including
17 commercial, recreational, and social amenities. The result is
18 that units built by the housing and development board house
19 eighty per cent of the resident population and that, overall,
20 ninety per cent of the resident population are owners of their
21 units. Through government loans, subsidies, and grants and the



1 use of money saved through a government-run mandatory savings
2 program, residents are able to purchase residential units at an
3 affordable price, including options to upgrade to a better
4 living environment in the future.

5 The legislature further finds that with Honolulu's
6 construction of an elevated rail transit system, the State has
7 an opportunity to enhance Oahu's urban environment and increase
8 the quality of life for residents by increasing the affordable
9 housing inventory and eliminating the need for personal
10 automobiles, among other public benefits. As the largest
11 landowner of properties along the transit line, with
12 approximately two thousand acres under the jurisdiction of
13 various departments, the State must be proactive in establishing
14 a unified vision and approach toward redevelopment of its
15 properties to maximize the benefits of state lands available for
16 redevelopment.

17 The purpose of this Act is to establish the ALOHA homes
18 program to facilitate the creation of low-cost leasehold homes
19 for sale to Hawaii residents on state-owned land near public
20 transit stations.



1 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding a new subpart to part II to be appropriately
3 designated and to read as follows:

4 **"B. ALOHA HOMES PROGRAM**

5 **§201H-A Definitions.** As used in this subpart, the
6 following terms have the following meanings, unless the context
7 indicates a different meaning or intent:

8 "ALOHA home" means a high density residential unit within
9 the urban redevelopment district.

10 "Commercial project" means an undertaking involving
11 commercial or light industrial development, which includes a
12 mixed-use development where commercial or light industrial
13 facilities may be built into, adjacent to, under, or above
14 residential units.

15 "Multipurpose project" means a project consisting of any
16 combination of a commercial project, redevelopment project, or
17 residential project.

18 "Owner-occupied residential use" means any use currently
19 permitted in existing residential zones consistent with owner
20 occupancy, but shall not mean renting of any kind.



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1 "Project" means a specific work or improvement, including
2 real and personal properties, or any interest therein, acquired,
3 owned, constructed, reconstructed, rehabilitated, or improved by
4 the corporation, including a commercial project, redevelopment
5 project, or residential project.

6 "Public agency" means any office, department, board,
7 commission, bureau, division, public corporation agency, or
8 instrumentality of the federal, state, or county government.

9 "Public facilities" includes streets, utility and service
10 corridors, and utility lines where applicable, sufficient to
11 adequately service developable improvements in the district,
12 sites for schools, parks, parking garages, sidewalks, pedestrian
13 ways, and other community facilities. "Public facilities" also
14 includes public highways, as defined in section 135-1, storm
15 drainage systems, water systems, street lighting systems, off-
16 street parking facilities, and sanitary sewerage systems.

17 "Redevelopment project" means an undertaking for the
18 acquisition, clearance, replanning, reconstruction, and
19 rehabilitation, or a combination of these and other methods, of
20 an area for a residential project, for an incidental commercial
21 project, and for other facilities incidental or appurtenant



1 thereto, pursuant to and in accordance with this subpart. The
2 terms "acquisition, clearance, replanning, reconstruction, and
3 rehabilitation" shall include renewal, redevelopment,
4 conservation, restoration, or improvement, or any combination
5 thereof.

6 "Residential project" means a project or that portion of a
7 multipurpose project, including residential dwelling units,
8 designed and intended for the purpose of providing housing and
9 any facilities as may be incidental or appurtenant thereto.

10 **§201H-B ALOHA homes program; purpose.** (a) There is
11 established the ALOHA homes program for the purpose of providing
12 low-cost, high density leasehold homes for sale to Hawaii
13 residents on state-owned lands within a one-half mile radius of
14 a public transit station.

15 (b) For the purposes of this section, "public transit
16 station" means:

- 17 (1) A station connected to a locally preferred alternative
18 for a mass transit project; or
19 (2) For the city and county of Honolulu, a station of the
20 Honolulu rail transit system.



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1 §201H-C Community and public notice requirements; posting
2 on the corporation's website; required. For the purposes of
3 this subpart, the corporation shall adopt community and public
4 notice procedures pursuant to chapter 91 that shall include at a
5 minimum:

6 (1) A means to effectively engage the community in which
7 the corporation is planning a development project
8 under this subpart to ensure that community concerns
9 are received and considered by the corporation;

10 (2) The posting of the corporation's proposed plans for
11 any development project under this subpart, public
12 hearing notices, and minutes of its proceedings on the
13 corporation's website;

14 (3) The posting of every application for a development
15 project on the corporation's website when the
16 application is deemed complete;

17 (4) Notification by the applicant of any application for a
18 development project valued at \$250,000 or more by
19 first class United States mail, postage prepaid to
20 owners and lessees of record of real property located
21 within a three hundred foot radius of the perimeter of



1 the proposed project identified from the most current
2 list available from the real property assessment
3 division of the department of budget and fiscal
4 services of the city and county of Honolulu when the
5 application is deemed complete; provided that notice
6 mailed pursuant to this paragraph shall include but
7 not be limited to notice of:

- 8 (A) Project specifications;
- 9 (B) Requests for variance, exemption, or modification
10 of the corporation's development rules; and
- 11 (C) Procedures for intervention and a contested case
12 hearing; and
- 13 (5) Any other information that the public may find useful
14 so that it may meaningfully participate in the
15 corporation's decision-making processes.

16 **§201H-D Urban redevelopment district; established;**
17 **boundaries.** The urban redevelopment district is established.
18 The urban redevelopment district shall include all state-owned
19 and county-owned land within county-designated transit-oriented
20 development areas or within a one-half-mile radius of public



1 transit stations, if the city and county of Honolulu has not
2 designated transit-oriented development zones.

3 **§201H-E Rules; guidelines.** (a) The corporation shall
4 establish rules under chapter 91 on health, safety, building,
5 planning, zoning, and land use, which shall supersede all other
6 inconsistent ordinances and rules relating to the use, zoning,
7 planning, and development of land and construction thereon.
8 Rules adopted under this section shall follow existing law,
9 rules, ordinances, and regulations as closely as is consistent
10 with standards meeting minimum requirements of good design,
11 pleasant amenities, health, safety, and coordinated development.
12 The corporation may provide that lands within the urban
13 redevelopment district shall not be developed beyond existing
14 uses or that improvements thereon shall not be demolished or
15 substantially reconstructed, or provide other restrictions on
16 the use of the lands.

17 (b) The following shall be the guiding principles
18 generally governing the corporation's action in the urban
19 redevelopment district:

20 (1) Development shall result in a community which permits
21 an appropriate land mixture of residential,



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1 commercial, light industrial, and other uses. In view
2 of the innovative nature of the mixed use approach,
3 urban design policies shall be established for the
4 public and private sectors in the proper development
5 of the urban redevelopment district; provided that any
6 of the corporation's proposed actions in the urban
7 redevelopment district that are subject to chapter 343
8 shall comply with chapter 343 and federal
9 environmental requirements; provided further that the
10 corporation may engage in any studies or coordinative
11 activities permitted in this subpart which affect
12 areas lying outside the district, where the
13 corporation in its discretion decides that those
14 activities are necessary to implement the intent of
15 this subpart. The studies or coordinative activities
16 shall be limited to facility systems, resident and
17 industrial relocation, and other activities with the
18 counties and appropriate state agencies. The
19 corporation may engage in construction activities
20 outside of the urban redevelopment district; provided
21 that such construction relates to infrastructure



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- 1 development or residential or business relocation
2 activities; provided further that such construction
3 shall comply with the general plan, development plan,
4 ordinances, and rules of the county in which the urban
5 redevelopment district is located;
- 6 (2) Existing and future light industrial uses accessory to
7 residential development shall be permitted and
8 encouraged in appropriate locations within the urban
9 redevelopment district. No plan or implementation
10 strategy shall prevent continued activity or
11 redevelopment of light industrial and commercial uses
12 which meet reasonable performance standards;
- 13 (3) Activities shall be located so as to provide primary
14 reliance on public transportation and pedestrian
15 facilities for internal circulation within the urban
16 redevelopment district or designated subareas;
- 17 (4) Major view planes, view corridors, and other
18 environmental elements such as natural light and
19 prevailing winds, may be preserved through appropriate
20 regulation and design review;



- 1 (5) All projects shall be in compliance with all
2 applicable statutes, rules, and ordinances related to
3 historic and cultural resource preservation;
- 4 (6) Land use activities within the urban redevelopment
5 district, where compatible, shall to the greatest
6 possible extent be mixed horizontally, that is, within
7 blocks or other land areas, and vertically, as
8 integral units of multi-purpose structures;
- 9 (7) Residential development shall prioritize maximizing
10 density on lands that are most urbanized and most
11 suitable for very high density; provided that
12 residential development may require a mixture of
13 densities, building types, and configurations in
14 accordance with appropriate urban design guidelines
15 and vertical and horizontal integration of residents
16 of varying incomes, ages, and family groups that
17 reflect the diversity of Hawaii. Residential
18 development shall provide necessary community
19 facilities, such as parks, community meeting places,
20 child care centers, schools, educational facilities,
21 libraries, and other services, within and adjacent to



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1 residential development; provided that any school that
2 is provided by the corporation as a necessary
3 community facility shall be exempt from school size
4 requirements as calculated by recent school site area
5 averages pursuant to section 302A-1602;

6 (8) Public facilities within the urban redevelopment
7 district shall be planned, located, and developed so
8 as to support the redevelopment policies for the
9 district established by this subpart and plans and
10 rules adopted pursuant to it;

11 (9) Residential development shall be achieved through the
12 efficient and cost-effective use of government and
13 private-sector workforces through public-private
14 partnerships and other mechanisms to incentivize
15 development to be on time and on budget;

16 (10) Residential development shall be designed, to the
17 extent possible, to minimize traffic, the use of
18 private automobiles, and noise, including all
19 applicable requirements under chapter 343;

20 (11) Residential development shall be subject to chapter
21 104; and



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1 (12) Residential development shall incorporate universal
2 design in compliance with the Americans with
3 Disabilities Act of 1990 and Uniform Federal
4 Accessibility Standards, to the extent possible, and
5 exceed accessibility requirements under those
6 authorities.

7 (c) ALOHA homes within the urban redevelopment district
8 shall not be rented or used for any purpose other than owner-
9 occupied residential use; provided that the corporation shall
10 establish penalties for violations of this subsection up to and
11 including forced sale of an ALOHA home.

12 (d) The corporation shall establish a competition process
13 for selecting the design and development vendors of ALOHA homes
14 with the appropriate number of units to accommodate small and
15 medium vendors. The criteria of the competition process shall
16 include but not be limited to preferences on the basis of prior
17 experience in the State and an understanding of the State's
18 unique culture; provided that the corporation may include an
19 opportunity for community input through public vote. The
20 corporation may provide a stipend in a manner and an amount to



1 be determined by the corporation to competitors pursuant to this
2 subsection.

3 (e) The corporation shall recoup all expenses through the
4 sales of the leasehold interest of ALOHA homes and other revenue
5 sources, including but not limited to the leasing of commercial
6 projects.

7 **§201H-F Sale of the leasehold interest of ALOHA homes;**
8 **rules; guidelines.** (a) The corporation shall develop and adopt
9 rules, subject to chapter 91, for the sale of the leasehold
10 interest of ALOHA homes within the urban redevelopment district;
11 provided that each lease shall be for a term of ninety-nine
12 years. The rules shall include the following requirements for
13 an eligible buyer or owner of an ALOHA home within the district:

14 (1) The person shall be a resident of the State; provided
15 that voting in the most recent primary or general
16 election shall be an indication of residency in the
17 State; provided further that not voting in any primary
18 or general election creates a rebuttable presumption
19 of non-residency;

20 (2) The person shall not use the ALOHA home for any
21 purpose other than owner-occupied residential use; and



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1 (3) The person, or the person's spouse, shall not own any
2 other real property while owning an ALOHA home in the
3 district; provided that an eligible buyer may own real
4 property up to six months after closing on the
5 purchase of an ALOHA home; provided further that an
6 owner of an ALOHA home in the process of selling the
7 ALOHA home may own other real property up to six
8 months prior to closing on the sale of the ALOHA home
9 to an eligible buyer;

10 provided that the rules under this subsection shall not include
11 any requirements or limitations related to an individual's
12 income or any preferences to first-time homebuyers. The rules
13 shall include strict enforcement of owner-occupancy, including a
14 prohibition on the renting out of ALOHA homes, and may include
15 requirements for the use of face recognition, retina scan, or
16 fingerprint scan technology for a minimum number of days per
17 year.

18 (b) ALOHA homes within the urban redevelopment district
19 shall be priced to be affordable, as determined by the United
20 States Department of Housing and Urban Development, to an
21 individual or family whose income does not exceed eighty per



1 cent of the area median income, or \$300,000, for a three-bedroom
2 unit, whichever is lower; provided that the price shall be
3 adjusted for inflation.

4 (c) The corporation shall establish a waitlist for
5 eligible buyers to determine the order in which ALOHA homes
6 shall be sold, including waitlists for each residential
7 development. Waitlist priorities may include how long an
8 eligible buyer has been on the applicant waiting list with the
9 department of Hawaiian home lands; school, college, or
10 university affiliation if the residential property is a
11 redeveloped school; and proximity of an eligible buyer's
12 existing residence to an ALOHA home within the urban
13 redevelopment district.

14 (d) ALOHA homes within the urban redevelopment district
15 shall be sold only to other eligible buyers.

16 (e) An owner of an ALOHA home may sell the ALOHA home
17 after five or more years of owner-occupation; provided that the
18 corporation shall have the right of first refusal to purchase
19 the ALOHA home at a price that is to be determined by the
20 corporation using the price at which the owner purchased the
21 ALOHA home as the cost basis, adjusted for inflation, and may



1 include a percentage of the appreciation in value of the unit.
2 If the corporation does not exercise its right to purchase the
3 ALOHA home, the ALOHA home may be sold by the owner to an
4 eligible buyer; provided that the corporation shall retain
5 seventy-five per cent of all profits from the sale net of
6 closing and financing costs, using the price at which the owner
7 purchased the ALOHA home as the cost basis. Upon the death of
8 the owner of an ALOHA home, the ALOHA home may be transferred to
9 the deceased's heir by devise or as any other real property
10 under existing law; provided that if the heir is not an eligible
11 buyer, the heir shall sell the ALOHA home to the corporation at
12 a price that is to be determined by the corporation using the
13 price at which the owner purchased the ALOHA home as the cost
14 basis, adjusted for inflation, and may include a percentage of
15 the appreciation in value of the unit.

16 (f) If an owner of an ALOHA home sells the ALOHA home
17 before five years of owner-occupation, the corporation shall
18 purchase the ALOHA home at a price that is to be determined by
19 the corporation using the price at which the owner purchased the
20 ALOHA home as the cost basis, adjusted for inflation.



1 **§201H-G Use of public lands; acquisition of state lands.**

2 (a) If state lands under the control and management of other
3 public agencies are required by the corporation for the purposes
4 of this subpart, the agency having the control and management of
5 those required lands may, upon request by the corporation and
6 with the approval of the governor, convey or lease such lands to
7 the corporation upon such terms and conditions as may be agreed
8 to by the parties.

9 (b) Notwithstanding the foregoing, no public lands shall
10 be conveyed or leased to the corporation pursuant to this
11 section if such conveyance or lease would impair any covenant
12 between the State or any county or any department or board
13 thereof and the holders of bonds issued by the State or that
14 county, department, or board.

15 **§201H-H Acquisition of real property from a county.**

16 Notwithstanding the provision of any law or charter, any county,
17 by resolution of its local governing body, may, without public
18 auction, sealed bids, or public notice, sell, lease, grant, or
19 convey to the corporation any real property owned by it which
20 the corporation certifies to be necessary for the purposes of
21 this subpart. The sale, lease, grant, or conveyance shall be



1 made with or without consideration and upon such terms and
2 conditions as may be agreed upon by the county and the
3 corporation. Certification shall be evidenced by a formal
4 request from the corporation. Before the sale, lease, grant, or
5 conveyance may be made to the corporation, a public hearing
6 shall be held by the local governing body to consider the same.
7 Notice of the hearing shall be published at least ten days
8 before the date set for the hearing in the publication and in
9 the manner as may be designated by the local governing body.

10 **§201H-I Condemnation of real property.** The corporation,
11 upon making a finding that it is necessary to acquire any real
12 property for its immediate or future use for the purposes of
13 this subpart, may acquire the property, including property
14 already devoted to a public use, by condemnation pursuant to
15 chapter 101. Such property shall not thereafter be taken for
16 any other public use without the consent of the corporation. No
17 award of compensation shall be increased by reason of any
18 increase in the value of real property caused by the designation
19 of the urban redevelopment district or plan adopted pursuant to
20 a designation, or the actual or proposed acquisition, use, or
21 disposition of any other real property by the corporation.



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1 **§201H-J Relocation.** The corporation shall adopt rules
2 pursuant to chapter 91 in compliance with the Uniform Relocation
3 Assistance and Real Property Acquisition Act of 1970 and chapter
4 111 to ensure the appropriate relocation within or outside the
5 district of persons, families, businesses, or services displaced
6 by governmental action within the urban redevelopment district.

7 **§201H-K Construction contracts.** (a) The corporation
8 shall award construction contracts for ALOHA homes in conformity
9 with section 201H-E(d), without regard to chapter 103D.

10 (b) The corporation shall award construction contracts for
11 commercial projects without regard to chapter 103D.

12 **§201H-L Lease of projects.** Notwithstanding any law to the
13 contrary, the corporation may, without recourse to public
14 auction or public notice for sealed bids, lease for a term not
15 exceeding sixty-five years all or any portion of the real or
16 personal property constituting a commercial project to any
17 person, upon such terms and conditions as may be approved by the
18 corporation; provided that all revenues generated from the lease
19 shall be used to support the purpose of this subpart pursuant to
20 section 201H-B.



1 **§201H-M Dedication for public facilities as condition to**
2 **development.** The corporation shall establish rules requiring
3 dedication for public facilities of land or facilities by
4 developers as a condition of developing real property within the
5 urban redevelopment district. Where state and county public
6 facilities dedication laws, ordinances, or rules differ, the
7 provision for greater dedication shall prevail.

8 **§201H-N ALOHA homes revolving fund.** There is created the
9 ALOHA homes revolving fund into which all receipts and revenues
10 of the corporation pursuant to this subpart shall be deposited.
11 Proceeds from the fund shall be used for the purposes of this
12 subpart.

13 **§201H-O Expenditures of ALOHA homes revolving fund under**
14 **the corporation exempt from appropriation and allotment.** Except
15 as to administrative expenditures, and except as otherwise
16 provided by law, expenditures from the ALOHA homes revolving
17 fund administered by the corporation may be made by the
18 corporation without appropriation or allotment of the
19 legislature; provided that no expenditure shall be made from and
20 no obligation shall be incurred against the ALOHA homes
21 revolving fund in excess of the amount standing to the credit of



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1 the fund or for any purpose for which the fund may not lawfully
2 be expended. Nothing in sections 37-31 to 37-41 shall require
3 the proceeds of the ALOHA homes revolving fund administered by
4 the corporation to be reappropriated annually.

5 **§201H-P Assistance by state and county agencies.** Any
6 state or county agency may render services for the purposes of
7 this subpart upon request of the corporation.

8 **§201H-Q Court proceedings; preferences; venue.** (a) Any
9 action or proceeding to which the corporation, the State, or the
10 county may be a party, in which any question arises as to the
11 validity of this subpart, shall be brought in the circuit court
12 of the circuit where the case or controversy arises, and shall
13 be heard and determined in preference to all other civil cases
14 pending therein except election cases, irrespective of position
15 on the calendar.

16 (b) Upon application of counsel to the corporation, the
17 same preference shall be granted in any action or proceeding
18 questioning the validity of this subpart in which the
19 corporation may be allowed to intervene.

20 (c) Any action or proceeding to which the corporation, the
21 State, or the county may be a party, in which any question



1 arises as to the validity of this subpart or any portion of this
2 subpart, may be filed in the circuit court of the circuit where
3 the case or controversy arises, which court is hereby vested
4 with original jurisdiction over the action.

5 (d) Notwithstanding any provision of law to the contrary,
6 declaratory relief may be obtained for the action.

7 (e) Any party aggrieved by the decision of the circuit
8 court may appeal in accordance with part I of chapter 641 and
9 the appeal shall be given priority.

10 **§201H-R Issuance of bonds.** The director of finance may,
11 from time to time, issue general obligation bonds pursuant to
12 chapter 39 in such amounts as may be authorized by the
13 legislature, for the purposes of this subpart.

14 **§201H-S Violations and penalty.** (a) The corporation may
15 set, charge, and collect reasonable fines for violation of this
16 subpart or any rule adopted pursuant to chapter 91.

17 Notwithstanding section 201H-E(c), any person violating this
18 subpart or any rule adopted pursuant to chapter 91, for which
19 violation a penalty is not otherwise provided, shall be fined
20 not more than \$500 a day and shall be liable for administrative
21 costs incurred by the corporation.



1 (b) The corporation may maintain an action for an
2 injunction to restrain any violation of this subpart and may
3 take any other lawful action to prevent or remedy any violation.

4 (c) Notwithstanding section 201H-E(c), any person
5 violating this subpart shall, upon conviction, be punished by a
6 fine not exceeding \$1,000 or by imprisonment not exceeding
7 thirty days, or both. The continuance of a violation after
8 conviction shall be deemed a new offense for each day of such
9 continuance.

10 **§201H-T Additional powers.** The powers conferred upon the
11 corporation by this subpart shall be in addition and
12 supplemental to the powers conferred by any other law, and
13 nothing in this subpart shall be construed as limiting any
14 powers, rights, privileges, or immunities so conferred.

15 **§201H-U Rules.** The corporation may adopt rules, pursuant
16 to chapter 91, necessary for the purposes of this subpart."

17 SECTION 3. Section 171-2, Hawaii Revised Statutes, is
18 amended to read as follows:

19 **"§171-2 Definition of public lands.** "Public lands" means
20 all lands or interest therein in the State classed as government
21 or crown lands previous to August 15, 1895, or acquired or



1 reserved by the government upon or subsequent to that date by
2 purchase, exchange, escheat, or the exercise of the right of
3 eminent domain, or in any other manner; including lands accreted
4 after May 20, 2003, and not otherwise awarded, submerged lands,
5 and lands beneath tidal waters that are suitable for
6 reclamation, together with reclaimed lands that have been given
7 the status of public lands under this chapter, except:

- 8 (1) Lands designated in section 203 of the Hawaiian Homes
9 Commission Act, 1920, as amended;
- 10 (2) Lands set aside pursuant to law for the use of the
11 United States;
- 12 (3) Lands being used for roads and streets;
- 13 (4) Lands to which the United States relinquished the
14 absolute fee and ownership under section 91 of the
15 Hawaiian Organic Act prior to the admission of Hawaii
16 as a state of the United States unless subsequently
17 placed under the control of the board of land and
18 natural resources and given the status of public lands
19 in accordance with the state constitution, the
20 Hawaiian Homes Commission Act, 1920, as amended, or
21 other laws;



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- 1 (5) Lands to which the University of Hawaii holds title;
- 2 (6) Lands that are set aside by the governor to the Hawaii
- 3 housing finance and development corporation; lands
- 4 leased to the Hawaii housing finance and development
- 5 corporation by any department or agency of the State;
- 6 or lands to which the Hawaii housing finance and
- 7 development corporation in its corporate capacity
- 8 holds title;
- 9 (7) Lands to which the Hawaii community development
- 10 authority in its corporate capacity holds title;
- 11 (8) Lands to which the department of agriculture holds
- 12 title by way of foreclosure, voluntary surrender, or
- 13 otherwise, to recover moneys loaned or to recover
- 14 debts otherwise owed the department under chapter 167;
- 15 (9) Lands that are set aside by the governor to the Aloha
- 16 Tower development corporation; lands leased to the
- 17 Aloha Tower development corporation by any department
- 18 or agency of the State; or lands to which the Aloha
- 19 Tower development corporation holds title in its
- 20 corporate capacity;



1 (10) Lands that are set aside by the governor to the
2 agribusiness development corporation; lands leased to
3 the agribusiness development corporation by any
4 department or agency of the State; or lands to which
5 the agribusiness development corporation in its
6 corporate capacity holds title;

7 (11) Lands to which the Hawaii technology development
8 corporation in its corporate capacity holds title; and

9 (12) Lands to which the department of education holds
10 title;

11 provided that, except as otherwise limited under federal law and
12 except for state land used as an airport as defined in section
13 262-1, public lands shall include the air rights over any
14 portion of state land upon which a county mass transit project
15 is developed after July 11, 2005."

16 SECTION 4. Chapter 201H, Hawaii Revised Statutes, is
17 amended by designating sections 201H-31 to 201H-70 as subpart A
18 and inserting a title before section 201H-31 to read as follows:

19 "A. General Provisions"

20 SECTION 5. Section 302A-1603, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



- 1 "(b) The following shall be exempt from this section:
- 2 (1) Any form of housing permanently excluding school-aged
- 3 children, with the necessary covenants or declarations
- 4 of restrictions recorded on the property;
- 5 (2) Any form of housing that is or will be paying the
- 6 transient accommodations tax under chapter 237D;
- 7 (3) All nonresidential development; [~~and~~]
- 8 (4) Any development with an executed education
- 9 contribution agreement or other like document with the
- 10 department for the contribution of school sites or
- 11 payment of fees for school land or school
- 12 construction[-]; and
- 13 (5) Any form of development by the Hawaii housing finance
- 14 and development corporation pursuant to chapter 201H,
- 15 part II, subpart B."

16 SECTION 6. There is appropriated out of the general

17 revenues of the State of Hawaii the sum of \$100,000 or so much

18 thereof as may be necessary for fiscal year 2019-2020 to be

19 deposited into the ALOHA homes revolving fund established

20 pursuant to section 201H-N, Hawaii Revised Statutes.



S.B. NO. 1

1 SECTION 7. There is appropriated out of the ALOHA homes
 2 revolving fund established pursuant to section 201H-N, Hawaii
 3 Revised Statutes, the sum of \$100,000 or so much thereof as may
 4 be necessary for fiscal year 2019-2020 for the purposes for
 5 which the revolving fund is established.

6 The sum appropriated shall be expended by the Hawaii
 7 housing finance and development corporation for the purposes of
 8 this Act.

9 SECTION 8. In codifying the new sections added by section
 10 2 of this Act, the revisor of statutes shall substitute
 11 appropriate section numbers for the letters used in designating
 12 the new sections in this Act.

13 SECTION 9. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 10. This Act shall take effect on July 1, 2019.

16

INTRODUCED BY:

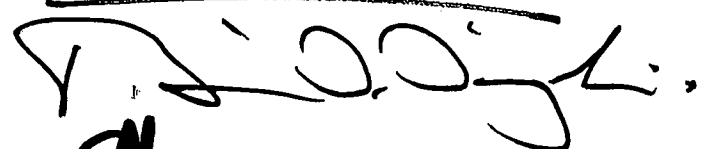




Clarence W. Freshikere

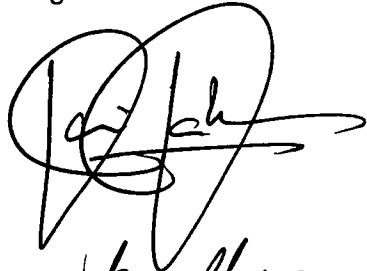












Yee Hwang

~~DC. Smith Agave~~

Kal Rhoads

Russell H. Boh

Daniel L. [unclear]

Michelle [unclear]



S.B. NO. 1

Report Title:

ALOHA Homes Program; Housing; Hawaii Housing Finance and Development Corporation; Urban Redevelopment District; Transit-oriented Development; Appropriation

Description:

Establishes the ALOHA homes program under the Hawaii Housing Finance and Development Corporation to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the urban redevelopment district. Establishes guidelines within the urban redevelopment district. Establishes provisions related to the sale of leasehold interest of ALOHA homes. Exempts land set aside or leased to the Hawaii Housing Finance and Development Corporation from the definition of public lands in section 171-2, HRS. Establishes the ALOHA homes revolving fund. Authorizes the Hawaii Housing Finance and Development Corporation to adopt rules pursuant to chapter 91, Hawaii Revised Statutes.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

