RELATING TO HOUSING.

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

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

Because of the many barriers hindering the production of new housing, such as geographic limitations, lack of major infrastructure, construction costs, and government regulation, the State and housing developers have not been able to produce enough housing for Hawaii residents. According to a 2015 report...
from the department of business, economic development, and
tourism, the projected long-run estimate of demand for total new
housing in Hawaii is between 64,700 to 66,000 for the 2015 to
2025 period. The legislature has responded through the passage
of various legislation. During the regular session of 2016, the
legislature passed a bill enacted as Act 127, Session Laws of
Hawaii 2016, that, among other things, establishes a goal of
developing or vesting the development of at least 22,500
affordable rental housing units ready for occupancy by the end
of 2026. During the regular session of 2017, the legislature
passed a bill enacted as Act 54, Session Laws of Hawaii 2017, to
expand the types of rental housing projects that can be exempt
from general excise tax, thereby encouraging the development of
rental housing projects targeted for occupancy by households at
or below the one hundred forty per cent and eighty per cent area
median income levels. During the regular session of 2018, the
legislature passed a bill enacted as Act 39, Session Laws of
Hawaii 2018, that, among other things, provides an estimated
total value of $570,000,000 to address Hawaii's affordable
rental housing crisis and is expected to generate more than
25,000 affordable units by the year 2030.
Despite these efforts, the amount of new construction of housing, especially for low- to middle-income families, continues to be inadequate as the supply of housing remains constrained while demand for housing increases. This lack of supply leads to higher housing prices and rents for households of all income levels, leaving all tenants with less disposable income, increasing the personal stress on buyers and renters, and exacerbating overcrowding and homelessness. Given these consequences, the lack of affordable housing requires the concentrated attention of state government at the highest level.

The legislature further finds that Singapore faced a housing crisis in the 1940s through 1960s but was subsequently able to provide nearly one million residential units for its citizens. The housing and development board -- the government entity responsible for the rapid increase in housing development -- plans, develops, and constructs the housing units, including commercial, recreational, and social amenities. The result is that units built by the housing and development board house eighty per cent of the resident population and that, overall, ninety per cent of the resident population are owners of their units. Through government loans, subsidies, and grants and the
use of money saved through a government-run mandatory savings program, residents are able to purchase residential units at an affordable price, including options to upgrade to a better living environment in the future.

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

The purpose of this Act is to:

(1) Establish the ALOHA homes program to facilitate the creation of low-cost leasehold homes for sale to Hawaii residents on state-owned land near public transit stations; and
Authorize the Hawaii housing finance and development corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of ninety-nine years.

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

"B. ALOHA Homes Program

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

"ALOHA home" means a residential unit within the urban redevelopment district.

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

"High density" means a project or area that has at least two hundred fifty units per acre.
"Multipurpose project" means a project consisting of any combination of a commercial project, redevelopment project, or residential project.

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

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

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

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

"Redevelopment project" means an undertaking for the
acquisition, clearance, replanning, reconstruction, and
rehabilitation, or a combination of these and other methods, of
an area for a residential project, for an incidental commercial
project, and for other facilities incidental or appurtenant
thereto, pursuant to and in accordance with this subpart. The
terms "acquisition, clearance, replanning, reconstruction, and
rehabilitation" shall include renewal, redevelopment,
conservation, restoration, or improvement, or any combination
thereof.

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

"Small and medium vendor" means a commercial vendor that
employs nine hundred ninety-nine employees or less.

§201H-B ALOHA homes program; purpose. (a) There is
established the ALOHA homes program for the purpose of providing
low-cost, high density leasehold homes for sale to Hawaii
residents on state-owned lands within a one-half mile radius of
a public transit station. The acronym ALOHA stands for
affordable, locally owned homes for all.

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

(1) A station connected to a locally preferred alternative
    for a mass transit project; or

(2) For the city and county of Honolulu, a station of the
    Honolulu rail transit system.

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

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

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

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

(4) Notification by the applicant of any application for a development project valued at $250,000 or more by first class United States mail, postage prepaid to owners and lessees of record of real property located within a three hundred foot radius of the perimeter of the proposed project identified from the most current list available from the real property assessment division of the department of budget and fiscal services of the city and county of Honolulu when the application is deemed complete; provided that notice mailed pursuant to this paragraph shall include but not be limited to notice of:

(A) Project specifications;

(B) Requests for exemptions from statutes, ordinances, charter provisions, and rules pursuant to section 201H-38; and
(C) Procedures for intervention and a contested case

hearing; and

(5) Any other information that the public may find useful

so that it may meaningfully participate in the

corporation's decision-making processes.

§201H-D Urban redevelopment district; established;

boundaries. The urban redevelopment district is established.

The urban redevelopment district shall include all state-owned

and county-owned land within county-designated transit-oriented
development areas or within a one-half-mile radius of public

transit stations in counties with a population greater than five

hundred thousand.

§201H-E Rules; guidelines. (a) The corporation shall

establish rules under chapter 91 on health, safety, building,
planning, zoning, and land use, which shall supersede all other
inconsistent ordinances and rules relating to the use, zoning,
planning, and development of land and construction thereon.

Rules adopted under this section shall follow existing law,
rules, ordinances, and regulations as closely as is consistent
with standards meeting minimum requirements of good design,
pleasant amenities, health, safety, and coordinated development.
The corporation may provide that lands within the urban redevelopment district shall not be developed beyond existing uses or that improvements thereon shall not be demolished or substantially reconstructed, or provide other restrictions on the use of the lands.

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

(1) The corporation shall endeavor to produce enough housing supply to meet housing demand;

(2) Each development may include facilities to replace any facilities that must be removed for the development's construction;

(3) Development shall be revenue-neutral to the State, and all revenues generated shall be used for the purposes of this subpart;

(4) The corporation may build infrastructure beyond what exists in any development under this subpart and may sell the infrastructure capacity to other private sector developers;
(5) The corporation may build common area facilities for any development undertaken pursuant to this subpart, which shall be paid through the sales of ALOHA homes units;

(6) Development shall result in a community which permits an appropriate land mixture of residential, commercial, light industrial, and other uses. In view of the innovative nature of the mixed use approach, urban design policies shall be established for the public and private sectors in the proper development of the urban redevelopment district; provided that any of the corporation's proposed actions in the urban redevelopment district that are subject to chapter 343 shall comply with chapter 343 and federal environmental requirements; provided further that the corporation may engage in any studies or coordinative activities permitted in this subpart which affect areas lying outside the district, where the corporation in its discretion decides that those activities are necessary to implement the intent of this subpart. The studies or coordinative activities
shall be limited to facility systems, resident and
industrial relocation, and other activities with the
counties and appropriate state agencies. The
corporation may engage in construction activities
outside of the urban redevelopment district; provided
that such construction relates to infrastructure
development or residential or business relocation
activities; provided further that such construction
shall comply with the general plan, development plan,
ordinances, and rules of the county in which the urban
redevelopment district is located;

(7) Existing and future light industrial uses accessory to
shall be permitted and encouraged in appropriate
locations within the urban redevelopment district. No
plan or implementation strategy shall prevent
continued activity or redevelopment of light
industrial and commercial uses which meet reasonable
performance standards;

(8) Activities shall be located so as to provide primary
reliance on public transportation and pedestrian
facilities for internal circulation within the urban
redevelopment district or designated subareas;

(9) Major view planes, view corridors, and other
environmental elements such as natural light and
prevailing winds, may be preserved through appropriate
regulation and design review;

(10) All projects shall be in compliance with all
applicable statutes, rules, and ordinances related to
historic and cultural resource preservation;

(11) Land use activities within the urban redevelopment
district, where compatible, shall to the greatest
possible extent be mixed horizontally, that is, within
blocks or other land areas, and vertically, as
integral units of multi-purpose structures;

(12) Development shall prioritize maximizing density on
lands that are most urbanized and most suitable for
high density; provided that development may require a
mixture of densities, building types, and
configurations in accordance with appropriate urban
design guidelines and vertical and horizontal
integration of residents of varying incomes, ages, and
family groups that reflect the diversity of Hawaii.

Development shall provide necessary community facilities, such as parks, community meeting places, child care centers, schools, educational facilities, libraries, and other services, within and adjacent to residential development; provided that any school that is provided by the corporation as a necessary community facility shall be exempt from school size requirements as calculated by recent school site area averages pursuant to section 302A-1602;

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

(14) Development shall be achieved through the efficient and cost-effective use of government and private-sector workforces through public-private partnerships and other mechanisms to incentivize development to be on time and on budget;
(15) Development shall be designed, to the extent possible, to minimize traffic, parking, the use of private automobiles, and noise;

(16) Development shall be subject to chapter 104; and

(17) Development shall incorporate universal design in compliance with the Americans with Disabilities Act of 1990 and Uniform Federal Accessibility Standards, to the extent possible, and exceed accessibility requirements under those authorities.

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

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

(e) The corporation may transfer ALOHA homes units to the office of Hawaiian affairs and department of Hawaiian home lands for use by their respective beneficiaries.

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

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

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

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

(3) The person, or the person's spouse, shall not own any other real property, including any residential and non-residential property, beneficial ownership of trusts, and co-ownership or fractional ownership, while owning an ALOHA home in the district; provided that an eligible buyer may own real property up to six months after closing on the purchase of an ALOHA home; provided further that an owner of an ALOHA home in the process of selling the ALOHA home may own other real property up to six months prior to closing on the sale of the ALOHA home to an eligible buyer; provided that the rules under this subsection shall not include any requirements or limitations related to an individual's income or any preferences to first-time homebuyers. The rules shall include strict enforcement of owner-occupancy, including a prohibition on the renting out of ALOHA homes, and may include
requirements for the use of face recognition, verification of
the presence of owner-occupants and prevention of access of all
unauthorized persons through retina scan for a minimum number of
days per year, or fingerprint scan technology.

(b) ALOHA homes within the urban redevelopment district
shall be priced to be affordable, as determined by the United
States Department of Housing and Urban Development, to an
individual or family whose income does not exceed eighty per
cent of the area median income, or $300,000, whichever is lower;
provided that the price shall be adjusted for inflation.

(c) The corporation shall establish waitlists for each
residential development for eligible buyers to determine the
order in which ALOHA homes shall be sold. Waitlist priorities
may include school, college, or university affiliation if the
residential property is a redeveloped school, college, or
university; proximity of an eligible buyer's existing residence
to an ALOHA home within the urban redevelopment district; and
other criteria based on the impact the development has on the
eligible buyer.

(d) ALOHA homes within the urban redevelopment district
shall be sold only to other eligible buyers.
(e) An owner of an ALOHA home may sell the ALOHA home after five or more years of owner-occupancy; provided that the corporation shall have the right of first refusal to purchase the ALOHA home at a price that is to be determined by the corporation using the price at which the owner purchased the ALOHA home as the cost basis, adjusted for inflation, and may include a percentage of the appreciation in value of the unit. If the corporation does not exercise its right to purchase the ALOHA home, the ALOHA home may be sold by the owner to an eligible buyer; provided that the corporation shall retain seventy-five per cent of all profits from the sale net of closing and financing costs, using the price at which the owner purchased the ALOHA home as the cost basis. Upon the death of the owner of an ALOHA home, the ALOHA home may be transferred to the deceased's heir by devise or as any other real property under existing law; provided that if the heir is not an eligible buyer, the heir shall sell the ALOHA home to the corporation at a price that is to be determined by the corporation using the price at which the owner purchased the ALOHA home as the cost basis, adjusted for inflation, and may include a percentage of the appreciation in value of the unit.
(f) If an owner of an ALOHA home sells the ALOHA home before five years of owner-occupation, the corporation shall purchase the ALOHA home at a price that is to be determined by the corporation using the price at which the owner purchased the ALOHA home as the cost basis, adjusted for inflation.

(g) Any ALOHA home developed and sold under this subpart shall not be subject to sections 201H-47, 201H-49, 201H-50, and 201H-51.

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

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

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

§201H-H Acquisition of real property from a county.
Notwithstanding the provision of any law or charter, any county,
by resolution of its local governing body, may, without public
auction, sealed bids, or public notice, sell, lease, grant, or
convey to the corporation any real property owned by it which
the corporation certifies to be necessary for the purposes of
this subpart. The sale, lease, grant, or conveyance shall be
made with or without consideration and upon such terms and
conditions as may be agreed upon by the county and the
corporation. Certification shall be evidenced by a formal
request from the corporation. Before the sale, lease, grant, or
conveyance may be made to the corporation, a public hearing
shall be held by the local governing body to consider the same.
Notice of the hearing shall be published at least six days
before the date set for the hearing in the publication and in
the manner as may be designated by the local governing body.

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

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

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

(b) The corporation shall award construction contracts for
commercial projects without regard to chapter 103D.
§201H-L Lease of projects. Notwithstanding any law to the contrary, the corporation may, without recourse to public auction or public notice for sealed bids, lease for a term not exceeding sixty-five years all or any portion of the real or personal property constituting a commercial project to any person, upon such terms and conditions as may be approved by the corporation; provided that all revenues generated from the lease shall be used to support the purpose of this subpart pursuant to section 201H-B.

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

§201H-N ALOHA homes revolving fund. There is created the ALOHA homes revolving fund into which all receipts and revenues of the corporation pursuant to this subpart shall be deposited. Proceeds from the fund shall be used for the purposes of this subpart.
§201H-O  Expenditures of ALOHA homes revolving fund under the corporation exempt from appropriation and allotment. Except as to administrative expenditures, and except as otherwise provided by law, expenditures from the ALOHA homes revolving fund administered by the corporation may be made by the corporation without appropriation or allotment of the legislature; provided that no expenditure shall be made from and no obligation shall be incurred against the ALOHA homes revolving fund in excess of the amount standing to the credit of the fund or for any purpose for which the fund may not lawfully be expended. Nothing in sections 37-31 to 37-41 shall require the proceeds of the ALOHA homes revolving fund administered by the corporation to be reappropriated annually.

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

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

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

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

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

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

§201H-S Violations and penalty. (a) The corporation may set, charge, and collect reasonable fines for violation of this subpart or any rule adopted pursuant to chapter 91. Notwithstanding section 201H-E(c), any person violating any rule adopted pursuant to chapter 91, for which violation a penalty is
not otherwise provided, shall be fined not more than $500 a day
and shall be liable for administrative costs incurred by the
corporation.

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

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

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

§201H-U State lands no longer needed. State lands that
are no longer needed for affordable residential leasehold units
by the Hawaii housing finance and development corporation shall
be returned to the previous owner of those lands.
§201H-V Rules. The corporation may adopt rules, pursuant to chapter 91, necessary for the purposes of this subpart.

C. Leasehold Condominiums on State Lands

§201H-W Leasehold condominiums on state land. (a) The corporation may sell leasehold units in condominiums created pursuant to chapter 514B and developed under this subpart on state land to a "qualified resident" as defined in section 201H-32.

(b) The term of the lease may be for ninety-nine years, and the corporation may extend or modify the fixed rental period of the lease or extend the term of the lease.

(c) The sale of leasehold units shall be subject to all of the provisions of sections 201H-47, 201H-49, and 201H-50, except for units sold at fair market value.

(d) State land set aside by the governor to the corporation and lands leased to the corporation by any department or agency of the State for a condominium described in this section shall be exempt from the definition of "public land" under section 171-2.

(e) The powers conferred upon the corporation by this section shall be in addition and supplemental to the powers
conferred by any other law, and nothing in this section shall be
construed as limiting any powers, rights, privileges, or
immunities so conferred."

SECTION 3. Chapter 237, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:

"§237- Exemption of sale of leasehold interest for ALOHA
home units. In addition to the amounts exempt under section
237-24, this chapter shall not apply to amounts received from
the sale of a leasehold interest in an ALOHA homes unit under
chapter 201H, subpart B."

SECTION 4. Section 36-27, Hawaii Revised Statutes, is
amended by amending subsection (a) to read as follows:

"(a) Except as provided in this section, and
notwithstanding any other law to the contrary, from time to
time, the director of finance, for the purpose of defraying the
prorated estimate of central service expenses of government in
relation to all special funds, except the:

(1) Special out-of-school time instructional program fund
under section 302A-1310;
(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Convention center enterprise special fund under section 201B-8;

(6) Special funds established by section 206E-6;

(7) Aloha Tower fund created by section 206J-17;

(8) Funds of the employees' retirement system created by section 88-109;

(9) Hawaii hurricane relief fund established under chapter 431P;

(10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;

(11) Tourism special fund established under section 201B-11;

(12) Universal service fund established under section 269-42;

(13) Emergency and budget reserve fund under section 328L-3;
Public schools special fees and charges fund under section 302A-1130;

Sport fish special fund under section 187A-9.5;

Neurotrauma special fund under section 321H-4;

Glass advance disposal fee established by section 342G-82;

Center for nursing special fund under section 304A-2163;

Passenger facility charge special fund established by section 261-5.5;

Solicitation of funds for charitable purposes special fund established by section 467B-15;

Land conservation fund established by section 173A-5;

Court interpreting services revolving fund under section 607-1.5;

Trauma system special fund under section 321-22.5;

Hawaii cancer research special fund;

Community health centers special fund;

Emergency medical services special fund;

Rental motor vehicle customer facility charge special fund established under section 261-5.6;
(28) Shared services technology special fund under section 27-43;

(29) Automated victim information and notification system special fund established under section 353-136;

(30) Deposit beverage container deposit special fund under section 342G-104;

(31) Hospital sustainability program special fund under section 346G-4;

(32) Nursing facility sustainability program special fund under section 346F-4;

(33) Hawaii 3R's school improvement fund under section 302A-1502.4;

(34) After-school plus program revolving fund under section 302A-1149.5; and

(35) Civil monetary penalty special fund under section 321-30.2; and

(36) ALOHA homes revolving fund under section 201H-N,

shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate
or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year."

SECTION 5. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Each special fund, except the:

(1) Special out-of-school time instructional program fund under section 302A-1310;

(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Special funds established by section 206E-6;

(6) Aloha Tower fund created by section 206J-17;
(7) Funds of the employees' retirement system created by section 88-109;

(8) Hawaii hurricane relief fund established under chapter 431P;

(9) Convention center enterprise special fund established under section 201B-8;

(10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;

(11) Tourism special fund established under section 201B-11;

(12) Universal service fund established under section 269-42;

(13) Emergency and budget reserve fund under section 328L-3;

(14) Public schools special fees and charges fund under section 302A-1130;

(15) Sport fish special fund under section 187A-9.5;

(16) Neurotrauma special fund under section 321H-4;

(17) Center for nursing special fund under section 304A-2163;
(18) Passenger facility charge special fund established by section 261-5.5;
(19) Court interpreting services revolving fund under section 607-1.5;
(20) Trauma system special fund under section 321-22.5;
(21) Hawaii cancer research special fund;
(22) Community health centers special fund;
(23) Emergency medical services special fund;
(24) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
(25) Shared services technology special fund under section 27-43;
(26) Nursing facility sustainability program special fund established pursuant to section 346F-4; [and]
(27) Automated victim information and notification system special fund established under section 353-136;
(28) Hospital sustainability program special fund under section 346G-4; [and]
(29) Civil monetary penalty special fund under section 321-30.2; and
(30) ALOHA homes revolving fund under section 201H-N,
shall be responsible for its pro rata share of the
administrative expenses incurred by the department responsible
for the operations supported by the special fund concerned."

SECTION 6. Section 171-2, Hawaii Revised Statutes, is
amended to read as follows:

"§171-2 Definition of public lands. "Public lands" means
all lands or interest therein in the State classed as government
or crown lands previous to August 15, 1895, or acquired or
reserved by the government upon or subsequent to that date by
purchase, exchange, escheat, or the exercise of the right of
eminent domain, or in any other manner; including lands accreted
after May 20, 2003, and not otherwise awarded, submerged lands,
and lands beneath tidal waters that are suitable for
reclamation, together with reclaimed lands that have been given
the status of public lands under this chapter, except:

(1) Lands designated in section 203 of the Hawaiian Homes
Commission Act, 1920, as amended;

(2) Lands set aside pursuant to law for the use of the
United States;

(3) Lands being used for roads and streets;
(4) Lands to which the United States relinquished the absolute fee and ownership under section 91 of the Hawaiian Organic Act prior to the admission of Hawaii as a state of the United States unless subsequently placed under the control of the board of land and natural resources and given the status of public lands in accordance with the state constitution, the Hawaiian Homes Commission Act, 1920, as amended, or other laws;

(5) Lands to which the University of Hawaii holds title;

(6) Lands that are set aside by the governor to the Hawaii housing finance and development corporation; lands leased to the Hawaii housing finance and development corporation by any department or agency of the State; or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title; provided that lands described in this paragraph shall be considered "public lands" for the purpose of accounting for all receipts from lands described in section 5(f) of the Admission Act of 1959 for the prior fiscal year, pursuant to section 5 of
Act 178, Session Laws of Hawaii 2006; provided further
that payment of receipts pursuant to this paragraph
may be made in a form of remuneration or consideration
other than cash;
(7) Lands to which the Hawaii community development
authority in its corporate capacity holds title;
(8) Lands to which the department of agriculture holds
title by way of foreclosure, voluntary surrender, or
otherwise, to recover moneys loaned or to recover
debts otherwise owed the department under chapter 167;
(9) Lands that are set aside by the governor to the Aloha
Tower development corporation; lands leased to the
Aloha Tower development corporation by any department
or agency of the State; or lands to which the Aloha
Tower development corporation holds title in its
corporate capacity;
(10) Lands that are set aside by the governor to the
agribusiness development corporation; lands leased to
the agribusiness development corporation by any
department or agency of the State; or lands to which
the agribusiness development corporation in its
corporate capacity holds title;
(11) Lands to which the Hawaii technology development
corporation in its corporate capacity holds title; and
(12) Lands to which the department of education holds
title;
provided that, except as otherwise limited under federal law and
except for state land used as an airport as defined in section
262-1, public lands shall include the air rights over any
portion of state land upon which a county mass transit project
is developed after July 11, 2005."

SECTION 7. Chapter 201H, Hawaii Revised Statutes, is
amended by designating sections 201H-31 to 201H-70 as subpart A
and inserting a title before section 201H-31 to read as follows:
"A. General Provisions"

SECTION 8. Section 302A-1603, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:
"(b) The following shall be exempt from this section:
(1) Any form of housing permanently excluding school-aged
children, with the necessary covenants or declarations
of restrictions recorded on the property;
(2) Any form of housing that is or will be paying the transient accommodations tax under chapter 237D;

(3) All nonresidential development; [and]

(4) Any development with an executed education contribution agreement or other like document with the department for the contribution of school sites or payment of fees for school land or school construction[; and]

(5) Any form of development by the Hawaii housing finance and development corporation pursuant to chapter 201H, part II, subpart B."

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of $100,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be deposited into the ALOHA homes revolving fund established pursuant to section 201H-N, Hawaii Revised Statutes.

SECTION 10. There is appropriated out of the ALOHA homes revolving fund established pursuant to section 201H-N, Hawaii Revised Statutes, the sum of $100,000 or so much thereof as may be necessary for fiscal year 2019-2020 for the purposes for which the revolving fund is established.
The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this Act.

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

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 13. This Act shall take effect on July 1, 2019.
Establishes the ALOHA homes program under the Hawaii Housing Finance and Development Corporation (HHFDC) 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 and provisions related to the sale of leasehold interest of ALOHA homes. Exempts lands to which HHFDC holds title and land set aside or leased to the HHFDC from the definition of public lands in section 171-2, HRS, except for purposes of accounting for receipts from ceded lands. Establishes and appropriates funds into and out of the ALOHA homes revolving fund. Authorizes the HHFDC to sell the leasehold interest in residential condominium units located on state lands for lease terms of 99 years. (SD1)

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