

JAN 21 2011

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# A BILL FOR AN ACT

RELATING TO ECONOMIC RECOVERY.

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

1           SECTION 1. Senate Concurrent Resolution No. 132, S.D. 1  
2           (2009), established a task force to determine the economic  
3           contributions of the construction industry in Hawaii and to  
4           develop a series of proposals for state actions to preserve and  
5           create new jobs in the local construction industry. This Act  
6           implements one of the task force's proposals in conjunction with  
7           the Abercrombie administration's support for state actions to  
8           create new jobs in Hawaii's construction industry.

9           In addition, in 2010, the senate committee on economic  
10          development and technology and the house committee on economic  
11          revitalization, business, and military affairs convened an  
12          informal small business discussion group to address the most  
13          critical issues facing the small business sectors within  
14          Hawaii's economy. Representatives from the Chamber of Commerce  
15          of Hawaii, construction and trades industries, community  
16          nonprofits, the agricultural sector, food and restaurant  
17          industries, retailing, the science and technology sector, the  
18          commercial transportation industry, and interested stakeholders



1 developed a package of bills that address the most pressing  
2 problems facing Hawaii's small business community.

3 The purpose of this Act is to support the findings of the  
4 small business working group and the recommendations proposed by  
5 the construction industry task force to provide temporary relief  
6 from county requirements for affordable and workforce housing to  
7 stimulate housing construction statewide.

8 SECTION 2. Section 46-15.1, Hawaii Revised Statutes, is  
9 amended by amending subsection (a) to read as follows:

10 "(a) Any law to the contrary notwithstanding, any county  
11 shall have and may exercise the same powers, subject to  
12 applicable limitations, as those granted the Hawaii housing  
13 finance and development corporation pursuant to chapter 201H  
14 insofar as those powers may be reasonably construed to be  
15 exercisable by a county for the purpose of developing,  
16 constructing, and providing low- and moderate-income housing;  
17 provided that no county shall be empowered to cause the State to  
18 issue general obligation bonds to finance a project pursuant to  
19 this section; provided further that county projects shall be  
20 granted an exemption from general excise or receipts taxes in  
21 the same manner as projects of the Hawaii housing finance and  
22 development corporation pursuant to section 201H-36; [~~and~~]



1 provided further that section 201H-16 shall not apply to this  
2 section unless federal guidelines specifically provide local  
3 governments with that authorization and the authorization does  
4 not conflict with any state laws[-]; and provided further that  
5 the county affordable and workforce housing requirements shall  
6 be reduced by forty per cent. The powers shall include the  
7 power, subject to applicable limitations, to:

- 8 (1) Develop and construct dwelling units, alone or in  
9 partnership with developers;
- 10 (2) Acquire necessary land by lease, purchase, exchange,  
11 or eminent domain;
- 12 (3) Provide assistance and aid to a public agency or other  
13 person in developing and constructing new housing and  
14 rehabilitating existing housing for elders of low- and  
15 moderate-income, other persons of low- and moderate-  
16 income, and persons displaced by any governmental  
17 action, by making long-term mortgage or interim  
18 construction loans available;
- 19 (4) Contract with any eligible bidders to provide for  
20 construction of urgently needed housing for persons of  
21 low- and moderate-income;



- 1           (5) Guarantee the top twenty-five per cent of the  
2                   principal balance of real property mortgage loans,  
3                   plus interest thereon, made to qualified borrowers by  
4                   qualified lenders;
- 5           (6) Enter into mortgage guarantee agreements with  
6                   appropriate officials of any agency or instrumentality  
7                   of the United States to induce those officials to  
8                   commit to insure or to insure mortgages under the  
9                   National Housing Act, as amended;
- 10          (7) Make a direct loan to any qualified buyer for the  
11                   downpayment required by a private lender to be made by  
12                   the borrower as a condition of obtaining a loan from  
13                   the private lender in the purchase of residential  
14                   property;
- 15          (8) Provide funds for a share, not to exceed fifty per  
16                   cent, of the principal amount of a loan made to a  
17                   qualified borrower by a private lender who is unable  
18                   otherwise to lend the borrower sufficient funds at  
19                   reasonable rates in the purchase of residential  
20                   property; and
- 21          (9) Sell or lease completed dwelling units.





**Report Title:**

Construction Task Force (2010); County Housing Requirements;  
Temporary Relief

**Description:**

Granting temporary relief from county housing requirements as recommended by the construction industry task force to stimulate housing construction statewide.

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

