

JAN 19 2018

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. Section 46-15.2, Hawaii Revised Statutes, is amended to read as follows:

"§46-15.2 Housing; additional county powers[~~+~~]; mandate.

(a) In addition and supplemental to the powers granted to counties by section 46-15.1, a county shall have and may exercise any of the following powers:

(1) To provide assistance and aid to persons of low- and moderate-income in acquiring housing by:

(A) Providing loans secured by a mortgage;

(B) Acquiring the loans from private lenders where the county has made advance commitment to acquire the loans; and

(C) Making and executing contracts with private lenders or a public agency for the origination and servicing of the loans and paying the reasonable value of the services;



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1 (2) In connection with the exercise of any powers granted
2 under this section or section 46-15.1, to establish
3 one or more loan programs and to issue bonds under
4 chapter 47 or 49 to provide moneys to carry out the
5 purposes of this section or section 46-15.1; provided
6 that:

7 (A) If bonds are issued pursuant to chapter 47 to
8 finance one or more loan programs, the county may
9 establish qualifications for the program or
10 programs as it deems appropriate;

11 (B) If bonds are issued pursuant to chapter 49 to
12 finance one or more loan programs, the loan
13 program or programs shall comply with part III,
14 subpart B of chapter 201H, to the extent
15 applicable;

16 (C) If bonds are issued pursuant to section 47-4 or
17 chapter 49, any loan program established pursuant
18 to this section or any county-owned dwelling
19 units constructed under section 46-15.1 shall be
20 and constitute an "undertaking" under section
21 49-1 and chapter 49 shall apply to the loan



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1 program or county-owned dwelling units to the
2 extent applicable;

3 (D) In connection with the establishment of any loan
4 program pursuant to this section, a county may
5 employ financial consultants, attorneys, real
6 estate counselors, appraisers, and other
7 consultants as may be required in the judgment of
8 the county and fix and pay their compensation
9 from funds available to the county therefor;

10 (E) Notwithstanding any limitation otherwise
11 established by law, with respect to the rate of
12 interest on any loan made under any loan program
13 established pursuant to this section, the loan
14 may bear a rate or rates of interest per year as
15 the county shall determine; provided that no loan
16 made from the proceeds of any bonds of the county
17 shall be under terms or conditions that would
18 cause the interest on the bonds to be deemed
19 subject to income taxation by the United States;

20 (F) Notwithstanding any limitation otherwise
21 established by law, with respect to the amount of



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1 compensation permitted to be paid for the
2 servicing of loans made under any loan program
3 established pursuant to this section, a county
4 may fix any reasonable compensation as the county
5 may determine;

6 (G) Notwithstanding the requirement of any other law,
7 a county may establish separate funds and
8 accounts with respect to bonds issued pursuant to
9 chapter 47 or 49 to provide moneys to carry out
10 the purposes of this section or section 46-15.1
11 as the county may deem appropriate;

12 (H) Notwithstanding any provision of chapter 47 or 49
13 or of any other law, but subject to the
14 limitations of the state constitution, bonds
15 issued to provide moneys to carry out the
16 purposes of this section or section 46-15.1 may
17 be sold at public or private sale at a price; may
18 bear interest at a rate or rates per year; may be
19 payable at a time or times; may mature at a time
20 or times; may be made redeemable before maturity
21 at the option of the county, the holder, or both,



1 at a price or prices and upon terms and
2 conditions; and may be issued in coupon or
3 registered form, or both, as the county may
4 determine;

5 (I) If deemed necessary or advisable, the county may
6 designate a national or state bank or trust
7 company within or without the State to serve as
8 trustee for the holders of bonds issued to
9 provide moneys to carry out the purposes of this
10 section or section 46-15.1, and enter into a
11 trust indenture, trust agreement, or indenture of
12 mortgage with the trustee whereby the trustee may
13 be authorized to receive and receipt for, hold,
14 and administer the proceeds of the bonds and to
15 apply the proceeds to the purposes for which the
16 bonds are issued, or to receive and receipt for,
17 hold, and administer the revenues and other
18 receipts derived by the county from the
19 application of the proceeds of the bonds and to
20 apply the revenues and receipts to the payment of
21 the principal of, or interest on the bonds, or



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1 both. Any trust indenture, trust agreement, or
2 indenture of mortgage entered into with the
3 trustee may contain any covenants and provisions
4 as may be deemed necessary, convenient, or
5 desirable by the county to secure the bonds. The
6 county may pledge and assign to the trustee any
7 agreements related to the application of the
8 proceeds of the bonds and the rights of the
9 county thereunder, including the rights to
10 revenues and receipts derived thereunder. Upon
11 appointment of the trustee, the director of
12 finance of the county may elect not to serve as
13 fiscal agent for the payment of the principal and
14 interest, and for the purchase, registration,
15 transfer, exchange, and redemption, of the bonds;
16 or may elect to limit the functions the director
17 of finance performs as a fiscal agent; and may
18 appoint a trustee to serve as the fiscal agent;
19 and may authorize and empower the trustee to
20 perform the functions with respect to payment,
21 purchase, registration, transfer, exchange, and



1 redemption, as the director of finance deems
2 necessary, advisable, or expedient, including
3 without limitation the holding of the bonds and
4 coupons that have been paid and the supervision
5 and conduction or the destruction thereof in
6 accordance with law;

7 (J) If a trustee is not appointed to collect, hold,
8 and administer the proceeds of bonds issued to
9 provide moneys to carry out the purposes of this
10 section or section 46-15.1, or the revenues and
11 receipts derived by the county from the
12 application of the proceeds of the bonds, as
13 provided in subparagraph (I), the director of
14 finance of the county may hold the proceeds or
15 revenues and receipts in a separate account in
16 the treasury of the county, to be applied solely
17 to the carrying out of the ordinance, trust
18 indenture, trust agreement, or indenture of
19 mortgage, if any, authorizing or securing the
20 bonds; and



1 (K) Any law to the contrary notwithstanding, the
2 investment of funds held in reserves and sinking
3 funds related to bonds issued to provide moneys
4 to carry out the purposes of this section or
5 section 46-15.1 shall comply with section 201H-
6 77; provided that any investment that requires
7 approval by the county council pursuant to
8 section 46-48 or 46-50 shall first be approved by
9 the county council;

10 (3) To acquire policies of insurance and enter into
11 banking arrangements as the county may deem necessary
12 to better secure bonds issued to provide money to
13 carry out the purposes of this section or section 46-
14 15.1, including without limitation contracting for a
15 support facility or facilities as may be necessary
16 with respect to bonds issued with a right of the
17 holders to put the bonds and contracting for interest
18 rate swaps; and

19 (4) To do any and all other things necessary or
20 appropriate to carry out the purposes and exercise the
21 powers granted in section 46-15.1 and this section.



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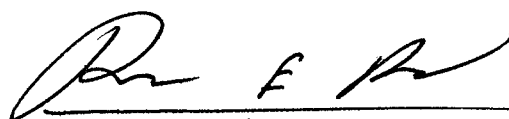
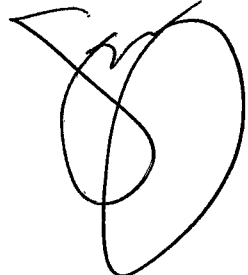
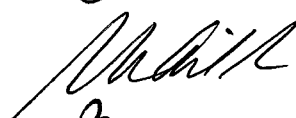

(b) Each county shall establish a goal of increasing the number of affordable housing units within the county each year by per cent each year until the number of affordable housing units reaches per cent of all housing units within the county.

(c) For purposes of this section, "affordable housing" means the same as defined in section 46-15.25."

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

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:



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Report Title:

Counties; Affordable Housing Units; Mandate

Description:

Requires each county to establish a goal of increasing the number of affordable housing units by a certain amount each year.

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