
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. Section 46-15.1, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) Notwithstanding any law to the contrary, any county
4 shall have and may exercise the same powers, subject to
5 applicable limitations, as those granted the Hawaii housing
6 finance and development corporation pursuant to chapter 201H
7 insofar as those powers may be reasonably construed to be
8 exercisable by a county for the purpose of developing,
9 constructing, and providing low- and moderate-income housing;
10 provided that no county shall be empowered to cause the State to
11 issue general obligation bonds to finance a project pursuant to
12 this section; provided further that county projects shall be
13 granted an exemption from general excise or receipts taxes in
14 the same manner as projects of the Hawaii housing finance and
15 development corporation pursuant to section 201H-36; and
16 provided further that section 201H-16 shall not apply to this
17 section unless federal guidelines specifically provide local



1 governments with that authorization and the authorization does
2 not conflict with any state laws. The powers shall include the
3 power, subject to applicable limitations, to:

4 (1) Develop and construct dwelling units, alone or in
5 partnership with developers;

6 (2) Acquire necessary land by lease, purchase, exchange,
7 or eminent domain;

8 (3) Provide assistance and aid to a public agency or other
9 person in developing and constructing new housing and
10 rehabilitating existing housing for elders of low- and
11 moderate-income, other persons of low- and moderate-
12 income, and persons displaced by any governmental
13 action, by making long-term mortgage or interim
14 construction loans available;

15 (4) Contract with any eligible bidders to provide for
16 construction of urgently needed housing for persons of
17 low- and moderate-income;

18 (5) Guarantee the top twenty-five per cent of the
19 principal balance of real property mortgage loans,
20 plus interest thereon, made to qualified borrowers by
21 qualified lenders;



1 (6) Enter into mortgage guarantee agreements with
2 appropriate officials of any agency or instrumentality
3 of the United States to induce those officials to
4 commit to insure or to insure mortgages under the
5 National Housing Act, as amended;

6 (7) Make a direct loan to any qualified buyer for the
7 downpayment required by a private lender to be made by
8 the borrower as a condition of obtaining a loan from
9 the private lender in the purchase of residential
10 property;

11 (8) Provide funds for a share, not to exceed fifty per
12 cent, of the principal amount of a loan made to a
13 qualified borrower by a private lender who is unable
14 otherwise to lend the borrower sufficient funds at
15 reasonable rates in the purchase of residential
16 property; ~~and~~

17 (9) Sell or lease completed dwelling units~~[-]~~; and

18 (10) Permit developers to make cash payments of fifteen per
19 cent of the gross revenue of the development project
20 in lieu of providing the required reserved housing
21 under the county's affordable housing program.



1 For purposes of this section, a limitation is applicable to
2 the extent that it may reasonably be construed to apply to a
3 county."

4 SECTION 2. Section 206E-4, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§206E-4 Powers; generally.** Except as otherwise limited
7 by this chapter, the authority may:

8 (1) Sue and be sued;

9 (2) Have a seal and alter the same at pleasure;

10 (3) Make and execute contracts and all other instruments
11 necessary or convenient for the exercise of its powers
12 and functions under this chapter;

13 (4) Make and alter bylaws for its organization and
14 internal management;

15 (5) Make rules with respect to its projects, operations,
16 properties, and facilities, which rules shall be in
17 conformance with chapter 91;

18 (6) Through its executive director appoint officers,
19 agents, and employees, prescribe their duties and
20 qualifications, and fix their salaries, without regard
21 to chapter 76;



- 1 (7) Prepare or cause to be prepared a community
2 development plan for all designated community
3 development districts;
- 4 (8) Acquire, reacquire, or contract to acquire or
5 reacquire by grant or purchase real, personal, or
6 mixed property or any interest therein; to own, hold,
7 clear, improve, and rehabilitate, and to sell, assign,
8 exchange, transfer, convey, lease, or otherwise
9 dispose of or encumber the same;
- 10 (9) Acquire or reacquire by condemnation real, personal,
11 or mixed property or any interest therein for public
12 facilities, including but not limited to streets,
13 sidewalks, parks, schools, and other public
14 improvements;
- 15 (10) By itself, or in partnership with qualified persons,
16 acquire, reacquire, construct, reconstruct,
17 rehabilitate, improve, alter, or repair or provide for
18 the construction, reconstruction, improvement,
19 alteration, or repair of any project; own, hold, sell,
20 assign, transfer, convey, exchange, lease, or
21 otherwise dispose of or encumber any project, and in



1 the case of the sale of any project, accept a purchase
2 money mortgage in connection therewith; and repurchase
3 or otherwise acquire any project that the authority
4 has theretofore sold or otherwise conveyed,
5 transferred, or disposed of;

6 (11) Arrange or contract for the planning, replanning,
7 opening, grading, or closing of streets, roads,
8 roadways, alleys, or other places, or for the
9 furnishing of facilities or for the acquisition of
10 property or property rights or for the furnishing of
11 property or services in connection with a project;

12 (12) Grant options to purchase any project or to renew any
13 lease entered into by it in connection with any of its
14 projects, on terms and conditions as it deems
15 advisable;

16 (13) Prepare or cause to be prepared plans, specifications,
17 designs, and estimates of costs for the construction,
18 reconstruction, rehabilitation, improvement,
19 alteration, or repair of any project, and from time to
20 time to modify the plans, specifications, designs, or
21 estimates;



1 (14) Provide advisory, consultative, training, and
2 educational services, technical assistance, and advice
3 to any person, partnership, or corporation, either
4 public or private, to carry out the purposes of this
5 chapter, and engage the services of consultants on a
6 contractual basis for rendering professional and
7 technical assistance and advice;

8 (15) Procure insurance against any loss in connection with
9 its property and other assets and operations in
10 amounts and from insurers as it deems desirable;

11 (16) Contract for and accept gifts or grants in any form
12 from any public agency or from any other source;

13 (17) Do any and all things necessary to carry out its
14 purposes and exercise the powers given and granted in
15 this chapter; and

16 (18) Allow satisfaction of any affordable housing
17 requirements imposed by the authority upon any
18 proposed development project through the construction
19 of reserved housing, as defined in section 206E-101,
20 by a person on land located outside the geographic
21 boundaries of the authority's jurisdiction; provided



1 that the authority may permit cash payments of fifteen
2 per cent of the gross revenue of the development
3 project in lieu of providing reserved housing. The
4 substituted housing shall be located on the same
5 island as the development project and shall be
6 substantially equal in value to the required reserved
7 housing units that were to be developed on site. The
8 authority shall establish the following priority in
9 the development of reserved housing:

- 10 (A) Within the community development district;
11 (B) Within areas immediately surrounding the
12 community development district;
13 (C) Areas within the central urban core; and
14 (D) In outlying areas within the same island as the
15 development project.

16 The Hawaii community development authority shall
17 adopt rules relating to the approval of reserved
18 housing that are developed outside of a community
19 development district. The rules shall include, but
20 are not limited to, the establishment of guidelines to
21 ensure compliance with the above priorities."



H.B. NO. 1633

1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: *Spide A Clark*
JAN 20 2022



H.B. NO. 1633

Report Title:

Affordable Housing; Cash In-Lieu Payments; Reserved Housing;
Counties; HCDA .

Description:

Permits counties to adopt ordinances permitting developers to make a cash payment of fifteen per cent of the gross revenue of the development in lieu of providing the required reserved housing under the county's affordable housing program. Specifies the HCDA may permit cash payments of fifteen per cent of the gross revenue of the development project in lieu of providing reserved housing.

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