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# 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 while the Hawaii  
2 housing finance and development corporation may facilitate the  
3 development, construction, financing, refinancing, or other  
4 provision of mixed-use developments, including low- and  
5 moderate-income housing projects, the counties are not allowed  
6 to facilitate mixed-use developments. This is despite existing  
7 law giving the counties similar powers regarding the development  
8 of housing, and the counties sharing a burden in promoting  
9 transit oriented development, urban revitalization, and the  
10 conversion of office and commercial space to residential space.

11           The purpose of this Act is to allow the counties to share  
12 in the burden of facilitating the development, construction,  
13 financing, refinancing, or other provision of mixed-use  
14 developments, including low- and moderate-income housing  
15 projects, and issue county bonds for this purpose.

16           SECTION 2. Section 46-15.1, Hawaii Revised Statutes, is  
17 amended as follows:

18           1. By amending subsection (a) to read:



1           "(a) Notwithstanding any law to the contrary, any county  
2 shall have and may exercise the same powers, subject to  
3 applicable limitations, as those granted the Hawaii housing  
4 finance and development corporation pursuant to chapter 201H  
5 insofar as those powers may be reasonably construed to be  
6 exercisable by a county for the purpose of developing,  
7 constructing, [~~and~~] financing, refinancing, or otherwise  
8 providing low- and moderate-income housing[+] projects and  
9 mixed-use developments; provided that no county shall be  
10 empowered to cause the State to issue general obligation bonds  
11 to finance a project pursuant to this section; provided further  
12 that county projects shall be granted an exemption from general  
13 excise or receipts taxes in the same manner as projects of the  
14 Hawaii housing finance and development corporation pursuant to  
15 section 201H-36; [~~and~~] provided further that county projects  
16 shall prioritize walkability to the extent practicable; provided  
17 further that section 201H-16 shall not apply to this section  
18 unless federal guidelines specifically provide local governments  
19 with that authorization and the authorization does not conflict  
20 with any state laws. The powers shall include the power,  
21 subject to applicable limitations, to:



- 1       (1) Develop and construct dwelling units, alone or in  
2             partnership with developers;
- 3       (2) Acquire necessary land by lease, purchase, exchange,  
4             or eminent domain;
- 5       (3) Provide assistance and aid to a public agency or other  
6             person in developing and constructing new housing and  
7             rehabilitating existing housing for elders of low- and  
8             moderate-income, other persons of low- and  
9             moderate-income, and persons displaced by any  
10            governmental action, by making long-term mortgage or  
11            interim construction loans available;
- 12       (4) Contract with any eligible bidders to provide for  
13            construction of urgently needed housing for persons of  
14            low- and moderate-income;
- 15       (5) Guarantee the top twenty-five per cent of the  
16            principal balance of real property mortgage loans,  
17            plus interest thereon, made to qualified borrowers by  
18            qualified lenders;
- 19       (6) Enter into mortgage guarantee agreements with  
20            appropriate officials of any agency or instrumentality  
21            of the United States to induce those officials to



1           commit to insure or to insure mortgages under the  
2           National Housing Act, as amended;

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

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

14          (9) Sell or lease completed dwelling units.

15          For purposes of this section, a limitation is applicable to  
16          the extent that it may reasonably be construed to apply to a  
17          county."

18          2. By amending subsections (f) and (g) to read:

19          "(f) The provisions of this section shall be construed  
20          liberally so as to effectuate the purpose of this section in  
21          facilitating the development, construction, [~~and~~] financing,



1 refinancing, or other provision of low- and moderate-income  
2 housing projects and mixed-use developments by the various  
3 counties.

4 (g) For purposes of this section [~~7, "low and moderate~~  
5 ~~income housing"~~]:

6 "Low- and moderate-income housing project" means any  
7 housing project that meets the definition of "low- and  
8 moderate-income housing project" in section 39A-281.

9 "Mixed-use development" has the same meaning as defined in  
10 section 201H-12(a)."

11 SECTION 3. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval,  
14 and shall apply to bond proceeds expended by a county after  
15 December 31, 2023, and shall be repealed on June 30, 2028;  
16 provided that section 46-15.1, Hawaii Revised Statutes, shall be  
17 reenacted in the form in which it read on the day before the  
18 effective date of this Act.



**Report Title:**

HHFDC; Housing; County Powers; Mixed-Use Developments; Bond Proceeds

**Description:**

Expands the counties' authorization to exercise the same powers as the Hawaii Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments. Applies to bond proceeds expended by a county after 12/31/2023. Sunsets 6/30/2028.  
(CD1)

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

