
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 that provides the counties with similar powers regarding the
8 development of housing, and the counties sharing a burden in
9 promoting transit oriented development, urban revitalization,
10 and the conversion of office and commercial space to residential
11 space.

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



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

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

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



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

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

18 For purposes of this section, a limitation is applicable to
19 the extent that it may reasonably be construed to apply to a
20 county."

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



1 "(f) The provisions of this section shall be construed
2 liberally so as to effectuate the purpose of this section in
3 facilitating the development, construction, [~~and provision of~~]
4 financing, refinancing, or other provision of low- and
5 moderate-income housing projects and mixed-use developments by
6 the various counties.

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

9 "Low- and moderate-income housing project" means any
10 housing project that meets the definition of "low- and
11 moderate-income housing project" in section 39A-281.

12 "Mixed-use development" has the same meaning as in section
13 201H-12(a)."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2050, and
17 shall apply to bond proceeds expended by a county after
18 December 31, 2023; provided that on June 30, 2028, this Act
19 shall be repealed and section 46-15.1, Hawaii Revised Statutes,
20 shall be reenacted in the form in which it read on the day
21 before the approval of this Act.



Report Title:

Housing; County Powers; Mixed-Use Developments

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 12/31/23. Sunsets 6/30/2028. Effective 7/1/2050. (SD2)

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