

JAN 19 2024

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-income projects and mixed-use developments,
5 including low- and moderate-income housing projects, the
6 counties are not allowed to facilitate mixed-income projects and
7 mixed-use developments. This is despite existing law giving the
8 counties similar housing powers and the counties sharing a
9 burden in promoting transit oriented development, urban
10 revitalization, and the conversion of office and commercial
11 space to residential 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-income
15 projects and mixed-use developments, including low- and
16 moderate-income housing projects, and issue county bonds for
17 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, mixed-
12 income projects, and mixed-use developments; provided that no
13 county shall be empowered to cause the State to issue general
14 obligation bonds to finance a project pursuant to this section;
15 provided further that county projects shall be granted an
16 exemption from general excise or receipts taxes in the same
17 manner as projects of the Hawaii housing finance and development
18 corporation pursuant to section 201H-36; and provided further
19 that section 201H-16 shall not apply to this section unless
20 federal guidelines specifically provide local governments with
21 that authorization and the authorization does not conflict with



1 any state laws. The powers shall include the power, subject to
2 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 moderate-
11 income, and persons displaced by any governmental
12 action, by making long-term mortgage or interim
13 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 If there is an insufficient number of persons or families
19 who meet the income qualifying criteria for a particular low-
20 and moderate-income housing project, then the income-restricted



1 housing units may be made available to households with higher
2 incomes to ensure full occupancy of the housing project.

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

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

7 "(f) The provisions of this section shall be construed
8 liberally so as to effectuate the purpose of this section in
9 facilitating the development, construction, [~~and provision of~~]
10 financing, refinancing, or other provision of low- and moderate-
11 income housing projects, mixed-income projects, and mixed-use
12 developments by the various counties.

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

15 "Low- and moderate-income housing project" means any
16 housing project that meets the definition of "low- and moderate-
17 income housing project" in section 39A-281.

18 "Mixed-income project" means any housing project that, in
19 addition to low- and moderate-income housing units, includes
20 housing units for households with incomes higher than provided
21 under section 39A-281.



1 "Mixed-use development" has the same meaning as in section
2 201H-12(a)."

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

5 SECTION 4. This Act shall take effect upon its approval
6 and shall apply to bond proceeds expended by a county after
7 December 31, 2023; provided that the amendments made to section
8 46-15.1, Hawaii Revised Statutes, by this Act shall not be
9 repealed when that section is reenacted on July 1, 2030,
10 pursuant to:

11 (1) Section 3 of Act 141, Session Laws of Hawaii 2009, as
12 amended by section 3 of Act 102, Session Laws of
13 Hawaii 2015, as amended by section 1 of Act 80,
14 Session Laws of Hawaii 2019, as amended by section 2
15 of Act 90, Session Laws of Hawaii 2023; and

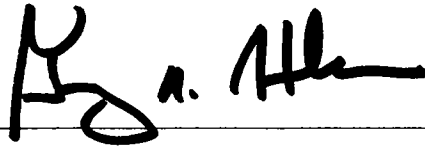
16 (2) Section 3 of Act 98, Session Laws of Hawaii 2012, as
17 amended by section 4 of Act 102, Session Laws of
18 Hawaii 2015, as amended by section 50 of Act 55,
19 Session Laws of Hawaii 2016, as amended by section 2
20 of Act 80, Session Laws of Hawaii 2019, as amended by
21 section 3 of Act 90, Session Laws of Hawaii 2023.



S.B. NO. 2337

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INTRODUCED BY:

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S.B. NO. 2337

Report Title:

Housing; County Powers; Mixed-Income Projects; 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-income projects and mixed-use developments. Authorizes units in low- and moderate-income housing projects to be made available to households with higher incomes if there is an insufficient number of persons or families who meet income qualifying requirements. Applies to bond proceeds expended by a county after 12/31/23.

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

