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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

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

1           SECTION 1. The legislature finds that article XII, section  
2 1, of the Hawaii State Constitution provides that "[a]nything in  
3 this constitution to the contrary notwithstanding, the Hawaiian  
4 Homes Commission Act, 1920, enacted by the Congress, as the same  
5 has been or may be amended prior to the admission of the State,  
6 is hereby adopted as a law of the State, subject to amendment or  
7 repeal by the legislature". The legislature further finds that  
8 article XII, section 2, of the Hawaii State Constitution  
9 provides that "[t]he State and its people do hereby accept, as a  
10 compact with the United States, or as conditions or trust  
11 provisions imposed by the United States, relating to the  
12 management and disposition of the Hawaiian home lands, the  
13 requirement that section 1 hereof be included in this  
14 constitution, in whole or in part, it being intended that the  
15 Act or acts of the Congress pertaining thereto shall be  
16 definitive of the extent and nature of such compact, conditions  
17 or trust provisions, as the case may be". Finally, article XII,



1 section 2, of the Hawaii State Constitution provides that "[t]he  
2 State and its people do further agree and declare that the  
3 spirit of the Hawaiian Homes Commission Act looking to the  
4 continuance of the Hawaiian homes projects for the further  
5 rehabilitation of the Hawaiian race shall be faithfully carried  
6 out".

7 The department of Hawaiian home lands is an eligible  
8 borrower of loans guaranteed by the United States Department of  
9 Housing and Urban Development under section 184A of the Housing  
10 and Community Development Act of 1992, as amended. However,  
11 section 214(b) (8) of the Hawaiian Homes Commission Act of 1920,  
12 as amended, authorizes the department to only pledge receivables  
13 of loan accounts outstanding as collateral to secure loans made  
14 by government agencies or private lending institutions to the  
15 department, the proceeds of which shall be used by the  
16 department to make new loans to lessees or to finance the  
17 development of available lands for purposes permitted by the  
18 Act. In addition, section 214(b) (8) of the Hawaiian Homes  
19 Commission Act of 1920, as amended, stipulates that any loan  
20 agreement entered into by the department shall include a  
21 provision that the money borrowed by the department is not



1 secured directly or indirectly by the full faith and credit or  
2 the general credit of the State or by any revenues or taxes of  
3 the State other than the receivables specifically pledged to  
4 repay the loan.

5 The purpose of this Act is to further the provisions in  
6 article XII, section 2, of the Hawaii State Constitution  
7 supporting the development of residential homestead lots and  
8 housing units by allowing the department of Hawaiian home lands  
9 to utilize the dwelling unit revolving fund collateral when  
10 acting as an eligible borrower for a loan guaranteed under  
11 section 184A of the Housing and Community Development Act of  
12 1992, as amended, and to appropriate the necessary funds for  
13 this purpose.

14 SECTION 2. Section 201H-191, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "**§201H-191 Dwelling unit revolving fund.** (a) There is  
17 created a dwelling unit revolving fund. The funds appropriated  
18 for the purpose of the dwelling unit revolving fund and all  
19 moneys received or collected by the corporation for the purpose  
20 of the revolving fund shall be deposited in the revolving fund.  
21 The proceeds in the revolving fund shall be used to reimburse



1 the general fund to pay the interest on general obligation bonds  
2 issued for the purposes of the revolving fund, for the necessary  
3 expenses in administering housing development programs and  
4 regional state infrastructure programs, and for carrying out the  
5 purposes of housing development programs and regional state  
6 infrastructure programs, including but not limited to the  
7 expansion of community facilities and regional state  
8 infrastructure constructed in conjunction with housing and  
9 mixed-use transit-oriented development projects, permanent  
10 primary or secondary financing, and supplementing building  
11 costs, federal guarantees required for operational losses, and  
12 all things required by any federal agency in the construction  
13 and receipt of federal funds or low-income housing tax credits  
14 for housing projects.

15 (b) Subject to the requirements of subsection (a),  
16 proceeds in the revolving fund may be used to establish and  
17 operate regional state infrastructure subaccounts pursuant to  
18 section 201H-191.5.

19 (c) Notwithstanding the Hawaiian Homes Commission Act of  
20 1920, as amended, the department of Hawaiian home lands may  
21 utilize the dwelling unit revolving fund as collateral when



1 acting as an eligible borrower of a loan guaranteed by the  
2 United States Department of Housing and Urban Development under  
3 section 184A of the Housing and Community Development Act of  
4 1992, as amended, to develop residential homestead lots and  
5 housing units subject to the approval of the corporation."

6 SECTION 3. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so  
8 much thereof as may be necessary for fiscal year 2025-2026 and  
9 the same sum or so much thereof as may be necessary for fiscal  
10 year 2026-2027 to be deposited into the dwelling unit revolving  
11 fund.

12 SECTION 4. There is appropriated out of the dwelling unit  
13 revolving fund the sum of \$ or so much thereof as may  
14 be necessary for fiscal year 2025-2026 and the same sum or so  
15 much thereof as may be necessary for fiscal year 2026-2027 for  
16 collateral when the department of Hawaiian home lands acts as an  
17 eligible borrower of a loan guaranteed by the United States  
18 Department of Housing and Urban Development under section 184A  
19 of the Housing and Community Development Act, as amended, to  
20 develop residential homestead lots and housing units.



1           The sums appropriated shall be expended by the Hawaii  
2 housing finance and development corporation for the purposes of  
3 this Act.

4           SECTION 5.   New statutory material is underscored.

5           SECTION 6.   This Act shall take effect on July 1, 3000.



**Report Title:**

DHHL; HHFDC; Dwelling Unit Revolving Fund; Appropriation

**Description:**

Allows the Department of Hawaiian Home Lands to utilize the Dwelling Unit Revolving Fund as collateral when the Department acts as an eligible borrower for a loan agreement under section 184A of the Housing and Community Development Act of 1992, as amended. Appropriates funds. Effective 7/1/3000. (HD1)

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