

ACT 179

H.B. NO. 92

A Bill for an Act Relating to Housing and Related Programs of the State.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Findings and determinations; purpose. The legislature of the State of Hawaii hereby finds and determines that there exists in the State a critical shortage of housing units for lower income residents. The legislature further finds and determines that the recitals, findings, and other determinations of the legislature set forth in section 359G-1 are true and valid as of the adoption of this Act. Said recitals, findings and determinations set forth in section 359G-1 are incorporated in this Act by the foregoing references thereto. The purpose of this Act is to empower the counties to undertake programs for the providing of housing for persons of lower income, thereby assisting the State in solving the housing problems described and discussed in section 359G-1. The purpose of this Act, however, is to supplement but not replace or reduce state efforts through related programs in this area.

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“Sec. 46- Housing; county powers. (a) Any law to the contrary notwithstanding, any county shall have and may exercise the same powers, subject to applicable limitations, as those granted the Hawaii housing authority pursuant to chapter 359G, as amended by any other act passed during the Regular Session of 1974, insofar as such powers may be reasonably construed to be exercisable by a county for the purpose of developing, constructing, and providing low-income housing; provided that no county shall be empowered to cause the State to issue general obligation bonds to finance a project pursuant to this section; provided further that county projects shall be granted an exemption from general excise or receipts taxes in the same manner as projects of the Hawaii housing authority, pursuant to section 359G-15. Such powers shall include the power, subject to applicable limitations, to:

- (1) Develop and construct dwelling units, alone or in partnership with developers;
- (2) Acquire necessary land by lease, purchase, exchange, or eminent domain;
- (3) Provide assistance and aid to a public agency or person in developing and constructing new housing and rehabilitating old housing for the elderly of low income, other persons of low income, and persons displaced by any governmental action, by making long-term mortgage or interim construction loans available;
- (4) Contract with any eligible bidders to provide for construction of urgently needed housing for persons of low income;
- (5) Guarantee the top twenty-five per cent of the principal balance of real property mortgage loans, plus interest thereon, made to qualified borrowers by qualified lenders;
- (6) Enter into mortgage guarantee agreements with appropriate officials of any agency or instrumentality of the United States in order to induce such officials to commit to insure or insure mortgages under the provisions of the National Housing Act, as amended;
- (7) Make a direct loan to any qualified buyer for the downpayment required by a private lender to be made by the borrower as a condi-

tion of obtaining a loan from the private lender in the purchase of residential property;

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

(9) Sell or lease completed dwelling units.

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

(b) Any law to the contrary notwithstanding, any county may:

(1) Authorize and issue bonds under chapter 47 and chapter 49 to provide moneys to carry out the purposes of this section, including the satisfaction of any guarantees made by the county pursuant to this section;

(2) Appropriate moneys of the county to carry out the purposes of this section;

(3) Obtain insurance and guarantees from the State or the United States, or subsidies from either;

(4) Apply any lands owned by it to the purposes of this section;

(5) Provide interim construction loans to partnerships of which it is a partner and to developers whose projects qualify for federally assisted project mortgage insurance, or other similar programs of federal assistance for persons of low income; and

(6) Adopt such rules pursuant to chapter 91 as are necessary to carry out the purposes of this section.

(c) The provisions of this section shall be construed liberally so as to most fully effectuate the purpose of this section in facilitating the development, construction, and provision of low-income housing by the various counties. Any law to the contrary notwithstanding, in no case shall the powers and duties conferred on the counties by this section be deemed to be altered by an amendment to chapter 359G effected subsequent to 1974.”

SECTION 3. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

SECTION 4. This Act shall take effect on January 1, 1975.

(Approved June 7, 1974.)

*Edited accordingly.