

A Bill for an Act Relating to the Hawaii Community Development Authority.

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

SECTION 1. The purpose of this Act is to make several amendments to chapter 206E, Hawaii Revised Statutes. These changes relate to the powers, functions, duties, and other areas of concern of the Hawaii community development authority. These changes will strengthen the role of the authority in carrying out the purposes of that chapter.

SECTION 2. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§206E- Violations and penalty. (a) The authority may maintain an action for an injunction to restrain any violation of the provisions of this chapter and make take any other lawful action to prevent or remedy any violation.

(b) Any person violating any provision of this chapter shall, upon conviction, be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding thirty days, or both. The continuance of a violation after conviction shall be deemed a new offense for each day of such continuance."

SECTION 3. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section thereto to be appropriately numbered and to read as follows:

"§206E- Relocation. Any provision of law to the contrary notwithstanding, the authority shall adopt rules pursuant to chapter 91 to insure the appropriate relocation within or outside the district of persons, families, and businesses displaced by governmental action within the district. The rules may include, but are not limited to, the establishment and operation of a central relocation office; relocation payments for actual moving costs; fixed payments for losses suffered; payments for replacement housing or business locations; and other similar relocation matters."

SECTION 4. Section 206E-2, Hawaii Revised Statutes, is amended by amending the definition of "public facilities" to read as follows:

"(7) "Public facilities" includes streets, utility and service corridors, and utility lines where applicable, sufficient to adequately service developable improvements in the district, sites for schools, parks, parking garages, sidewalks, pedestrian ways, and other community facilities. "Public facilities" shall also include public highways, as defined by statute, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems."

SECTION 5. Section 206E-6, Hawaii Revised Statutes, is amended to read as follows:

"[[§206E-6]] District-wide improvement program. (a) The authority shall develop a district-wide improvement program to identify necessary district-wide public facilities[.] within a community development district.

(b) Whenever the authority shall determine to undertake, or cause to be undertaken, any public facility as part of the district-wide improvement program, the [The] cost of providing [district-wide improvements] said public facilities shall

be assessed against the [properties] real property in the community development district specially benefiting from such [improvements.] public facilities. [For the purpose of creating assessment districts] The authority shall determine the areas of the community development district which will benefit from the public facilities to be undertaken and, if less than the entire community development district benefits, the authority may establish assessment areas within the community development district. The authority may issue and sell bonds in such amounts as may be authorized by the legislature to provide funds to finance such public facilities. [the] The authority shall fix the assessments against [lands] real property specially benefited[, and may adopt, pursuant to chapter 91, the appropriate provisions of the assessment ordinances of the county in which the project is located with the powers, duties, and functions to be performed by the authority, or the authority may establish rules pursuant to chapter 91 for assessing the cost and special benefits of, and payments for district-wide improvements].

(c) All sums collected under this section shall be deposited in the Hawaii community development revolving fund established by section 206E-16.]

(c) The authority may adopt rules pursuant to chapter 91, and may amend the same from time to time, providing for the method of undertaking and financing public facilities in an assessment area or an entire community development district.

Bonds issued to provide funds to finance public facilities shall be secured solely by the real properties benefited or improved or the assessments thereon, or both. The bonds shall be issued according and subject to the provisions of the rules adopted pursuant to this section. Any other law to the contrary notwithstanding, in assessing real property for public facilities, the authority shall assess the real property within an assessment area according to the special benefits conferred upon the real property by the public facilities. These methods may include assessment on a frontage basis or according to the area of real property within an assessment area or any other assessment method which assesses the real property according to the special benefit conferred, or any combination thereof.

The rules adopted pursuant to this section may include, but are not limited to, the following: methods by which the authority shall establish assessment areas; the method of assessment of real properties specially benefited; the costs to be borne by the authority, the county in which the public facilities are situated, and the property owners; the procedures before the authority relating to the creation of the assessment areas by the owners of real property therein, including provisions for petitions, bids, contracts, bonds, and notices; provisions relating to assessments; provisions relating to financing, such as bonds, revolving funds, advances from available funds, special funds for payment of bonds, payment of principal and interest, and sale and use of bonds; provisions relating to refunds and refunding of outstanding debts; and provisions relating to limitations on time to sue, and other related provisions.

(d) Any provisions to the contrary notwithstanding, the authority may, in its discretion, enter into any agreement with the county in which the public facilities are located, to implement all or part of the purposes of this section.

(e) All sums collected under this section shall be deposited in the Hawaii community development revolving fund established by section 206E-16; except that notwithstanding section 206E-16, all moneys collected on account of assess-

ments and interest thereon for any specific public facilities, financed by the issuance of bonds shall be set apart in a separate special fund and applied solely to the payment of interest and principal of the bonds issued for such public facilities until such bonds have been paid. If any surplus remains in any special fund after the payment of the bonds chargeable against such fund or in case of a premium received on the sale of the bonds, it shall be credited to and become a part of the Hawaii community development revolving fund. Moneys in the Hawaii community development revolving fund may be used to make up any deficiencies in the special fund.

(f) In the event the public facilities to be financed from the proceeds of bonds of the authority will affect public facilities owned or under the control of the county in which such public facilities are located, the authority shall obtain the consent of the governing body of such county prior to undertaking such public facilities."

SECTION 6. Section 206E-32, Hawaii Revised Statutes, is amended to read as follows:

"[]§206E-32[] District; established, boundaries. The Kakaako community development district is established. The district shall include that area bounded by King Street[.]; Piikoi Street from its intersection with King Street to Ala Moana Boulevard[.];¹ Ala Moana Boulevard, inclusive, from Piikoi Street to its intersection with Koula Street; Koula Street, inclusive, from its intersection with Ala Moana Boulevard to its intersection with Ilalo Street; Ilalo Street, inclusive, from its intersection with Koula Street to Ohe Street; Ohe Street, inclusive, from its intersection with Ilalo Street to Kelikoi Street; Kelikoi Street, inclusive, from its intersection with Ohe Street to Keawe Street; the property line representing the Ewa boundary of property identified by tax map key 2-1-60:08 from the intersection of Kelikoi Street and Keawe Street to the shoreline; the shoreline from its intersection with the property line representing the Ewa boundary of property identified by tax map key 2-1-60:08 to the property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its intersection with the property line between lands identified by Pier 2 and Pier 4 to Punchbowl Street[.]; and Punchbowl Street to its intersection with King Street."

SECTION 7. Section 206E-33, Hawaii Revised Statutes, is amended to read:

"§206E-33 Kakaako community development district; development guidance policies. The following shall be the development guidance policies generally governing the authority's action in the Kakaako community development district:

- (1) Development shall result in a community which permits an appropriate land mixture of residential, commercial, industrial, and other uses. In view of the innovative nature of the mixed use approach, urban design policies should be established to provide guidelines for the public and private sectors in the proper development of this district; while the authority's development responsibilities apply only to the area within the district, the authority may engage in any studies or coordinative activities permitted in this chapter which affect areas lying outside the district, where the authority in its discretion decides that [such] those

activities are necessary to implement the intent of this chapter. [Such] The studies or coordinative activities shall be limited to facility systems, resident and industrial relocation, and other activities with the counties and appropriate state agencies. [The authority shall not engage in any construction activities outside of the district;] The authority may engage in construction activities outside of the district; provided that such construction relates to infrastructure development or residential or business relocation activities; provided further, notwithstanding section 206E-7, that such construction shall comply with the general plan, development plan, ordinances, and rules of the county in which the district is located;

- (2) Existing and future industrial uses shall be permitted and encouraged in appropriate locations within the district. No plan or implementation strategy shall prevent continued activity or redevelopment of industrial and commercial uses which meet reasonable performance standards;
- (3) Activities shall be located so as to provide primary reliance on public transportation and pedestrian facilities for internal circulation within the district or designated subareas;
- (4) Major view planes, view corridors, and other environmental elements such as natural light and prevailing winds, shall be preserved through necessary regulation and design review;
- (5) Redevelopment of the district shall be compatible with plans and special districts established for the Hawaii Capital District, and other areas surrounding the Kakaako district;
- (6) Historic sites and culturally significant facilities, settings, or locations shall be preserved;
- (7) Land use activities within the district, where compatible, shall to the greatest possible extent be mixed horizontally, that is, within blocks or other land areas, and vertically, as integral units of multi-purpose structures;
- (8) Residential development shall ensure a mixture of densities, building types, and configurations in accordance with appropriate urban design guidelines; integration both vertically and horizontally of residents of varying incomes, ages, and family groups; and an increased supply of housing for residents of low- or moderate-income shall be required as a condition of redevelopment in residential use. Residential development shall provide necessary community facilities, such as open space, parks, community meeting places, child care centers, and other services, within and adjacent to residential development;
- (9) Public facilities within the district shall be planned, located, and developed so as to support the redevelopment policies for the district established by this chapter and plans and rules adopted pursuant to it."

SECTION 8. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read:

**"PART III
RESERVED HOUSING LOAN PROGRAMS**

§206E-101 Definitions. The following words or terms as used in this part

shall have the following meanings, unless a different meaning clearly appears from the context:

“Authority” means the Hawaii community development authority.

“Eligible borrower” means any person or family, irrespective of race, creed, national origin, or sex, who:

- (1) Has never before obtained a loan under this part; and
- (2) Meets other qualifications as established by rules adopted by the authority.

“Eligible loan” means a loan to an eligible borrower for the purchase of a reserved housing unit; provided that the property financed is located in the community development district, is and will be occupied as the principal place of residence by the eligible borrower, and meets other requirements as established by rules adopted by the authority.

“Mortgage lender” means any bank, trust company, savings bank, national banking association, savings and loan association, building and loan association, mortgage banker, credit union, insurance company, or any other financial institution, or a holding company for any of the foregoing, which:

- (1) Is authorized to do business in the State;
- (2) Customarily provides service or otherwise aids in the financing of mortgages on single family or multi-family residential property; and
- (3) Is a financial institution whose accounts are federally insured, or is an institution which is an approved mortgagee for the Federal Housing Administration, or is an approved lender for the Veterans Administration or the Farmers Home Administration, or is an approved mortgage loan servicer for the Federal National Mortgage Association or the Federal Home Mortgage Corporation.

“Reserved housing” means housing designated for residents in the low- or moderate income ranges who meet such eligibility requirements as the authority may adopt by rule.

“Reserved housing loan programs” includes all or any part of the loan to lenders program, the purchase of existing loans program, the advance commitments program, and the eligible loan and eligible project loan funding program authorized under this part.

“Revenue bonds” means bonds, notes, or other evidence of indebtedness of the authority issued to finance any of the reserved housing loan programs under this part.

“Trustee” means a national or state bank or trust company within or without the State which enters into a trust indenture.

“Trust indenture” means an agreement by and between the authority and the trustee, which sets forth the duties of the trustee with respect to the revenue bonds, the security therefor, and other provisions as deemed necessary or convenient by the authority to secure the revenue bonds.

§206E-102 Rules; eligible loans. (a) The authority shall establish requirements for reserved housing units financed by an eligible loan, and may consider, but not be limited to the location, age, condition, and other characteristics of the reserved housing units.

(b) The authority shall establish restrictions on the terms, maturities, interest

rates, collateral, and other requirements for eligible loans.

(c) All eligible loans made shall comply with applicable state and federal laws.

§206E-103 Revenue bonds; authorization. (a) The authority, with the approval of the governor, may issue from time to time revenue bonds in amounts not exceeding the total amount of bonds authorized by the legislature for the purpose of undertaking and maintaining any of the reserved housing loan programs.

(b) All revenue bonds shall be issued pursuant to part III of chapter 39, except as provided in this part.

(c) The revenue bonds shall be issued in the name of the authority, and not in the name of the State. The final maturity date of the revenue bonds may be any date not exceeding forty years from the date of issuance.

§206E-104 Revenue bonds; payment and security. (a) The revenue bonds shall be payable from and secured by the revenues derived from the benefits of the reserved housing loan programs for which the revenue bonds are issued, including:

- (1) Any payment made for eligible loans or eligible project loans or other agreements entered into for the reserved housing loan programs;
- (2) Revenues derived from insurance proceeds;
- (3) Reserve accounts and earnings thereon; and
- (4) Revenues resulting from loans to mortgage lenders or from the payment on account of principal of and interest on loans purchased from mortgage lenders.

(b) The authority may pledge any revenue derived from the reserved housing loan programs financed from the proceeds of the revenue bonds to the punctual payment of the principal, interest, and redemption premiums, if any, on the revenue bonds.

(c) The revenue bonds may be additionally secured by the pledge or assignment of the loans and other agreements or any note or other undertaking, obligation, or property held by the authority to secure the loans.

(d) Any pledge made by the authority shall create a perfected security interest in the revenues, monies, or property so pledged and thereafter received by the authority from and after the time that a financing statement with respect to the revenues, monies, or property so pledged and thereafter received shall be filed with the bureau of conveyances. Upon such filing, the revenues, monies, or property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be prior to the lien of all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof.

§206E-105 Revenue bonds; interest rate, price, and sale. (a) The revenue bonds shall bear interest at a rate or rates payable monthly, quarterly, or semi-annually.

(b) The authority shall include the costs of undertaking and maintaining the reserved housing loan programs for which the revenue bonds are issued in determining the cost of undertaking and maintaining the reserved housing loan programs, the authority may include the cost of purchasing or funding loans or

other agreements entered into for the reserved housing loan programs; the costs of studies and surveys; insurance premiums; underwriting fees; financial consultant, legal, accounting, and marketing services incurred; reserve account, trustee, custodian, and rating agency fees; and interest on the bonds for a period not to exceed one year from the date of issuance.

(c) The revenue bonds may be sold at public or private sale, and for a price as may be determined by the authority to be in the best interest of the State.

(d) Section 39-61 shall not apply to revenue bonds issued for the purpose of undertaking and maintaining any of the reserved housing loan programs as permitted by this part. The legislature consents to the taxation by the United States of America of interest on revenues bonds issued for the purpose of undertaking and maintaining any of the reserved housing loan programs as permitted by this part.

§206E-106 Revenue bonds; investment of proceeds, and redemption. Subject to any agreement with the holders of its revenues bonds, the authority may:

- (1) Notwithstanding any other law to the contrary, invest its moneys not required for immediate use, including proceeds from the sale of any revenue bonds, in any investment in accordance with procedures prescribed in a trust indenture;
- (2) Purchase its revenues bonds out of any fund or money of the authority available therefor, and hold, cancel, or resell the revenue bonds.

§206E-107 Trustee; designation, duties. (a) The authority shall designate a trustee for each issue of revenue bonds secured under the same trust indenture; provided that the trustee shall be approved by the director of finance.

(b) The trustee shall be authorized by the authority to receive and receipt for, hold, and administer the proceeds of the revenue bonds, and to apply the proceeds to the purposes for which the bonds are issued.

(c) The trustee shall also be authorized by the authority to hold and administer the reserved housing loan program revenue bond special fund established pursuant to section 206E-109, and to receive and receipt for, hold, and administer the revenues derived by the authority from the benefits of the reserved housing loan programs for which the revenue bonds are issued and to apply these revenues to the payment of the cost of administering, operating, and maintaining the reserved housing loan programs, to pay the principal of and interest on these bonds, to the establishment of reserves, and to other purposes as may be authorized in the proceedings providing for the issuance of the revenue bonds.

(d) Notwithstanding section 39-65, the director of finance may appoint the trustee to serve as fiscal agent for:

- (1) The payment of the principal of and interest on the revenue bonds; and
- (2) The purchase, registration, transfer, exchange, and redemption of the bonds.

(e) The trustee shall perform additional functions with respect to the payment, purchase, registration, transfer, exchange, and redemption, as the director of finance may deem necessary, advisable, or expeditious, including the holding of the revenue bonds and coupons which have been paid and the supervision of the destruction thereof in accordance with law.

(f) Nothing in this part shall limit or be construed to limit the powers granted to the director of finance in sections 36-3 and 39-12, and the third sentence of

section 39-65, to appoint the trustee or others as fiscal agents, paying agents and registrars for the revenue bonds or to authorize and empower those fiscal agents and registrars to perform the functions referred to in those sections.

§206E-108 Trust indenture. (a) A trust indenture may contain covenants and provisions authorized by part III or chapter 39, and as deemed necessary or convenient by the authority for the purposes of this part.

(b) A trust indenture may allow the authority to pledge and assign to the trustee loans and other agreements related to the reserved housing loan programs, and the rights of the authority thereunder, including the right to receive revenues thereunder and to enforce the provision thereof.

(c) Where a trust indenture provides that any revenue bond issued under that trust indenture is not valid or obligatory for any purpose unless certified or authenticated by the trustee, all signatures of the officers of the State upon the revenue bonds required by section 39-64 may be facsimiles of their signatures.

(d) A trust indenture shall also contain provisions as to:

- (1) The investment of the proceeds of the revenue bonds, the investment of any reserve for the bonds, the investment of the revenues of the reserved housing loan programs, and the use and the application of the earnings from investments; and
- (2) The terms and conditions upon which the holders of the revenue bonds or any portion of them or any trustee thereof may institute proceedings for the foreclosure of any loan or other agreement or any note or other undertaking, obligation or property securing the payment of the bonds and the use and application of the moneys derived from the foreclosure.

(e) A trust indenture may also contain provisions deemed necessary or desirable by the authority to obtain or permit, by grant, interest subsidy, or otherwise, the participation of the federal government in the reserved housing loan programs or in the financing of the costs of administering, operating, or maintaining such reserved housing loan programs.

§206E-109 Revenue bonds; special funds. (a) A separate special fund shall be established for each reserved housing loan program or part thereof financed from the proceeds of the revenue bonds secured under the same trust indenture. Each fund shall be designated "reserved housing loan program revenue bond special fund" and shall bear additional designation as the authority deems appropriate to properly identify the fund.

(b) Notwithstanding any other law to the contrary, including specifically section 206E-16, all revenues, income, and receipts derived from the benefits of the reserved housing loan program for which the revenue bonds are issued shall be paid into the reserved housing loan program revenue bond special fund established for that program and applied as provided in the proceedings authorizing the issuance of the revenue bonds.

§206E-110 Reserved housing loan programs; procedures and requirements. (a) The authority shall establish procedures for:

- (1) The submission of requests or the invitation of proposals for loans to mortgage lenders;
- (2) The purchase of existing loans by auction, invitation of tenders, or negotiation;

- (3) The making of advance commitments to purchase and the purchasing of eligible loans or eligible project loans to be made by mortgage lenders by auction, invitation of tenders, or negotiation; and
- (4) Loan applications made through mortgage lenders to eligible borrowers or qualified sponsors.
- (b) The authority shall establish standards and requirements for:
 - (1) The allocation of loans to mortgage lenders;
 - (2) The allocation of funds to purchase existing loans from mortgage lenders;
 - (3) The making of advance commitments and allocation of funds to purchase eligible loans or eligible project loans from mortgage lenders; and
 - (4) The participation by mortgage lenders as originators and processors of eligible loans or eligible project loans on behalf of the authority.
- (c) The standards and requirements for the allocation of funds to mortgage lenders adopted by the authority shall be designed to include the maximum number of qualified mortgage lenders as participants in the reserved housing loan programs.
- (d) The authority may adopt rules necessary or convenient for the operation of the reserved housing loan programs under this part.

§206E-111 Reserved housing loan programs; general powers. (a) The authority may make, enter into, and enforce all contracts or agreements which are necessary, convenient, or desirable for the purpose of the performance of its duties in executing the reserved housing loan programs.

(b) The authority may require representations and warranties as it determines necessary to secure its loans.

§206E-112 Reserved housing loan programs; self supporting. The interest rate, fees, charges, premiums, and other terms of the loans made under the reserved housing loan programs shall be at least sufficient to pay the cost of administering and maintaining the portion of the specific reserved housing loan programs for which the revenue bonds have been issued, and to assure payment of the principal of and interest on the revenue bonds as they become due.

§206E-113 Reserved housing loan programs; fees. The authority may establish, revise, charge, and collect fees, premiums, and charges as necessary, reasonable, or convenient, for its reserved housing loan programs.

The fees, premiums, and charges shall be deposited into the reserved housing loan program revenue bond special fund established for the particular reserved housing loan program or part thereof from which the fees, premiums and charges are derived as determined by the authority.

§206E-114 Reserved housing loan programs; evidence of eligible loan or eligible project loan. (a) Each mortgage lender who participates in any reserved housing loan program shall submit evidence, as deemed satisfactory by the authority, that eligible loans or eligible project loans have been made from the proceeds of the revenue bonds.

(b) The authority may inspect the books and records of the mortgage lenders as may be necessary for this section.

§206E-115 Loans to lenders program. (a) The authority may make loans to

mortgage lenders under terms and conditions requiring that the loan proceeds be used within a time period prescribed by the authority to make eligible loans in an aggregate principal amount substantially equal to the amount of the loan.

(b) The loan made to a mortgage lender shall be a general obligation of the respective mortgage lender.

(c) The loan as determined by the authority shall:

- (1) Bear a date or dates;
- (2) Mature at a time or times;
- (3) Be evidenced by a note, bond or other certificate of indebtedness;
- (4) Contain other provisions consistent with this part.

(d) Subject to any agreement with the holders of its revenue bonds, the authority may consent to any modification to the rate of interest, time, and payment of any installment of principal or interest, security or any other term of any loan to a mortgage lender or any bond, note, contract, or agreement of any kind to which the authority is a party.

§206E-116 Loan to lenders program; collateral security. (a) Loans made to mortgage lenders shall be additionally secured by a pledge of a lien upon collateral security in an amount as the authority deems necessary to assure the payment of principal of and interest on the loans as they become due.

(b) The authority shall determine the nature and type of collateral security required.

(c) A statement designating the collateral security pledged, the mortgage lender pledging the collateral, and the authority's interest in the pledged collateral may be filed with the bureau of conveyances. Where a statement has been filed, no possession, further filing, or other action under any state law shall be required to perfect any security interest which may be deemed to have been created in favor of the authority. The mortgage lender shall be deemed the trustee of an express trust for the benefit of the authority in all matters relating to the pledged collateral.

(d) Subject to any agreement with the holders of its revenue bonds, the authority may collect, enforce the collection of, and foreclose on any collateral securing its loans to mortgage lenders. The authority may acquire, take possession, sell at public or private sale with or without bidding, or otherwise deal with the collateral to protect its interests.

§206E-117 Purchase of existing loans programs. (a) The authority may contract with the mortgage lender to purchase, in whole or in part, existing loans, whether or not eligible loans. The contract may contain provisions as determined by the authority to be necessary or appropriate to provide security for its revenue bonds, including but not limited to provisions requiring the:

- (1) Repurchase of the loans, in whole or in part, by mortgage lenders at the option of the authority;
- (2) Payments of premiums, fees, charges, or other amounts by mortgage lenders to provide a reserve or escrow fund for the purposes of protecting against loan defaults; and
- (3) Guarantee by, or for recourse against, mortgage lenders, with respect to defaults on these loans of the authority.

(b) The authority shall require as a condition of each purchase of existing loans from a mortgage lender that the mortgage lender proceed to make and dis-

burse eligible loans in an aggregate principal amount substantially equal to the amount of the proceeds from the purchase by the authority of loans therefrom.

§206E-118 Advance commitments program. (a) The authority may contract with a mortgage lender for the advance commitment to purchase eligible loans or eligible project loans.

(b) The contract may contain provisions as determined by the authority to be necessary or appropriate to provide security for its revenue bonds.

§206E-119 Eligible loan and eligible project loan funding program. (a) The authority may contract with mortgage lenders to fund eligible loans or eligible project loans.

(b) The contract may contain provisions as determined by the authority to be necessary or appropriate to provide security for its revenue bonds.

§206E-120 Loans; service and custody. The authority may contract for the service and custody of its loans. The contract may provide for the payment of fees or charges for the services rendered; provided that the fees or charges shall not exceed the usual, customary, and reasonable charges for the services rendered.

§206E-121 Loans; sale, pledge, or assignment. (a) Subject to any agreement with the holders of its revenue bonds, the authority may sell its loans at public or private sale at a price and upon terms and conditions as it determines.

(b) Subject to any agreement with the holders of its revenue bonds, the authority may pledge or assign its loans, other agreements, notes, or property to secure the loans or agreements.

§206E-122 Loans; insurance and guarantees. The authority may procure insurance or guarantees against any default of its loans, in amounts and from insurers or guarantors, as it deems necessary or desirable.

§206E-123 Loans; default. The authority may renegotiate, refinance, or foreclose any loan in default.

The authority may waive any default or consent to the modification of the terms of any loan or security agreement.

The authority may commence any action to protect or enforce any right conferred upon it by any law, mortgage, insurance policy, contract, or other agreement.

The authority may bid for and purchase the property secured by the loan at any foreclosure or other sale, or acquire or take possession of the property secured by the loan.

The authority may operate, manage, lease, dispose of, or otherwise deal with the property secured by the loan."

SECTION 9. Construction. The powers conferred by this part shall be in addition and supplemental to the powers conferred by any other law. The reserved housing loan programs authorized under this Act may be undertaken, and revenue bonds may be issued under this Act and part III of chapter 39, notwithstanding that any other law may provide for a loan program similar to that authorized under this Act, and may be undertaken for the issuance of bonds for like purposes, and without regard to the requirements, restrictions, limitations, or other provisions contained in any other law. Insofar as the provisions of this Act are inconsistent with the provisions of any other law, this Act shall be controlling.

SECTION 10. Severability. If any provision of this Act, or any provision of the part to be added pursuant hereto to chapter 206E, Hawaii Revised Statutes, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect any other provision of this Act or said part or the application thereof to other persons or circumstances which can be given effect without the invalid provision or application, and to this end the provisions of this Act and said part are severable.

SECTION 11. Statutory material to be repealed is bracketed. New material is underscored.²

SECTION 12. This Act shall take effect upon its approval.

(Approved June 12, 1982.)

Notes

1. Should be underscored.
2. Edited pursuant to HRS §23G-16.5.