

A Bill for an Act Relating to Housing.

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

SECTION 1. Section 359-151, Hawaii Revised Statutes, is amended to read:

“§359-151 [Housing] Hawaii development revolving fund created. (a) There shall be a revolving fund to be known as the Hawaii development revolving fund [for housing] which shall be administered by the Hawaii housing authority. All repayments [or] of principal and interest on loans made by the Hawaii housing authority from the fund shall be placed in the Hawaii development revolving fund [for housing] to be used for the purposes of this section.

(b) The Hawaii housing authority may make loans, either before or after final subdivision approval, to cover planning, development, and initial costs, including the costs of options, agreements of sale, and down payments, of commencing projects to provide [non-profit,] low [and middle] or moderate cost housing through [the use of federal funds.] government assistance programs.

(c) In managing the fund, the authority may cooperate with other public and private nonprofit agencies or [individuals] entities and may enter into loan agreements with them. The necessity for the extent and nature of security required for a loan shall be determined by the authority. The security may include, but is not limited to, a borrowing resolution of the [non-profit] nonprofit entity.

The foregoing powers are subject, however, to the following restrictions and limitations:

- (1) No single loan shall exceed two per cent of the project cost;
- (2) The loan shall be repaid with simple interest in the amount of six per cent per year;
- (3) The [monies] moneys loaned shall be used only for the planning, development, and initial costs of commencing projects to provide [non-profit] nonprofit low [and middle] or moderate cost housing.
- (d) The authority [may], in accord with chapter 91 [make], may adopt rules [and regulations] to carry out the purposes of this section.

(e) For the purposes of this section, “government assistance programs” means housing programs qualified by the authority and administered or operated by the authority or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise. For the purposes of this section, a “nonprofit entity” is a corporation, association, or other duly chartered organization registered with the State, which organization has received charitable status under the Internal Revenue Code or as defined by rules adopted by the authority.”

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

SECTION 3. This Act shall take effect upon its approval.

(Approved May 24, 1983.)