

JAN 26 2009

A BILL FOR AN ACT

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding to part II a new section to be appropriately
3 designated and to read as follows:

4 "§201H-___ Authority to modify and amend development
5 agreements with eligible developers. The corporation shall have
6 the power and authority to amend, delete, restate, and otherwise
7 modify the terms, conditions, plans, specifications, and all
8 other matters relating, directly or indirectly, to any housing
9 project that was previously approved by the housing finance and
10 development corporation, including, without limitation, the
11 terms, covenants, and conditions of any development agreement
12 for a housing project between the housing finance and
13 development corporation and an eligible developer."

14 SECTION 2. Section 201H-4, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) The corporation may:

17 (1) Sue and be sued;

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- 1 (2) Have a seal and alter the same at pleasure;
- 2 (3) Make and execute contracts and other instruments
- 3 necessary or convenient to the exercise of its powers;
- 4 [and]
- 5 (4) Adopt bylaws and rules in accordance with chapter 91
- 6 for its organization, internal management, and to
- 7 carry into effect its purposes, powers, and
- 8 programs[-]; and
- 9 (5) Establish and collect reasonable fees for
- 10 administrative expenses incurred by the corporation in
- 11 processing applications for loans, grants, services,
- 12 and real estate documents related to the corporation's
- 13 functions under this chapter, notwithstanding any law
- 14 to the contrary."

15 SECTION 3. Section 201H-10, Hawaii Revised Statutes, is

16 amended by amending subsection (a) to read as follows:

17 "(a) The corporation may:

- 18 (1) Obtain the aid and cooperation of governmental
- 19 agencies in the planning, construction, and operation
- 20 of [~~public~~] housing projects and enter into agreements
- 21 and arrangements as it deems advisable to obtain aid
- 22 and cooperation;

- 1 (2) Arrange or enter into agreements with any governmental
2 agency for the acquisition of property, options, or
3 property rights or for the furnishing, installing,
4 opening, or closing of streets, roads, alleys,
5 sidewalks, or other places, or for the furnishing of
6 property, services, parks, sewage, water, and other
7 facilities in connection with housing projects, or for
8 the changing of the map of a political subdivision or
9 the planning, replanning, zoning, or rezoning of any
10 part of a political subdivision;
- 11 (3) Procure insurance or guarantees from any governmental
12 agency for the payment of any debts or parts thereof
13 incurred by the corporation, including the power to
14 pay premiums on any such insurance; and
- 15 (4) Agree to make payments to any state or county agency,
16 if the agency is authorized to accept payments, as the
17 corporation deems consistent with the maintenance of
18 the character of housing projects or the purposes of
19 this chapter."

20 SECTION 4. Section 201H-10, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:

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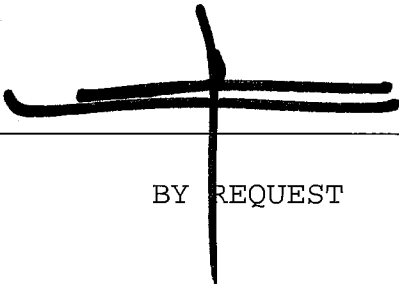
1 "(c) Any county in which a [publie] housing project is
2 located or is about to be located may make donations or advances
3 to the corporation in sums as the county in its discretion may
4 determine. The advances or donations shall be made for the
5 purpose of aiding or cooperating in the construction and
6 operation of the housing project. The corporation, when it has
7 money available therefor, shall reimburse the county for all
8 advances made by way of a loan to it."

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect upon approval.

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INTRODUCED BY: _____

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BY REQUEST

Report Title:

Hawaii Housing Finance And Development Corporation

Description:

Makes necessary housekeeping amendments to chapter 201H, Hawaii Revised Statutes; authorizes the imposition of service fees to recoup program administrative expenses.

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

PURPOSE: To make necessary housekeeping amendments to chapter 201H, Hawaii Revised Statutes (HRS) and clarify authority to impose service fees to recoup program administrative expenses.

MEANS: Add a new section to part II of chapter 201H, HRS, and amend sections 201H-4(a) and 201H-10(a) and (c), HRS.

JUSTIFICATION: The housekeeping and technical amendments proposed in this bill are intended to (1) make further corrections to drafting errors and omissions in the enactment of chapter 201H, and the repeal of chapter 201G, HRS; and (2) clarify the Hawaii Housing Finance and Development Corporation's ("HHFDC") authority to impose reasonable service fees to recoup program administrative expenses.

In section 2 of Act 198, Session Laws of Hawaii (SLH) 2005, the Legislature added a new section to chapter 201G, HRS, to provide express authority for HHFDC to modify and amend development agreements with eligible developers that were entered into by its predecessor, the Housing Finance and Development Corporation. Unfortunately, section 201G-114.5 was inadvertently omitted from Act 180, SLH 2006, which established the HHFDC and created chapter 201H, HRS to replace chapter 201G, HRS.

Similarly, this bill also corrects a drafting error in section 201H-10, HRS, by deleting two inadvertent references to "public" housing.

This bill also clarifies the HHFDC's authority to establish and collect

reasonable service fees for applicants for loans, grants, or other HHFDC affordable housing financing and development assistance programs by amending HHFDC's general powers accordingly. Such service fees will allow the HHFDC to cover its administrative costs of running HHFDC's programs, thereby preserving more of its fiscal assets for use in developing and preserving affordable housing statewide.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED 160.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.