



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 11, 2017

**GOV. MSG. NO. 1289**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 11, 2017, the following bill was signed into law:

SB911 SD1 HD1 CD1

RELATING TO THE HOUSING LOAN AND  
MORTGAGE PROGRAM  
**ACT 175 (17)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# A BILL FOR AN ACT

RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

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

1 SECTION 1. The legislature finds that the affordable  
2 housing crisis continues to be one of the State's most  
3 significant and challenging social problems and is a critical  
4 issue for many Hawaii residents. As the cost of housing  
5 increases, the State must continue to assist residents in  
6 obtaining affordable rental housing.

7 The purpose of this Act is to provide that assistance by  
8 increasing the Hula Mae multifamily revenue bond authorization  
9 from \$1,000,000,000 to \$1,500,000,000.

10 SECTION 2. Act 291, Session Laws of Hawaii 1980, as  
11 amended by Act 304, Session Laws of Hawaii 1996; Act 185,  
12 Session Laws of Hawaii 2004; Acts 231 and 249, Session Laws of  
13 Hawaii 2007; Act 121, Session Laws of Hawaii 2008; Act 138,  
14 Session Laws of Hawaii 2012; and Act 162, Session Laws of Hawaii  
15 2014, is amended by amending section 11 to read as follows:

16 "SECTION 11. Issuance of revenue bond; amount authorized.  
17 Revenue bonds may be issued by the Hawaii housing finance and  
18 development corporation pursuant to part III, chapter 39 and



1 subpart A of part III of chapter 201H, Hawaii Revised Statutes,  
2 in an aggregate principal amount not to exceed [~~\$1,000,000,000~~]  
3 \$1,500,000,000 at such times and in such amounts as the Hawaii  
4 housing finance and development corporation deems advisable for  
5 the purpose of undertaking and maintaining any of the housing  
6 loan programs under subpart A of part III of chapter 201H,  
7 Hawaii Revised Statutes, relating to the funding or purchasing  
8 of eligible project loans."

9 SECTION 3. Section 201H-95, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "[+]§201H-95[+] Eligible project loans. (a) The  
12 corporation shall establish requirements for rental housing  
13 projects to be financed by an eligible project loan, and may  
14 consider the location, age, condition, and other characteristics  
15 of the project.

16 (b) The corporation shall establish restrictions on the  
17 terms, maturities, interest rates, and other requirements for  
18 eligible project loans.

19 (c) The corporation shall establish restrictions on the  
20 prepayment of eligible project loans and on the transfer of  
21 ownership of the projects securing eligible project loans.



1 (d) The corporation shall require that any sums deferred  
2 on land leased at nominal rates by the corporation to the owner  
3 of a rental housing project shall be recovered by the  
4 corporation at the time an eligible project loan is prepaid,  
5 whether as a result of refinancing of the eligible project loan  
6 or otherwise, to the extent that funds are available from the  
7 refinancing or other method by which the eligible project loan  
8 is paid in full prior to its due date.

9 (e) The corporation shall enter into an agreement with the  
10 owner of a rental housing project to be financed with an  
11 eligible project loan which shall provide that in the event that  
12 the eligible project loan is at any time prepaid for the purpose  
13 of converting the rental units of such project to ownership  
14 units, all tenants at the time of the proposed conversion shall  
15 have the first option to purchase their units.

16 (f) All eligible project loans shall comply with  
17 applicable state and federal laws.

18 (g) The corporation shall submit an annual report to the  
19 legislature no later than twenty days prior to the convening of  
20 each regular session describing the multifamily revenue bond



1 activity under this section. The following information shall be  
2 reported:

3 (1) The amount of multifamily revenue bond authority  
4 utilized and remaining balance;

5 (2) A description of multifamily project activity  
6 including dates, project names and descriptions, and  
7 bond amounts for the following activities:

8 (A) Application;

9 (B) Approval of inducement resolution;

10 (C) Approval to issue bonds; and

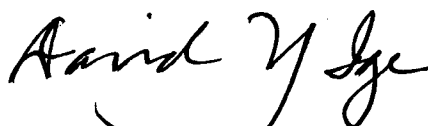
11 (D) Issuance of bonds; and

12 (3) A summary of the activity of the fund by quarter."

13 SECTION 4. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2017.

APPROVED this 11 day of JUL, 2017

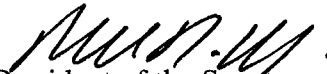


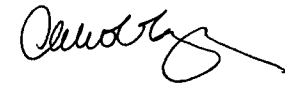
GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAII**

Date: May 2, 2017  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.

  
President of the Senate

  
Clerk of the Senate

SB No. 911, SD 1, HD 1, CD 1

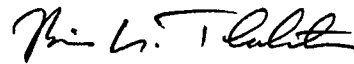
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives