
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.



Report Title:

Hula Mae Multifamily Revenue Bond Authorization

Description:

Increases the Hula Mae Multifamily Revenue Bond authorization amount from \$1,000,000,000 to \$1,500,000,000. Requires the Hawaii Housing Finance and Development Corporation to submit annual reports to the Legislature describing the activity of the revenue bond. (CD1)

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