
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 \$.

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



1 development corporation pursuant to part III, chapter 39 and
2 subpart A of part III of chapter 201H, Hawaii Revised Statutes,
3 in an aggregate principal amount not to exceed [~~\$1,000,000,000~~]
4 \$ _____ at such times and in such amounts as the Hawaii
5 housing finance and development corporation deems advisable for
6 the purpose of undertaking and maintaining any of the housing
7 loan programs under subpart A of part III of chapter 201H,
8 Hawaii Revised Statutes, relating to the funding or purchasing
9 of eligible project loans."

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

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

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



1 (c) The corporation shall establish restrictions on the
2 prepayment of eligible project loans and on the transfer of
3 ownership of the projects securing eligible project loans.

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

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

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



1 (g) The corporation shall submit an annual report to the
2 legislature no later than twenty days prior to the convening of
3 each regular session describing the multifamily revenue bond
4 activity under this section. The following information shall be
5 reported:

6 (1) The amount of multifamily revenue bond authority
7 utilized and remaining balance;

8 (2) A description of multifamily project activity
9 including dates, project names and descriptions, and
10 bond amounts for the following activities:

11 (A) Application;

12 (B) Approval of inducement resolution;

13 (C) Approval to issue bonds; and

14 (D) Issuance of bonds; and

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

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 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. Requires the Hawaii Housing Finance and Development Corporation to submit annual reports to the Legislature describing the activity of the revenue bond. (SB911 HD1)

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