

MAR 10 2023

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# SENATE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF FINANCE TO EXPRESSLY CONSIDER THE AMOUNT OF LOANS WITH FAVORABLE TERMS THAT A DEPOSITORY HAS ISSUED TO DEVELOPERS OF HOUSING FOR HAWAII RESIDENTS WHEN EVALUATING THE BENEFICIAL EFFECTS TO THE STATE OF USING THAT DEPOSITORY, IN ADDITION TO THE EXISTING REQUIREMENTS TO CONSIDER FACTORS SUCH AS SAFETY, LIQUIDITY, AND YIELD OFFERED ON DEPOSITS.

1 WHEREAS, because the moneys collected by the State through  
2 taxes, fees, and other sources, are held in trust for the  
3 benefit of the public, decisions related to where and how to  
4 invest the public treasury concern matters of public policy; and  
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6 WHEREAS, to that end, the Director of Finance is granted  
7 the discretion to invest the public treasury with certain  
8 depositories -- such as federally insured national or state  
9 banks, savings and loan associations, financial service loan  
10 companies, or federal or state credit unions insured by the  
11 National Credit Union Administration authorized to do business  
12 in the State -- subject to the approval of the Governor and the  
13 requirements established under section 38-2, Hawaii Revised  
14 Statutes (HRS); and  
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16 WHEREAS, under subsections 38-2(a) through (c), HRS, the  
17 Director shall give due regard to a depository doing business in  
18 the State, shall not deposit more than forty percent of the  
19 aggregate moneys available for deposit outside of the State, and  
20 shall not deposit more than sixty percent of aggregate moneys  
21 available for deposit in any one depository, except under  
22 certain circumstances; and  
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24 WHEREAS, under subsection 38-2(d), HRS, prior to selecting  
25 a depository, the Director shall further consider the beneficial  
26 effects to the State of using depositories within the State, the  
27 safety and liquidity of the depository, and the yield offered by  
28 the depository; and



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WHEREAS, the State is experiencing a housing crisis due, in part, to the combination of skyrocketing real property values and persistently low available housing inventory; and

WHEREAS, the Legislature finds that depositories that have issued loans with favorable terms to housing developers for the benefit of residents of Hawaii are considered to have benefitted the State and therefore warrant additional consideration by the Director of Finance when selecting a depository; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, the House of Representatives concurring, that the Director of Finance is requested to expressly consider the amount of loans with favorable terms that a depository has issued to developers of housing for Hawaii residents when evaluating the beneficial effects to the State of using that depository, in addition to the existing requirements to consider factors such as safety, liquidity, and yield offered on deposits; and

BE IT FURTHER RESOLVED that "favorable terms" to housing developers is requested to include the issuance of loans with below-market interest rates and longer maturity terms for housing projects where all dwelling units are exclusively made available to owner-occupants who own no other real property and are residents of the State; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor and Director of Finance.

OFFERED BY:

A handwritten signature in black ink, appearing to be 'JBL', is written over a horizontal line.