

MAR 10 2023

SENATE 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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1 WHEREAS, the State is experiencing a housing crisis due, in
2 part, to the combination of skyrocketing real property values
3 and persistently low available housing inventory; and
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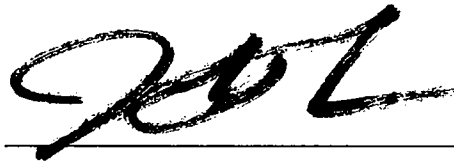
5 WHEREAS, the Legislature finds that depositaries that have
6 issued loans with favorable terms to housing developers for the
7 benefit of residents of Hawaii are considered to have benefitted
8 the State and therefore warrant additional consideration by the
9 Director of Finance when selecting a depository; now, therefore,
10

11 BE IT RESOLVED by the Senate of the Thirty-second
12 Legislature of the State of Hawaii, Regular Session of 2023,
13 that the Director of Finance is requested to expressly consider
14 the amount of loans with favorable terms that a depository has
15 issued to developers of housing for Hawaii residents when
16 evaluating the beneficial effects to the State of using that
17 depository, in addition to the existing requirements to consider
18 factors such as safety, liquidity, and yield offered on
19 deposits; and
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21 BE IT FURTHER RESOLVED that "favorable terms" to housing
22 developers is requested to include the issuance of loans with
23 below-market interest rates and longer maturity terms for
24 housing projects where all dwelling units are exclusively made
25 available to owner-occupants who own no other real property and
26 are residents of the State; and
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28 BE IT FURTHER RESOLVED that certified copies of this
29 Resolution be transmitted to the Governor and Director of
30 Finance.
31
32
33

OFFERED BY: _____

A handwritten signature in black ink, appearing to be 'JDL', is written over a horizontal line that serves as a signature line.