



GOV. MSG. NO. 1145

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

May 30, 2024

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

The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second 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 May 30, 2024, the following bill was signed into law:

SB2337 SD2 HD2 CD1

RELATING TO HOUSING.
ACT 045

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that while the Hawaii
2 housing finance and development corporation may facilitate the
3 development, construction, financing, refinancing, or other
4 provision of mixed-use developments, including low- and
5 moderate-income housing projects, the counties are not allowed
6 to facilitate mixed-use developments. This is despite existing
7 law giving the counties similar powers regarding the development
8 of housing, and the counties sharing a burden in promoting
9 transit oriented development, urban revitalization, and the
10 conversion of office and commercial space to residential space.

11 The purpose of this Act is to allow the counties to share
12 in the burden of facilitating the development, construction,
13 financing, refinancing, or other provision of mixed-use
14 developments, including low- and moderate-income housing
15 projects, and issue county bonds for this purpose.

16 SECTION 2. Section 46-15.1, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By amending subsection (a) to read:



1 "(a) Notwithstanding any law to the contrary, any county
2 shall have and may exercise the same powers, subject to
3 applicable limitations, as those granted the Hawaii housing
4 finance and development corporation pursuant to chapter 201H
5 insofar as those powers may be reasonably construed to be
6 exercisable by a county for the purpose of developing,
7 constructing, [~~and~~] financing, refinancing, or otherwise
8 providing low- and moderate-income housing[+] projects and
9 mixed-use developments; provided that no county shall be
10 empowered to cause the State to issue general obligation bonds
11 to finance a project pursuant to this section; provided further
12 that county projects shall be granted an exemption from general
13 excise or receipts taxes in the same manner as projects of the
14 Hawaii housing finance and development corporation pursuant to
15 section 201H-36; [~~and~~] provided further that county projects
16 shall prioritize walkability to the extent practicable; provided
17 further that section 201H-16 shall not apply to this section
18 unless federal guidelines specifically provide local governments
19 with that authorization and the authorization does not conflict
20 with any state laws. The powers shall include the power,
21 subject to applicable limitations, to:



- 1 (1) Develop and construct dwelling units, alone or in
2 partnership with developers;
- 3 (2) Acquire necessary land by lease, purchase, exchange,
4 or eminent domain;
- 5 (3) Provide assistance and aid to a public agency or other
6 person in developing and constructing new housing and
7 rehabilitating existing housing for elders of low- and
8 moderate-income, other persons of low- and
9 moderate-income, and persons displaced by any
10 governmental action, by making long-term mortgage or
11 interim construction loans available;
- 12 (4) Contract with any eligible bidders to provide for
13 construction of urgently needed housing for persons of
14 low- and moderate-income;
- 15 (5) Guarantee the top twenty-five per cent of the
16 principal balance of real property mortgage loans,
17 plus interest thereon, made to qualified borrowers by
18 qualified lenders;
- 19 (6) Enter into mortgage guarantee agreements with
20 appropriate officials of any agency or instrumentality
21 of the United States to induce those officials to



- 1 commit to insure or to insure mortgages under the
2 National Housing Act, as amended;
- 3 (7) Make a direct loan to any qualified buyer for the
4 downpayment required by a private lender to be made by
5 the borrower as a condition of obtaining a loan from
6 the private lender in the purchase of residential
7 property;
- 8 (8) Provide funds for a share, not to exceed fifty per
9 cent, of the principal amount of a loan made to a
10 qualified borrower by a private lender who is unable
11 otherwise to lend the borrower sufficient funds at
12 reasonable rates in the purchase of residential
13 property; and
- 14 (9) Sell or lease completed dwelling units.

15 For purposes of this section, a limitation is applicable to
16 the extent that it may reasonably be construed to apply to a
17 county."

18 2. By amending subsections (f) and (g) to read:

19 "(f) The provisions of this section shall be construed
20 liberally so as to effectuate the purpose of this section in
21 facilitating the development, construction, [~~and~~] financing,



1 refinancing, or other provision of low- and moderate-income
2 housing projects and mixed-use developments by the various
3 counties.

4 (g) For purposes of this section[, "~~low and moderate~~
5 ~~income housing~~"]:

6 "Low- and moderate-income housing project" means any
7 housing project that meets the definition of "low- and
8 moderate-income housing project" in section 39A-281.

9 "Mixed-use development" has the same meaning as defined in
10 section 201H-12(a)."

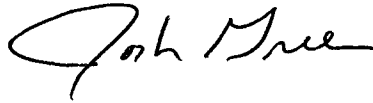
11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval,
14 and shall apply to bond proceeds expended by a county after
15 December 31, 2023, and shall be repealed on June 30, 2028;
16 provided that section 46-15.1, Hawaii Revised Statutes, shall be
17 reenacted in the form in which it read on the day before the
18 effective date of this Act.



S.B. NO. 2337
S.D. 2
H.D. 2
C.D. 1

APPROVED this **30th** day of **May**, 2024



GOVERNOR OF THE STATE OF HAWAII

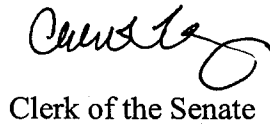
THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.



President of the Senate



Clerk of the Senate

SB No. 2337, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives