
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 housing powers and the counties
8 sharing a burden in promoting transit oriented development,
9 urban revitalization, and the conversion of office and
10 commercial space to residential space.

11 The purpose of this Act is to allow counties to share in
12 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:



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

2 "(a) Notwithstanding any law to the contrary, any county

3 shall have and may exercise the same powers, subject to

4 applicable limitations, as those granted the Hawaii housing

5 finance and development corporation pursuant to chapter 201H

6 insofar as those powers may be reasonably construed to be

7 exercisable by a county for the purpose of developing,

8 constructing, [~~and~~] financing, refinancing, or otherwise

9 providing low- and moderate-income housing[+] projects and

10 mixed-use developments; provided that no county shall be

11 empowered to cause the State to issue general obligation bonds

12 to finance a project pursuant to this section; provided further

13 that county projects shall be granted an exemption from general

14 excise or receipts taxes in the same manner as projects of the

15 Hawaii housing finance and development corporation pursuant to

16 section 201H-36; and provided further that section 201H-16 shall

17 not apply to this section unless federal guidelines specifically

18 provide local governments with that authorization and the

19 authorization does not conflict with any state laws. The powers

20 shall include the power, 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 moderate-
9 income, and persons displaced by any governmental
10 action, by making long-term mortgage or interim
11 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 provision of~~]



1 financing, refinancing, or other provision of low- and moderate-
2 income housing projects and mixed-use developments by the
3 various 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 moderate-
8 income housing project" in section 39A-281.

9 "Mixed-use development" has the same meaning as in section
10 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; provided that the amendments made to section
16 46-15.1, Hawaii Revised Statutes, by this Act shall not be
17 repealed when that section is reenacted on July 1, 2030,
18 pursuant to:

19 (1) Section 3 of Act 141, Session Laws of Hawaii 2009, as
20 amended by section 3 of Act 102, Session Laws of
21 Hawaii 2015, as amended by section 1 of Act 80,



1 Session Laws of Hawaii 2019, as amended by section 2
2 of Act 90, Session Laws of Hawaii 2023; and
3 (2) Section 3 of Act 98, Session Laws of Hawaii 2012, as
4 amended by section 4 of Act 102, Session Laws of
5 Hawaii 2015, as amended by section 50 of Act 55,
6 Session Laws of Hawaii 2016, as amended by section 2
7 of Act 80, Session Laws of Hawaii 2019, as amended by
8 section 3 of Act 90, Session Laws of Hawaii 2023.



Report Title:

Housing; County Powers; Mixed-Use Developments

Description:

Expands the counties' authorization to exercise the same powers as the Hawaii Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments. Applies to bond proceeds expended by a county after 12/31/23. (SD1)

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