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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

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

1 SECTION 1. The legislature finds that article XII,  
2 section 1, of the Hawaii State Constitution, mandates that  
3 "[a]nything in this constitution to the contrary  
4 notwithstanding, the Hawaiian Homes Commission Act, 1920,  
5 enacted by the Congress, as the same has been or may be amended  
6 prior to the admission of the State, is hereby adopted as law of  
7 the State, subject to amendment or repeal by the legislature".  
8 Further, article XII, section 2, of the Hawaii State  
9 Constitution, provides that, "[t]he State and its people do  
10 hereby accept, as a compact with the United States, or as  
11 conditions or trust provisions imposed by the United States,  
12 relating to the management and disposition of the Hawaiian home  
13 lands, the requirement that section 1 hereof be included in this  
14 constitution, in whole or in part, it being intended that the  
15 Act or acts of the Congress pertaining thereto shall be  
16 definitive of the extent and nature of such compact, conditions  
17 or trust provisions, as the case may be". Finally, article XII,



1 section 2, of the Hawaii State Constitution, provides further  
2 that "[t]he State and its people do further agree and declare  
3 that the spirit of the Hawaiian Homes Commission Act looking to  
4 the continuance of the Hawaiian homes project for the further  
5 rehabilitation of the Hawaiian race shall be faithfully carried  
6 out".

7 The legislature further finds that the department of  
8 Hawaiian home lands is an eligible borrower of loans guaranteed  
9 by the United States Department of Housing and Urban Development  
10 pursuant to section 184A of the Housing and Community  
11 Development Act of 1992, as amended. However, existing  
12 provisions in the Hawaiian Homes Commission Act, 1920, as  
13 amended, only authorizes the department of Hawaiian home lands  
14 to pledge receivables of loan accounts outstanding as collateral  
15 to secure loans made by government agencies or private lending  
16 institutions to the department. Additionally, proceeds used by  
17 the department of Hawaiian home lands are restricted to the  
18 creation of new loans for lessees or to finance the development  
19 of available lands for purposes permitted by the Hawaiian Homes  
20 Commission Act, 1920, as amended. Existing provisions stipulate  
21 that any loan agreement entered into by the department of



1 Hawaiian home lands require a provision that moneys borrowed are  
2 not secured directly or indirectly by the full faith and credit  
3 or the general credit of the State, or by any revenues or taxes  
4 of the State other than the receivables specifically pledged to  
5 repay the loan.

6 Therefore, the purpose of this Act is to further the  
7 department of Hawaiian home lands' constitutional mandate by  
8 authorizing the department to use funds in the dwelling unit  
9 revolving fund as collateral when acting as an eligible borrower  
10 for a loan guaranteed by the Housing and Community Development  
11 Act of 1992, as amended.

12 SECTION 2. Section 201H-191, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§201H-191 Dwelling unit revolving fund.** (a) There is  
15 created a dwelling unit revolving fund. The funds appropriated  
16 for the purpose of the dwelling unit revolving fund and all  
17 moneys received or collected by the corporation for the purpose  
18 of the revolving fund shall be deposited in the revolving fund.  
19 The proceeds in the revolving fund shall be used to reimburse  
20 the general fund to pay the interest on general obligation bonds  
21 issued for the purposes of the revolving fund, for the necessary



1 expenses in administering housing development programs and  
2 regional state infrastructure programs, and for carrying out the  
3 purposes of housing development programs and regional state  
4 infrastructure programs, including but not limited to the  
5 expansion of community facilities and regional state  
6 infrastructure constructed in conjunction with housing and  
7 mixed-use transit-oriented development projects, permanent  
8 primary or secondary financing, and supplementing building  
9 costs, federal guarantees required for operational losses, and  
10 all things required by any federal agency in the construction  
11 and receipt of federal funds or low-income housing tax credits  
12 for housing projects.

13 (b) Subject to the requirements of subsection (a),  
14 proceeds in the revolving fund may be used to establish and  
15 operate regional state infrastructure subaccounts pursuant to  
16 section 201H-191.5.

17 (c) Notwithstanding the provisions of the Hawaiian Homes  
18 Commission Act, 1920, as amended, the department of Hawaiian  
19 home lands may utilize the dwelling unit revolving fund as  
20 collateral when acting as an eligible borrower of a loan  
21 guaranteed by the United States Department of Housing and Urban



1 Development pursuant to section 184A of the Housing and  
2 Community Development Act of 1992, as amended, to develop  
3 residential homestead lots and housing units, subject to the  
4 approval of the corporation."

5 SECTION 3. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$75,000,000 or so  
7 much thereof as may be necessary for fiscal year 2025-2026 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2026-2027 to be deposited into the dwelling unit revolving  
10 fund.

11 SECTION 4. There is appropriated out of the dwelling unit  
12 revolving fund the sum of \$75,000,000 or so much thereof as may  
13 be necessary for fiscal year 2025-2026 and the same sum or so  
14 much thereof as may be necessary for fiscal year 2026-2027 for  
15 the department of Hawaiian home lands to utilize the dwelling  
16 unit revolving fund as collateral when acting as an eligible  
17 borrower of a loan guaranteed by the United States Department of  
18 Housing and Urban Development pursuant to section 184A of the  
19 Housing and Community Development Act of 1992, as amended, to  
20 develop residential homestead lots and housing units, subject to



1 approval of the Hawaii housing finance and development  
2 corporation.

3 The sums appropriated shall be expended by the Hawaii  
4 housing finance and development corporation for the purposes of  
5 this Act.

6 SECTION 5. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2025.

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 152

**Report Title:**

HHFDC; DHHL; DURF; Collateral; Loans; Residential Homestead  
Lots; Housing

**Description:**

Authorizes the Department of Hawaiian Home Lands to utilize funds in the Dwelling Unit Revolving Fund as collateral when DHHL is an eligible borrower of a loan guaranteed by the United States Department of Housing and Urban Development pursuant to the Housing and Community Development Act, as amended, subject to approval of the Hawaii Housing Finance and Development Corporation. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

