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A BILL FOR AN ACT

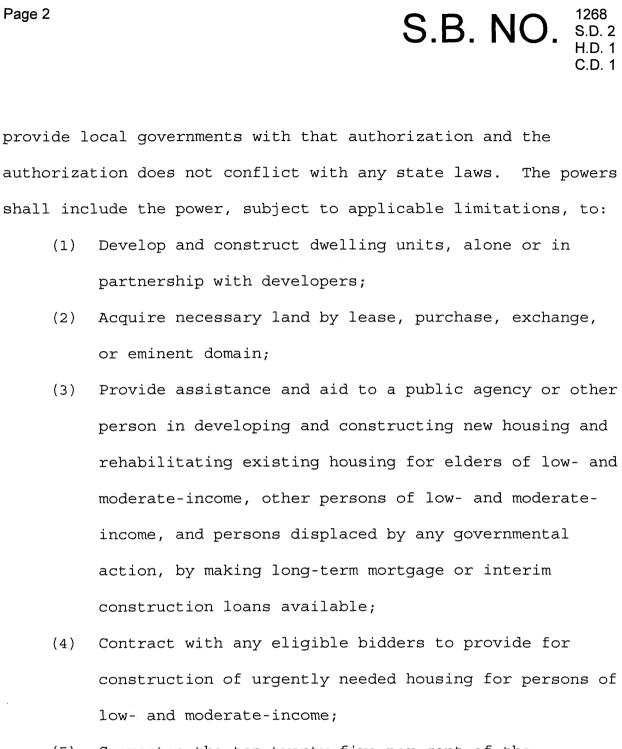
RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. Section 46-15.1, Hawaii Revised Statutes, is
amended to read as follows:

"§46-15.1 Housing; county powers. (a) Any law to the 3 4 contrary notwithstanding, any county shall have and may exercise the same powers, subject to applicable limitations, as those 5 6 granted the Hawaii housing finance and development corporation 7 pursuant to chapter 201H insofar as those powers may be 8 reasonably construed to be exercisable by a county for the 9 purpose of developing, constructing, and providing low- and moderate-income housing; provided that no county shall be 10 11 empowered to cause the State to issue general obligation bonds 12 to finance a project pursuant to this section; provided further that county projects shall be granted an exemption from general 13 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

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Guarantee the top twenty-five per cent of the (5) principal balance of real property mortgage loans, plus interest thereon, made to qualified borrowers by qualified lenders;

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1	(6)	Enter into mortgage guarantee agreements with
2		appropriate officials of any agency or instrumentality
3		of the United States to induce those officials to
4		commit to insure or to insure mortgages under the
5		National Housing Act, as amended;
6	(7)	Make a direct loan to any qualified buyer for the
7		downpayment required by a private lender to be made by
8		the borrower as a condition of obtaining a loan from
9		the private lender in the purchase of residential
10		property;
11	(8)	Provide funds for a share, not to exceed fifty per
12		cent, of the principal amount of a loan made to a
13		qualified borrower by a private lender who is unable
14		otherwise to lend the borrower sufficient funds at
15		reasonable rates in the purchase of residential
16		property; and
17	(9)	Sell or lease completed dwelling units.
18	For	purposes of this section, a limitation is applicable to
19	the exten	t that it may reasonably be construed to apply to a
20	county.	

21 (b) Each county shall issue affordable housing credits to 22 the department of Hawaiian home lands with respect to existing 2009-2357 SB1268 CD1 SMA-3.doc

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1	and future Hawaiian home lands projects upon a request for such		
2	credits by the department of Hawaiian home lands. The credits		
3	shall be transferable and shall be issued on a one-unit for one-		
4	unit basis. The credits may be applied county-wide within the		
5	same county in which the credits were earned to satisfy		
6	affordable housing obligations imposed by the county on market		
7	priced residential and non-residential developments.		
8	[-(b) -] <u>(c)</u> Any law to the contrary notwithstanding, any	
9	county may:		
10	(1)	Authorize and issue bonds under chapter 47 and chapter	
11		49 to provide moneys to carry out the purposes of this	
12		section or section 46-15.2, including the satisfaction	
13		of any guarantees made by the county pursuant to this	
14		section;	
15	(2)	Appropriate moneys of the county to carry out the	
16		purposes of this section;	
17	(3)	Obtain insurance and guarantees from the State or the	
18		United States, or subsidies from either;	
19	(4)	Designate, after holding a public hearing on the	
20		matter and with the approval of the respective	
21		council, any lands owned by it for the purposes of	
22		this section;	

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1 (5) Provide interim construction loans to partnerships of 2 which it is a partner and to developers whose projects 3 qualify for federally assisted project mortgage insurance, or other similar programs of federal 4 5 assistance for persons of low and moderate income; and 6 (6) Adopt rules pursuant to chapter 91 as are necessary to 7 carry out the purposes of this section. 8 [(c)] (d) The provisions of this section shall be 9 construed liberally so as to effectuate the purpose of this 10 section in facilitating the development, construction, and 11 provision of low- and moderate-income housing by the various 12 counties. 13 [(d)] (e) For purposes of this section, "low and moderate 14 income housing" means any housing project that meets the 15 definition of "low- and moderate-income housing project" in 16 section 39A-281." 17 SECTION 2. Statutory material to be repealed is bracketed 18 and stricken. New statutory material is underscored. 19 SECTION 3. This Act shall take effect on July 1, 2009; 20 provided that on June 30, 2015, this Act shall be repealed and 21 section 46-15.1, Hawaii Revised Statutes, shall be reenacted in



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1 the form in which it read on the day before the approval of this

2 Act.

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Report Title:

Department of Hawaiian Home Lands; County Affordable Housing Credits

Description:

Requires the counties to issue affordable housing credits to DHHL upon DHHL request. Allows credits to be transferred and applied county-wide within the county where credits were earned. (CD1)