



GOV. MSG. NO. 758

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 22, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 22, 2009, the following bill was signed into law:

SB1268 SD2 HD1 CD1

A BILL FOR AN ACT
RELATING TO AFFORDABLE HOUSING.
ACT 141 (09)

Sincerely,



LINDA LINGLE

Approved by the Governor

on JUN 22 2009

THE SENATE
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

ACT 141
S.B. NO. 1268
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. Section 46-15.1, Hawaii Revised Statutes, is
2 amended to read as follows:
3 **"§46-15.1 Housing; county powers.** (a) Any law to the
4 contrary notwithstanding, any county shall have and may exercise
5 the same powers, subject to applicable limitations, as those
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
10 moderate-income housing; 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



1 provide local governments with that authorization and the
2 authorization does not conflict with any state laws. The powers
3 shall include the power, subject to applicable limitations, to:

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



- 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 extent 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



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~~] (c) 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;



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
4 insurance, or other similar programs of federal
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 [~~e~~] (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



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



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

APPROVED this 22 day of JUN, 2009



GOVERNOR OF THE STATE OF HAWAII