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
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 contrary notwithstanding, any county shall have and may exercise the same powers, subject to applicable limitations, as those granted the Hawaii housing finance and development corporation pursuant to chapter 201H insofar as those powers may be reasonably construed to be exercisable by a county for the purpose of developing, constructing, and providing low- and moderate-income housing; provided that no county shall be empowered to cause the State to issue general obligation bonds to finance a project pursuant to this section; provided further that county projects shall be granted an exemption from general excise or receipts taxes in the same manner as projects of the Hawaii housing finance and development corporation pursuant to section 201H-36; and provided further that section 201H-16 shall not apply to this section unless federal guidelines specifically
provide local governments with that authorization and the authorization does not conflict with any state laws. The powers shall include the power, subject to applicable limitations, to:

(1) Develop and construct dwelling units, alone or in partnership with developers;

(2) Acquire necessary land by lease, purchase, exchange, or eminent domain;

(3) Provide assistance and aid to a public agency or other person in developing and constructing new housing and rehabilitating existing housing for elders of low- and moderate-income, other persons of low- and moderate-income, and persons displaced by any governmental action, by making long-term mortgage or interim construction loans available;

(4) Contract with any eligible bidders to provide for construction of urgently needed housing for persons of low- and moderate-income;

(5) Guarantee the top twenty-five per cent of the principal balance of real property mortgage loans, plus interest thereon, made to qualified borrowers by qualified lenders;
(6) Enter into mortgage guarantee agreements with appropriate officials of any agency or instrumentality of the United States to induce those officials to commit to insure or to insure mortgages under the National Housing Act, as amended;

(7) Make a direct loan to any qualified buyer for the downpayment required by a private lender to be made by the borrower as a condition of obtaining a loan from the private lender in the purchase of residential property;

(8) Provide funds for a share, not to exceed fifty per cent, of the principal amount of a loan made to a qualified borrower by a private lender who is unable otherwise to lend the borrower sufficient funds at reasonable rates in the purchase of residential property; and

(9) Sell or lease completed dwelling units.

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

(b) Each county shall issue affordable housing credits to the department of Hawaiian home lands with respect to existing
and future Hawaiian home lands projects upon a request for such credits by the department of Hawaiian home lands. The credits shall be transferable and shall be issued on a one-unit for one-unit basis. The credits may be applied county-wide within the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county on market priced residential and non-residential developments.

[(c)] Any law to the contrary notwithstanding, any county may:

(1) Authorize and issue bonds under chapter 47 and chapter 49 to provide moneys to carry out the purposes of this section or section 46-15.2, including the satisfaction of any guarantees made by the county pursuant to this section;

(2) Appropriate moneys of the county to carry out the purposes of this section;

(3) Obtain insurance and guarantees from the State or the United States, or subsidies from either;

(4) Designate, after holding a public hearing on the matter and with the approval of the respective council, any lands owned by it for the purposes of this section;
(5) Provide interim construction loans to partnerships of which it is a partner and to developers whose projects qualify for federally assisted project mortgage insurance, or other similar programs of federal assistance for persons of low and moderate income; and

(6) Adopt rules pursuant to chapter 91 as are necessary to carry out the purposes of this section.

[d] The provisions of this section shall be construed liberally so as to effectuate the purpose of this section in facilitating the development, construction, and provision of low- and moderate-income housing by the various counties.

[e] For purposes of this section, "low and moderate income housing" means any housing project that meets the definition of "low- and moderate-income housing project" in section 39A-281."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2009; provided that on June 30, 2015, this Act shall be repealed and section 46-15.1, Hawaii Revised Statutes, shall be reenacted in
the form in which it read on the day before the approval of this Act.
the form in which it read on the day before the approval of this Act.

APPROVED this 22 day of JUN, 2009

GOVERNOR OF THE STATE OF HAWAI'I