

JAN 17 2014

SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU, WITH THE ASSISTANCE OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, TO CONDUCT A STUDY ON THE NEED FOR A STATE MORTGAGE GUARANTY FUND.

1 WHEREAS, in 2009, the legislature adopted Senate Concurrent
2 Resolution No. 132, S.D. 1, which established the construction
3 industry task force (task force) to determine the economic value
4 of the construction industry in Hawaii; and

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6 WHEREAS, as directed in the Concurrent Resolution, the task
7 force was charged with developing a series of recommendations to
8 stimulate the construction industry and create new jobs in the
9 local construction industry; and

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11 WHEREAS, unfortunately, to date, many of the task force's
12 recommendations have yet to be enacted by the legislature; and

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14 WHEREAS, the current mortgage environment in Hawaii has had
15 an impact on the availability of homes being built for first-
16 time homebuyers; and

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18 WHEREAS, developers cannot begin construction on affordable
19 housing projects if take-out financing is not available for
20 buyers; and

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22 WHEREAS, the lack of financing for affordable housing
23 projects contributes to the lack of construction jobs, which in
24 turn hurts the economy with lost jobs and tax revenue losses
25 throughout the extensive chain of services and suppliers
26 associated with new construction; and

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28 WHEREAS, one of the task force's recommendations was to
29 study the need for a state mortgage guaranty fund, as a way to
30 stimulate economic growth in the affordable and workforce
31 housing market; now, therefore,



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2 BE IT RESOLVED by the Senate of the Twenty-seventh
3 Legislature of the State of Hawaii, Regular Session of 2014, the
4 House of Representatives concurring, that the Legislative
5 Reference Bureau, with the assistance of the Department of
6 Business, Economic Development, and Tourism, is requested to
7 conduct a study on the need for a state mortgage guaranty fund;
8 and
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10 BE IT FURTHER RESOLVED that the Legislative Reference
11 Bureau is requested to consider the feasibility of:

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13 (1) Creating a mortgage guaranty fund that would offer the
14 same coverage that private mortgage insurance provides
15 for lenders; and
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17 (2) Requiring private mortgage insurance companies to
18 expand their guidelines to include financing for
19 condominiums in Hawaii up to ninety-five percent on a
20 loan-to-value ratio; and
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22 BE IT FURTHER RESOLVED that the Department of Business,
23 Economic Development, and Tourism is requested to work with
24 industry leaders from the development, housing, and finance
25 industries to analyze and determine the best course of action to
26 provide and stimulate economic growth in the affordable and
27 workforce housing market; and
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29 BE IT FURTHER RESOLVED that the Department of Business,
30 Economic Development, and Tourism is also requested to
31 coordinate efforts between all levels of government and the
32 private sector to fast track the construction of affordable and
33 workforce housing projects in the State; and
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35 BE IT FURTHER RESOLVED that the Department of Business,
36 Economic Development, and Tourism is requested to transmit a
37 draft report of its findings and recommendations, including any
38 proposed legislation, to the Legislative Reference Bureau no
39 later than November 1, 2014; and
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41 BE IT FURTHER RESOLVED that the Legislative Reference
42 Bureau is requested to submit a final report of its findings and
43 recommendations, including any proposed legislation, to the



S.C.R. NO. 4

1 Legislature no later than twenty days prior to the convening of
2 the Regular Session of 2015; and

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4 BE IT FURTHER RESOLVED that certified copies of this
5 Concurrent Resolution be transmitted to the Director of the
6 Legislative Reference Bureau and Director of Business, Economic
7 Development, and Tourism.

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OFFERED BY: M. N. M. SA

