

Honolulu, Hawaii

FEB 05 , 2020

RE: H.B. No. 1949  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1949 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to establish the Affordable Homeownership Revolving Fund to provide funds for the development of affordable for-sale housing projects by:

- (1) Nonprofit community development financial institutions;
- (2) Nonprofit housing development organizations; and
- (3) Qualified nonprofit housing trust programs.

Your Committee received testimony in support of this measure from the Hawaii Habitat for Humanity Association; Catholic Charities Hawaii; Faith Action For Community Equity; Hawaii Advocates For Consumer Rights; Partners In Care & Hawaii Kai Homeless Task Force; IMUAlliance; Habitat for Humanity Hawaii Island, Inc.; Hawaii Island HIV/AIDS Foundation; Hope Services Hawaii, Inc.; Maui Chamber of Commerce; Hawaiian Community Assets; Hawaii Community Lending; and four individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and Department of Budget and Finance.



Your Committee finds that there is a positive correlation between homeownership and economic and social stability in low- and moderate-income households. Currently, Hawaii has the third lowest homeownership rate in the United States. Your Committee further finds that the self-help model is a cost-effective means to homeownership for low-income families. Self-help housing, nonprofit developers, and community land trust organizations leverage federal funds with low-income families contributing labor to build their own community.

Your Committee notes that nonprofit community development financial institutions are intermediaries that provide financing and technical assistance to assist nonprofit housing organizations in the development of affordable homeownership units in underserved communities. These institutions establish and maintain revolving funds to attract capital from public and private sources to increase the collective impact of affordable housing development by nonprofit housing organizations. Community development financial institutions leverage federal funding for affordable housing and community development activities at a ratio of eight to one. Your Committee recognizes that additional funding will help these institutions attract private and public capital for affordable housing development.

Your Committee has amended this measure by:

- (1) Deleting references to qualified nonprofit housing trust programs;
- (2) Deleting capacity building for nonprofit housing developers and land trusts as a permissible use of funds from the Affordable Homeownership Revolving Fund, to ensure that the monies in the fund are targeted at housing development;
- (3) Changing its effective date to July 1, 2025, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1949, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



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TOM BROWER, Chair



