

Honolulu, Hawaii

February 8, 2019

RE: H.B. No. 959

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Housing and Economic Development & Business, to which was referred H.B. No. 959 entitled:

"A BILL FOR AN ACT RELATING TO HOMEOWNERSHIP,"

beg leave to report as follows:

The purpose of this measure is to promote permanent affordable homeownership opportunities for first-time homebuyers through non-profit housing entities by:

- (1) Establishing a revolving fund to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of affordable for-sale housing units by qualified nonprofit housing trusts; and
- (2) Establishing a revolving fund to provide loans to nonprofit housing development organizations to develop affordable for-sale housing projects under a self-help housing program.

The Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development and Tourism; HomeOwnership Center Housing & Land Trust; Kauai Habitat for Humanity; Nā Hale O Maui; The Chamber of Commerce Hawaii; Maui Chamber of Commerce; Gentry Homes, Ltd; Hawaii Association of



REALTORS; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Partners in Housing; Building Industry Association of Hawaii; and a few individuals submitted testimony in support of this measure. Hawaiian Community Assets; Hawaii HomeOwnership Center; Habitat for Humanity Maui; Honolulu Habitat for Humanity; and Hawaii Habitat for Humanity Association submitted testimony to offer comments on this measure.

Your Committees have amended this measure by:

- (1) Providing housing trust organizations with flexibility in the manner in which the properties are kept affordable by deleting the reference to the housing trust organizations retaining the fee simple ownership of affordable housing units;
- (2) Incorporating language into Part III of the measure to recognize the need for preserving existing affordable rental units, the role of self-help nonprofits in transitioning affordable rental units into affordable homeownership units, and the role of community development financial institutions in financing affordable homeownership units by leveraging public and private capital;
- (3) Changing its effective date to January 1, 2050, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Economic Development & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 959, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committees on Housing and
Economic Development &
Business,



ANGUS L.K. McKELVEY, Chair



TOM BROWER, Chair



