

STAND. COM. REP. NO. 1336-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 2372
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Housing and Water & Land, to which was referred S.B. No. 2372, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require the Governor's Coordinator on Homelessness to determine whether any lands identified in the Affordable Rental Housing Report and Ten-Year Plan are suitable for developing temporary housing for the Ohana Zones Pilot Program or other affordable housing and provide recommendations on actions necessary to develop the lands accordingly;
- (2) Require the Hawaii Housing Finance and Development Corporation to establish a five-year Dwelling Unit Revolving Fund Equity Pilot Program and purchase equity in for-sale housing development projects under certain conditions;
- (3) Appropriate general funds into and out of the Rental Housing Revolving Fund for county projects; and



- (4) Appropriate general funds into and out of the Dwelling Unit Revolving Fund for the Dwelling Unit Revolving Fund Equity Pilot Program.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawai'i Association of REALTORS, and two individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Budget and Finance.

Your Committees find that the rising cost of housing in the State is effectively pricing out local renters and homeowners and disproportionately affects vulnerable populations, such as the elderly and homeless, who may have fixed incomes. This measure will provide insight into the approaches and strategies needed to prevent homelessness and provide affordable housing for individuals and families.

Your Committees further find that developers are unable to sufficiently meet demand for Hawaii residents earning up to one hundred twenty percent of the area median income because per-unit development costs exceed affordable sales prices. This measure therefore infuses the Dwelling Unit Revolving Fund with funds to allow the Hawaii Housing Finance and Development Corporation to purchase equity in new, for-sale developments to lower the price paid by eligible buyers, which will in turn provide more units at lower affordability thresholds.

Your Committees have amended this measure by:

- (1) Requiring the Hawaii Housing Finance and Development Corporation, with the assistance of the Governor's Coordinator on Homelessness, to review the Affordable Rental Housing Report and Ten-Year Plan and related responsibilities required by this measure, instead of assigning the Governor's Coordinator on Homelessness with the responsibilities;
- (2) Deleting the proviso that allocated monies appropriated from the Rental Housing Revolving Fund to each county; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the records of votes of the members of your Committees on Housing and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2372, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2372, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Housing and Water
& Land,

David Tarnas

DAVID A. TARNAS, Chair

Nadine K. Nakamura

NADINE K. NAKAMURA, Chair



