

Honolulu, Hawaii

FEB 13 2023

RE: S.B. No. 363
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 363 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a temporary Rent Reporting for Credit Pilot Program (Pilot Program) within the Hawaii Housing Finance and Development Corporation (HHFDC), that sunsets on June 30, 2027;
- (2) Require certain reports to the Governor and Legislature; and
- (3) Appropriate funds for the pilot program.

Your Committee received testimony in support of this measure from Hawai'i State Coalition Against Domestic Violence, Catholic Charities Hawai'i, Hawai'i Housing Affordability Coalition, Hawaii Habitat for Humanity Association, Hawai'i Children's Action Network Speaks!, and six individuals. Your Committee received testimony in opposition to this measure from Stanford Carr Development, LLC. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.



Your Committee finds that rent is the largest recurring monthly expense for many households and nearly fifty percent of Hawaii residents are renters. Home ownership is currently the single largest source of wealth building, but, unlike mortgage payments, rent payments are not regularly reported to credit bureaus. This measure provides an alternative method for Hawaii renters to generate and build the credit they need to access better housing and homeownership opportunities. Your Committee notes that participation for landlords in the pilot program established pursuant to this measure is purely voluntary. Your Committee also urges HHFDC and other state agencies to notify the landlords they work with to publicize private sector credit-building programs for tenants.

Your Committee has amended this measure by:

- (1) Extending the deadline by eighteen months for:
 - (A) HHFDC to contract with a third party contractor to administer the pilot program and adopt administrative rules; and
 - (B) The third-party contractor to recruit no more than ten participant landlords and attempt to include a total of at least one hundred participant tenants without regard to the tenant's income in relation to the area median income;
- (2) Inserting an appropriation amount of \$150,000 for the establishment of one full-time equivalent (1.0 FTE) position within HHFDC to support the pilot program;
- (3) Requiring HHFDC to develop a series of state-sponsored public service announcements to increase tenant awareness of the existing opportunities within the credit report industry to report rent payments;
- (4) Amending section 1 to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



185

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 S.B. No. 363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 363, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.

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


STANLEY CHANG, Chair



