

STAND. COM. REP. NO.

1498

Honolulu, Hawaii

APR 03 2023

RE: S.R. No. 205
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.R. No. 205 entitled:

"SENATE RESOLUTION URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO USE DWELLING UNIT REVOLVING FUND MONEYS TO ISSUE ZERO PERCENT INTEREST LOANS OR GRANTS TO BUYERS WITH INCOMES ABOVE SIXTY AND AT OR BELOW ONE HUNDRED FORTY PERCENT OF THE MEDIAN FAMILY INCOME FOR THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to use Dwelling Unit Revolving Fund moneys to issue zero percent interest loans or grants to buyers with incomes above sixty and at or below one hundred forty percent of the median family income for the State.

Your Committee received testimony in opposition to this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the State is experiencing a severe housing crisis and that the costs of developing housing and the monthly cost of owning a home are dramatically increasing. Your Committee further finds that, due to the acute need for residential housing at all price points, the intent of this measure is to increase homeownership by requesting that the Hawaii Housing Finance and Development Corporation (HHFDC) issue zero



interest loans and grants to certain high priority housing individuals. Your Committee notes the concerns raised in testimony, including the statutory restrictions for permissible uses of the Dwelling Unit Revolving Fund and existing law that requires homeowners to repay the State for any subsidy, grant, or financial assistance at an interest rate not lower than seven percent for real property developed under Chapter 201H, Hawaii Revised Statutes. Amendments are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have:
 - (A) Specified that the loans issued be zero percent interest loans; and
 - (B) Required the loans to be funded from the Dwelling Unit Revolving Fund;
- (2) Amending language to include other buyers in high priority housing categories to receive grants and loans from the Hawaii Housing Finance and Development Corporation, including not limited to owner-occupants who own no other real property, individuals on the Department of Hawaiian Home Lands waitlist, and public employees;
- (3) Amending its title in accordance with its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 205, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 205, S.D. 1.



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



STANLEY CHANG, Chair



