

STAND. COM. REP. NO.

2239

Honolulu, Hawaii

FEB 12 2024

RE: S.B. No. 2065
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Housing and Commerce and Consumer Protection, to which was referred S.B. No. 2065 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Residential Developers Loan Corporation and the Hawaii Residential Developers Loan Revolving Fund for the purpose of enhancing credit and guaranteeing and insuring loans made by private financial institutions to developers of residential housing for Hawaii residents who will be owner-occupants and who own no other real property;
- (2) Authorize the Director of Finance to issue general obligation bonds to fund the Hawaii Residential Developers Loan Revolving Fund; and
- (3) Make an appropriation.

Your Committees received testimony in support of this measure from Church of the Crossroads and two individuals.



Your Committees received comments on this measure from the Department of Budget and Finance and the Hawaii Housing Finance and Development Corporation.

Your Committees find that the State is facing a housing crisis. The State's high costs and demand for housing have led many residents to leave the State in search of more affordable housing on the continent. This measure aims to combat this issue by establishing a mechanism by which loans made by private financial institutions to developers of certain housing projects are insured and guaranteed to help lower costs and expand the State's ability to create affordable housing.

Your Committees have heard the concerns raised in testimony regarding the requirement that revenue bonds demonstrate the capacity to be self-sustaining and have a designated repayment source. Additional testimony offered by the Hawaii Housing Finance and Development Corporation clarified that the corporation would be capable of administering this type of credit enhancement and loan guarantee program through general obligation bonds. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have established the Hawaii Residential Developers Loan Corporation as a separate chapter in Hawaii Revised Statutes, and instead establishing a new subpart to Part III, chapter 201H, Hawaii Revised Statutes, authorizing the Hawaii Housing Finance and Development Corporation to perform the functions established under this measure;
- (2) Clarifying that the Hawaii Housing Finance and Development Corporation shall enhance credit and guarantee and insure loans made by private financial institutions to developers of residential housing for sale or rent to qualified residents as defined in section 201H-32, Hawaii Revised Statutes;
- (3) Deleting language that would have established the framework for the issuance of revenue bonds;



- (4) Inserting language specifying that the sum appropriated by this measure shall be expended by the Hawaii Housing Finance and Development Corporation; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2065, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Housing and
Commerce and Consumer
Protection,



JARRETT KEOHOKALO, Chair



STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
 Committee on Housing
 HOU

Bill / Resolution No.:* SB 2065	Committee Referral: HOU/CPN, WAM	Date: 1/31/24
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.				✓
KANUHA, Dru Mamo	✓			
AWA, Brenton	✓			
TOTAL	4	0	0	1

Recommendation:
 Adopted
 Not Adopted

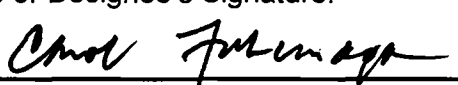
Chair's or Designee's Signature: Troy N. Hashimoto

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The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>SB 2065</i>	Committee Referral: <i>HDV / CPN, NAM</i>	Date: <i>1/31/24</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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*Only one measure per Record of Votes