

Honolulu, Hawaii

**APR 01 2025**

RE: H.B. No. 432  
H.D. 1  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 432, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL HOUSING REVOLVING FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a dedicated source of funds to finance mixed-income housing projects.

More specifically, this measure:

- (1) Establishes the mixed-income subaccount within the rental housing revolving fund to prioritize development of workforce rental and for-sale housing projects for qualified residents, as defined in section 201H-32, Hawaii Revised Statutes;
- (2) Authorizes the Director of Finance to transfer funds from the rental housing revolving fund into the mixed-income subaccount;
- (3) Appropriates moneys into and out of the mixed-income subaccount of the rental housing revolving fund for the 2025-2026 and 2026-2027 fiscal years; and



- (4) Appropriates moneys for redevelopment of the Mayor Wright Homes.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Church of the Crossroads, Hawaii Children's Action Network Speaks!, Maui Chamber of Commerce, and one individual.

Your Committee received comments on this measure from the Department of Budget and Finance, Catholic Charities Hawaii, and Hawaii Appleseed Center for Law and Economic Justice.

Your Committee finds that the State has a housing shortage and that private development of rental housing for households earning from sixty per cent to one hundred forty per cent of the area median income is not financially feasible without additional public subsidy. Your Committee also finds that, although funding is appropriated annually to the rental housing revolving fund to finance projects serving households earning up to one hundred forty per cent of area median income, the funds are prioritized for projects financed by federal and state low-income housing tax credits, which generally serve only households earning up to sixty per cent of the area median income. As a result, mixed-income projects, including those with units serving households earning up to one hundred forty per cent of the area median income, are not able to utilize the rental housing revolving fund.

Your Committee has amended this measure by:

- (1) Amending the appropriations into and out of the mixed-income subaccount of the rental housing revolving fund to apply only to the 2025-2026 fiscal year; and
- (2) Deleting the appropriation for redevelopment of the Mayor Wright Homes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 432, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 432, H.D. 1, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB432 HD1 SD1</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>3/28/25</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Pass, unamended 2312         </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div> <input type="checkbox"/> Hold 2310         </div> <div> <input type="checkbox"/> Recommit 2313         </div> </div>				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris				X
WAKAI, Glenn	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>2</b>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**