

Honolulu, Hawaii

JAN 29 2025

RE: S.B. No. 35
S.D. 1

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 35
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:

- (1) Establish the Housing Efficiency and Innovation
Subaccount within the Rental Housing Revolving Fund;
- (2) Specify permissible uses of funding and priorities; and
- (3) Authorize the Hawaii Housing Finance and Development
Corporation to transfer moneys between the Housing
Efficiency and Innovation Subaccount and the Rental
Housing Revolving Fund without legislative approval.

Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation,
Holomua Collaborative, and one individual.

Your Committee received comments on this measure from the Tax
Foundation of Hawaii.



Your Committee finds that the Hawaii Housing Finance and Development Corporation (HHFDC) has a mandate to address the housing shortage statewide through financing and development of various housing projects for the State's residents. As the State diversifies its economy, more innovative housing developments, such as workforce housing rentals, are needed to provide residents with reliable housing options. Providing a dedicated source of funding for various housing models will enable HHFDC to achieve its mandate. Accordingly, this measure offers HHFDC an additional flexible method of funding to address workforce rental housing projects and new programs to support rental housing development and preservation.

Your Committee heard testimony that requested that projects developed by nonprofit housing developers be added to the priority list for funds from the Housing Efficiency and Innovation Subaccount. However, your Committee notes that nonprofit housing developers can qualify for prioritization for funds from the Subaccount by developing projects that require the least state funding per housing unit per year.

Your Committee has amended this measure by:

- (1) Clarifying that, in addition to projects on land owned or developed by the State or a county, projects owned by entities required to use all financial surplus to develop more housing in the State shall also be prioritized; and
- (2) 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 is in accord with the intent and purpose of S.B. No. 35, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 35, S.D. 1, and be referred to your Committee on Ways and Means.



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



STANLEY CHANG, Chair



Record of Votes Committee on Housing HOU

*Only one measure per Record of Votes