

---

# A BILL FOR AN ACT

RELATING TO DOWN PAYMENTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the size of the  
2       State's population is declining. In fiscal year 2016-2017, the  
3       United States Census estimated that Hawaii had a net loss of  
4       13,537 people. People who move away from Hawaii often cite  
5       Hawaii's high cost of living as the deciding factor in moving.

6       The legislature further finds that the relocation of  
7       individuals and families out of Hawaii causes economic, social,  
8       and cultural burdens for the State. The lack of frequent  
9       physical contact with family members can be traumatic,  
10      disruptive, and fragmenting to ohana. This erosion of kinship  
11      support networks among existing residents can even delay family-  
12      making decisions for younger generations when considering their  
13      ability to clothe, feed, and educate their future children.

14      The legislature further finds that many who move out of  
15      Hawaii are often the most skilled and educated members of the  
16      workforce since those individuals have the greatest opportunity



1 for career choices in the mainland United States. Failure to  
2 stem this loss represents a danger to Hawaii's economic future.

3 The purpose of this part is to encourage former residents  
4 to return to Hawaii by assisting them in making down payments  
5 for the purchase of primary residences.

6 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
7 amended by adding two new sections to be appropriately  
8 designated and to read as follows:

9 "§201H-A Returning resident down payment program,  
10 established. (a) There is established the returning resident  
11 down payment program to be administered by the corporation. The  
12 program shall encourage former Hawaii residents to return to  
13 Hawaii by awarding grants to assist with the down payment on the  
14 purchase of a primary residence.

15 (b) Subject to available funds, the returning resident  
16 down payment program shall award grants of up to one dollar for  
17 each dollar of down payment made by a qualified applicant;  
18 provided that the total award to an applicant shall not exceed  
19 the lesser of ten per cent of the value of the single family  
20 residence purchased or \$50,000.



1        (c) To be eligible for an award under the returning  
2 resident down payment program, an applicant shall:

3        (1) Have earned a high school diploma from a high school  
4 located in the State;

5        (2) Have ceased residency in the State for the purpose of  
6 attending a four-year course of study leading to a  
7 baccalaureate degree at a college or university  
8 accredited by the United States Department of  
9 Education or other entity recognized by the  
10 corporation;

11       (3) Use the award to make a down payment for the purchase  
12 of a residence as defined in section 521-8; and

13       (4) Be a resident of the State or a former resident of the  
14 State who meets subparagraph (1) and (2), who will be  
15 an owner-occupant of the residence purchased pursuant  
16 to subparagraph (3), and who owns no other interest in  
17 real property wherever situated.

18       (d) Any applicant who has received an award and fails to  
19 satisfy the requirements of subsection (c)(4) shall repay the  
20 award plus interest at the rate of eight per cent.



1        §201H-B   Returning resident down payment special fund.   (a)

2   There is established in the state treasury the returning  
3   resident down payment special fund into which shall be deposited  
4   the following moneys:

5        (1)   Appropriations made by the legislature to the special  
6           fund; and

7        (2)   Repayments to the fund made pursuant to section  
8           201H-A(d) .

9        (b)   Funds in the special fund shall be used for the  
10   purposes of the returning resident down payment program."

11        SECTION 3.   There is appropriated out of the general  
12   revenues of the State of Hawaii the sum of \$                      or so  
13   much thereof as may be necessary for fiscal year 2020-2021 for  
14   deposit into the returning resident down payment special fund.

15        SECTION 4.   There is appropriated out of the general  
16   revenues of the State of Hawaii the sum of \$                      or so  
17   much thereof as may be necessary for fiscal year 2020-2021 for  
18   the returning resident down payment program.

19        The sum appropriated shall be expended by the Hawaii  
20   housing finance and development corporation for the purposes of  
21   this Act.



1       SECTION 5. In codifying the new sections added by section  
2 2 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5       SECTION 6. New statutory material is underscored.

6       SECTION 7. This Act shall take effect on July 1, 2020.



**Report Title:**

Returning Resident Down Payment Program; Special Fund;  
Appropriation

**Description:**

Encourages qualified former Hawaii residents to move back to Hawaii by establishing the returning resident down payment program to provide matching funds for the down payment on a residence. Appropriates funds. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

