

STAND. COM. REP. NO.

314

Honolulu, Hawaii

FEB 13 2019

RE: S.B. No. 878  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 878  
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the  
home ownership housing revolving fund to provide loans or grants  
for affordable housing projects or units in projects that are  
allocated low-income housing credits or that are funded by certain  
federal programs or agencies.

Your Committee received testimony in support of this measure  
from the Hawaii Habitat for Humanity Association, Habitat for  
Humanity Hawai'i Island, Habitat for Humanity Maui, Hawaiian  
Community Assets, O'ahu County Committee on Legislative Priorities  
of the Democratic Party of Hawai'i, and two individuals. Your  
Committee received comments on this measure from the Department of  
Budget and Finance and Hawaii Housing Finance and Development  
Corporation.

Your Committee finds that Hawaii has one of the lowest home  
ownership rates in the nation. The lack of construction and  
development of affordable for-sale housing contributes to the  
State's low affordable housing inventory. Your Committee further  
finds that loans provided by the State will assist in addressing



Hawaii's current critical shortage of affordable housing and the need for 66,000 additional housing units by the year 2025.

Your Committee additionally finds that qualified nonprofit housing trusts can help families by reducing housing costs significantly for income-qualified families. These nonprofit housing entities often utilize grants and other low-cost courses of financing that require matching funds to acquire or develop housing units. Your Committee notes that Senate Bill No. 1186, Regular Session of 2019, establishes a qualified nonprofit housing trust revolving fund to provide loans to qualified nonprofit housing trusts to develop affordable housing projects under a self-help housing model.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of part II of Senate Bill No. 1186, Regular Session of 2019, which:
  - (A) Establishes a qualified nonprofit housing trust revolving fund and a qualified nonprofit housing trust program for affordable for-sale housing development; and
  - (B) Appropriates funds into and out of the qualified nonprofit housing trust revolving fund;
- (2) Authorizing the Hawaii Housing Finance and Development Corporation to provide loans to nonprofit community development financial institutions, as well as qualified nonprofit housing trusts;
- (3) Inserting a new preamble as suggested by the Hawaii Habitat for Humanity Association;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes that although the appropriation amount is blank, the Hawaii Habitat for Humanity Association requests an appropriation of \$25,000,000 for the qualified nonprofit housing trust program.

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. 878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 878, S.D. 1, and be referred to your Committee on Ways and Means.

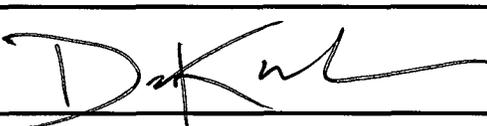
Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
STANLEY CHANG, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SB 878</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>2/5/2019</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: <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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes