HOUSE OF REPRESENTATIVES
THIRTY-SECOND LEGISLATURE, 2023
STATE OF HAWAII

H.B. NO. 677
H.D. 1
S.D. 1

A BILL FOR AN ACT

RELATING TO THE DWELLING UNIT REVOLVING FUND.

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

1   SECTION 1. (a) The Hawaii housing finance and development

2 corporation shall establish a five-year dwelling unit revolving

3 fund equity pilot program to address the high, unmet demand of

4 for-sale units by Hawaii residents, specifically those residents

5 earning more than eighty per cent and up to one hundred twenty

6 per cent of the area median income.

7   (b) The Hawaii housing finance and development corporation

8 shall purchase equity in for-sale housing development projects;

9 provided that this equity shall be allocated to specific units

10 within the housing development projects and the price to be paid

11 by each eligible buyer of a unit shall be reduced by the Hawaii

12 housing finance and development corporation's equity amount for

13 that unit.

14   (c) If a buyer sells the buyer's unit within thirty years

15 of the date of the buyer's purchase of the unit, then at the

16 time of the sale, the buyer shall repay to the Hawaii housing

17 finance and development corporation the corporation's

1 appreciated equity value; provided that if the buyer does not

2 sell the unit within thirty years of the date of the buyer's

3 purchase of the unit, then the buyer shall repay to the Hawaii

4 housing finance and development corporation the corporation's

5 appreciated equity value prior to the expiration of the

6 thirty-year period; provided further that this requirement shall

7 run with the deed for each unit until the obligation to repay

8 the appreciated equity value has been satisfied.

9   (d) The Hawaii housing finance and development corporation

10 shall establish rules pursuant to chapter 91, Hawaii Revised

11 Statutes, to implement this section, including rules that

12 establish the methods by which appreciated equity values shall

13 be calculated, assessed, and satisfied.

14   (e) The Hawaii housing finance and development corporation

15 shall establish criteria for the prioritization of eligible

16 buyers based on state goals and policies and submit a report on

17 the criteria to the legislature no later than twenty days prior

18 to the convening of the regular session of 2024.

19   (f) The Hawaii housing finance and development corporation

20 shall submit interim reports on the dwelling unit revolving fund

21 equity pilot program to the legislature no later than twenty

1   days prior to the convening of the regular sessions of 2024,

2   2025, 2026, 2027, and 2028. The Hawaii housing finance and

3   development corporation shall submit a final report on the

4   dwelling unit revolving fund equity pilot program to the

5   legislature no later than twenty days prior to the convening of

6   the regular session of 2029.

7   (g) As used in this section:

8   "Housing development project" means a plan, design, or

9   undertaking by the Hawaii housing finance and development

10 corporation or an eligible developer for the development of

11 units. "Housing development project" includes all real and

12 personal property, buildings and improvements, commercial space,

13 lands for farming and gardening, community facilities acquired

14 or constructed or to be acquired or constructed, and all

15 tangible or intangible assets held or used in connection with

16 the housing development project.

17   "Unit" means:

18   (1) The structure and land upon which the structure is

19   constructed, whether on fee simple or leasehold

20   property, developed for residential purposes pursuant

21   to chapter 201H, Hawaii Revised Statutes; or

1   (2)   Improved or unimproved real property that is developed

2   for residential purposes pursuant to chapter 201H,

3   Hawaii Revised Statutes.

4   "Unit" includes dwelling units.

5   SECTION 2. There is appropriated out of the general

6   revenues of the State of Hawaii the sum of $ or so

7   much thereof as may be necessary for fiscal year 2023-2024 and

8   the same sum or so much thereof as may be necessary for fiscal

9   year 2024-2025 to be deposited into the dwelling unit revolving

10   fund.

11   SECTION 3. There is appropriated out of the dwelling unit

12   revolving fund the sum of $ or so much thereof as may

13   be necessary for fiscal year 2023-2024 and the same sum or so

14   much thereof as may be necessary for fiscal year 2024-2025 for

15   the dwelling unit revolving fund equity pilot program

16   established pursuant to this Act.

17   The sums appropriated shall be expended by the Hawaii

18   housing finance and development corporation for the purposes of

19   this Act.

20   SECTION 4. There is appropriated out of the general

21   revenues of the State of Hawaii the sum of $ or so

1   much thereof as may be necessary for fiscal year 2023-2024 and

2   the same sum or so much thereof as may be necessary for fiscal

3   year 2024-2025 for the establishment and hiring of one full-time

4   equivalent (1.00 FTE) housing development specialist III

5   position to support the dwelling unit revolving fund equity

6   pilot program.

7   The sums appropriated shall be expended by the Hawaii

8   housing finance and development corporation for the purposes of

9   this Act.

10   SECTION 5. This Act shall take effect on July 1, 2050, and

11   shall be repealed on June 30, 2028.

Report Title:
HHFDC; Dwelling Unit Revolving Fund Equity Pilot Program;
Report; Position; Appropriation

Description:
Requires the Hawaii Housing Finance and Development Corporation
(HHFDC) to establish a five-year Dwelling Unit Revolving Fund
Equity Pilot Program. Requires HHFDC to establish criteria for
the prioritization of eligible buyers of the Pilot Program based
on state policies and goals and to submit a report to the
Legislature regarding the eligibility criteria. Establishes one
full-time equivalent Housing Development Specialist III
position. Appropriates funds. Sunsets 6/30/2028. Effective
7/1/2050. (SD1)

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