Honolulu, Hawaii

APR 0 5 2023

RE: H.B. No. 677
           H.D. 1
           S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 677, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DWELLING UNIT REVOLVING FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the dwelling unit revolving fund equity pilot program.

More specifically, this measure:

(1)   Requires the Hawaii Housing Finance and Development Corporation to establish a five-year dwelling unit revolving fund equity pilot program in which:

         (A)   The corporation purchases equity in for-sale housing development projects and allocates the equity to specific units;

         (B)   The price paid for each unit by an eligible purchaser is reduced by the corporation's equity amount; and

         (C)   The corporation's equity share is paid back to the corporation upon resale of the unit; and

(2) Appropriates moneys for the dwelling unit revolving fund equity pilot program, including the establishment of one full-time equivalent (1.0 FTE) housing development specialist III position to support the pilot program.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that establishing a dwelling unit revolving fund equity pilot program will help to address the unmet demand for affordable for-sale housing in the State.

Your Committee has amended this measure by:

(1) Changing the computation of interest, from a fixed seven percent rate to a rate established by the corporation, that a purchaser of certain real property is required to pay to the Hawaii Housing Finance and Development Corporation upon the purchaser's sale or assignment of the real property after a specified period of time;

(2) Clarifying the dates by which the Hawaii Housing Finance and Development Corporation shall submit reports to the Legislature regarding the dwelling unit revolving fund equity pilot program;

(3) Clarifying that certain requirements imposed by this measure shall remain in effect after June 30, 2028; and

(4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 677, 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. 677, H.D. 1, S.D. 2.
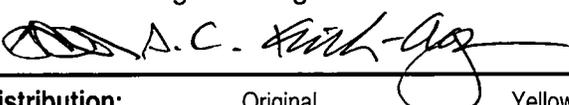
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

_____
DONOVAN M. DELA CRUZ, Chair

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB677 HD1 SD1	HOU, WAM	3/30/23

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312   ☒ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			

Recommendation:

☒ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

A.C. Keith-Aga

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*Only <u>one</u> measure per Record of Votes