STAND. COM. REP. NO. 1494

Honolulu, Hawaii

APR 0 3 2023

RE: S.R. No. 203 S.D. 1

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

Sir:

Your Committee on Housing, to which was referred S.R. No. 203 entitled:

"SENATE RESOLUTION URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO ADOPT ADMINISTRATIVE RULES TO CREATE A PATHWAY TO CREATING A PROCESS UNDER SECTION 201H-38, HAWAII REVISED STATUTES, FOR HOUSING PROJECTS THAT ARE EXCLUSIVELY AVAILABLE TO HAWAII RESIDENTS WHO WOULD BE OWNEROR RENTER-OCCUPANTS AND WHO OWN NO OTHER REAL PROPERTY,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to:

- (1) Adopt administrative rules to create a pathway to the housing creation process under section 201H-38, Hawaii Revised Statutes, for housing projects that are exclusively available to Hawaii residents who would be owner- or renter-occupants and who own no other real property; and
- (2) Adopt administrative rules that create a second pathway to the housing creation process under section 201H-38, Hawaii Revised Statutes, for housing projects that are exclusively available to Hawaii residents who would be owner- or rental-occupants and who own no other real property, which is requested to be in addition to

existing pathways under Hawaii Administrative Rules, that require one-half of all units in a housing project to be available for buyers whose income is at or below one hundred forty percent of the area median income.

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

Your Committee finds that the definition of "qualified resident" pursuant to section 201H-32, Hawaii Revised Statutes, is used to determine eligibility for many of the Hawaii Housing Finance and Development Corporation's programs. Your Committee notes that not only is Hawaii residency not an eligibility requirement, but qualified residents can own other real property as long as they do not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes. Your Committee recognizes that the development of residential units at all price points is necessary to solve the chronic housing shortage and more pathways should be developed exclusively for those individuals who are Hawaii residents who own no other real property and will be owner- or renter- occupants of the residential units. Accordingly, this measure is intended to create an alternative pathway that facilitates the development of affordable housing projects in the State.

Your Committee has amended this measure by:

- (1) Amending language to clarify that:
 - (A) The Hawaii Housing Finance and Development
 Corporation is urged to adopt administrative rules
 to create a process under section 201H-38, Hawaii
 Revised Statutes, for housing projects exclusively
 occupied by Hawaii residents who own no other real
 property; and
 - (B) This process is requested to be in addition to, and not in lieu of, current processes under the Hawaii Administrative Rules that require half of all units to be available for buyers whose income is at or below one hundred forty percent of area median income; and

(2) Amending the title to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 203, S.D. 1.

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

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The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Housing HOU

Bill / Resolution No.:*	Committee Referral:			Date:	
5R 203	Hou			03/21/20	23
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
CHANG, Stanley (C)					
KANUHA, Dru Mamo (VC)					
AQUINO, Henry J.C.					
RHOADS, Karl					
AWA, Brenton					
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TOTAL		5			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes