

STAND. COM. REP. NO.

1494

Honolulu, Hawaii

APR 03 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 OWNER-  
OR 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,

  
STANLEY CHANG, Chair



