

STAND. COM. REP. NO. **3393**

Honolulu, Hawaii

MAR 28 2024

RE: S.R. No. 50
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.R. No. 50 entitled:

"SENATE RESOLUTION REQUESTING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO ADOPT ADMINISTRATIVE RULES TO ENABLE CREDIT ENHANCEMENT FOR CONSTRUCTION LOANS UNDER THE RENTAL HOUSING REVOLVING FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Hawaii Housing Finance and Development Corporation to adopt administrative rules to enable credit enhancement for construction loans under the Rental Housing Revolving Fund.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the State has extremely high housing development costs, which have worsened in light of currently high interest rates. These costs are ultimately passed on to housing residents. Your Committee also finds that allowing the Rental Housing Revolving Fund to provide credit enhancement for construction loans will reduce the related financing costs and therefore development costs with very little risk to the fund.

Your Committee notes that S.B. No. 2469, introduced in the Regular Session of 2024, was previously passed by your Committee



and would have statutorily authorized the Hawaii Housing Finance and Development Corporation to use Rental Housing Revolving Fund monies for credit enhancement and required the Corporation to adopt administrative rules accordingly. Your Committee is hopeful that future legislatures will pass a measure that provides this statutory authorization to support the reduction of housing costs for Hawaii residents.

Your Committee has amended this measure by:

- (1) Requesting that any funds administered by the Hawaii Housing Finance and Development Corporation be used for credit enhancement, rather than just funds under the Rental Housing Revolving Fund;
- (2) Requiring that certified copies of this measure be sent to all members of the Board of Directors of the Hawaii Housing Finance and Development Corporation;
- (3) Amending its title to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 50, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

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


STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* <i>SR 50</i>	Committee Referral: <i>HOU</i>	Date: <i>3/21/24</i>
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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
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.	✓			
KANUHA, Dru Mamo	✓			
AWA, Brenton	✓			
TOTAL	<i>5</i>	<i>0</i>	<i>0</i>	<i>0</i>

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: *[Signature]*

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*Only one measure per Record of Votes