
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. Section 201H-191, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) There is created a dwelling unit revolving fund. The
4 funds appropriated for the purpose of the dwelling unit
5 revolving fund and all moneys received or collected by the
6 corporation for the purpose of the revolving fund shall be
7 deposited [~~in~~] into the revolving fund. The proceeds in the
8 revolving fund shall be used [~~to~~]:

9 (1) To reimburse the general fund to pay the interest on
10 general obligation bonds issued for the purposes of
11 the revolving fund[~~, for the~~];

12 (2) For necessary expenses in administering housing
13 development programs and regional state infrastructure
14 programs[~~,~~]; and [~~for carrying~~]

15 (3) To carry out the purposes of housing development
16 programs and regional state infrastructure programs,



1 including [~~but not limited to~~] the expansion of community
2 facilities and regional state infrastructure constructed in
3 conjunction with housing and mixed-use transit-oriented
4 development projects, purchasing equity in for-sale housing
5 development projects, interim primary or secondary financing,
6 permanent primary or secondary financing, and supplementing
7 building costs, federal guarantees required for operational
8 losses, and all things required by any federal agency in the
9 construction and receipt of federal funds or low-income housing
10 tax credits for housing projects."

11 SECTION 2. Act 92, Session Laws of Hawaii 2023, is amended
12 as follows:

13 1. By amending section 2 to read:

14 "SECTION 2. (a) The Hawaii housing finance and
15 development corporation [~~may~~] shall establish a [~~five-year~~]
16 dwelling unit revolving fund equity pilot program, which shall
17 be funded by the dwelling unit revolving fund, to address the
18 high, unmet demand of for-sale units by Hawaii residents,
19 specifically bona fide residents of the State who:

20 (1) [~~Own no other~~] Do not hold a majority interest in any
21 residential real property;



- 1 (2) Receive no gift funds; and
- 2 (3) Work in a profession that is facing a labor shortage
- 3 as defined by the corporation, including health care
- 4 workers, educators, law enforcement officers,
- 5 [~~including~~] staff at correctional facilities, [~~or~~] and
- 6 agricultural field workers.

7 The corporation shall give preference to for-sale housing
 8 development projects that are developed under any government
 9 assistance program approved by the corporation pursuant to
 10 section 201H-36(a) (2), Hawaii Revised Statutes.

11 (b) The Hawaii housing finance and development corporation
 12 may purchase equity in for-sale housing development projects;
 13 provided that this equity shall be allocated to specific units
 14 within the housing development projects and the price to be paid
 15 by each eligible buyer of a unit shall be reduced by the Hawaii
 16 housing finance and development corporation's equity amount for
 17 that unit.

18 (c) If a buyer sells the buyer's unit within thirty years
 19 of the date of the buyer's purchase of the unit, then at the
 20 time of the sale, the buyer shall repay to the Hawaii housing
 21 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 may 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 may establish criteria for the prioritization of eligible buyers
16 based on state goals and policies and submit a report on this
17 criteria to the legislature no later than twenty days prior to
18 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, [~~and~~] 2027[-], 2028, and 2029. The Hawaii housing
3 finance and development corporation shall submit a final report
4 on the 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 [~~2028-~~] 2030.

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 2. By amending section 5 to read:

6 "SECTION 5. This Act shall take effect on July 1, 2023,
7 and shall be repealed on June 30, [~~2028~~] 2030; provided that:

8 (1) Section 201H-47, Hawaii Revised Statutes, shall be
9 reenacted in the form in which it read on the day
10 prior to the effective date of this Act; and

11 (2) The requirements imposed pursuant to section 2(c) of
12 this Act shall remain in effect and run with the deed
13 after June 30, [~~2028~~] 2030."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

HHFDC; DURF; Dwelling Unit Revolving Fund Equity Pilot Program;
Interim Financing

Description:

Extends the Dwelling Unit Revolving Fund Equity Pilot Program to
6/30/2030. Gives preference to for-sale housing development
projects developed under governmental assistance programs
approved by the Hawaii Housing Finance and Development
Corporation. Effective 7/1/3000. (HD1)

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