
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 reimburse the general fund to
9 pay the interest on general obligation bonds issued for the
10 purposes of the revolving fund, for the necessary expenses in
11 administering housing development programs and regional state
12 infrastructure programs, and for carrying out the purposes of
13 housing development programs and regional state infrastructure
14 programs, including [~~but not limited to~~] the expansion of
15 community facilities and regional state infrastructure
16 constructed in conjunction with housing and mixed-use
17 transit-oriented development projects, purchasing equity in



1 for-sale housing development projects, interim primary or
2 secondary financing, permanent primary or secondary financing,
3 and supplementing building costs, federal guarantees required
4 for operational losses, and all things required by any federal
5 agency in the construction and receipt of federal funds or
6 low-income housing tax credits for housing projects."

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

9 1. By amending section 2 to read:

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

- 16 (1) [~~Own no other~~] Do not hold a majority interest in any
17 residential real property;
- 18 (2) Receive no gift funds; and
- 19 (3) Work in a profession that is facing a labor shortage
20 as defined by the corporation, including health care
21 workers, educators, law enforcement officers,



1 ~~[including]~~ staff at correctional facilities, ~~[or]~~ and
2 agricultural field workers.

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

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

14 (c) If a buyer sells the buyer's unit within thirty years
15 of the date of the buyer's purchase of the unit, then at the
16 time of the sale, the buyer shall repay to the Hawaii housing
17 finance and development corporation the corporation's
18 appreciated equity value; provided that if the buyer does not
19 sell the unit within thirty years of the date of the buyer's
20 purchase of the unit, then the buyer shall repay to the Hawaii
21 housing finance and development corporation the corporation's



1 appreciated equity value prior to the expiration of the
2 thirty-year period; provided further that this requirement shall
3 run with the deed for each unit until the obligation to repay
4 the appreciated equity value has been satisfied.

5 (d) The Hawaii housing finance and development corporation
6 may establish rules pursuant to chapter 91, Hawaii Revised
7 Statutes, to implement this section, including rules that
8 establish the methods by which appreciated equity values shall
9 be calculated, assessed, and satisfied.

10 (e) The Hawaii housing finance and development corporation
11 may establish criteria for the prioritization of eligible buyers
12 based on state goals and policies and submit a report on this
13 criteria to the legislature no later than twenty days prior to
14 the convening of the regular session of 2024.

15 (f) The Hawaii housing finance and development corporation
16 shall submit interim reports on the dwelling unit revolving fund
17 equity pilot program to the legislature no later than twenty
18 days prior to the convening of the regular sessions of 2024,
19 2025, 2026, ~~[and]~~ 2027[-], 2028, and 2029. The Hawaii housing
20 finance and development corporation shall submit a final report
21 on the dwelling unit revolving fund equity pilot program to the



1 legislature no later than twenty days prior to the convening of
2 the regular session of [~~2028.~~] 2030.

3 (g) As used in this section:

4 "Housing development project" means a plan, design, or
5 undertaking by the Hawaii housing finance and development
6 corporation or an eligible developer for the development of
7 units. "Housing development project" includes all real and
8 personal property, buildings and improvements, commercial space,
9 lands for farming and gardening, community facilities acquired
10 or constructed or to be acquired or constructed, and all
11 tangible or intangible assets held or used in connection with
12 the housing development project.

13 "Unit" means:

14 (1) The structure and land upon which the structure is
15 constructed, whether on fee simple or leasehold
16 property, developed for residential purposes pursuant
17 to chapter 201H, Hawaii Revised Statutes; or

18 (2) Improved or unimproved real property that is developed
19 for residential purposes pursuant to chapter 201H,
20 Hawaii Revised Statutes.

21 "Unit" includes dwelling units."



1 2. By amending section 5 to read:

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

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

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

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2050.



S.B. NO. 1229
S.D. 2

Report Title:

Hawaii Housing Finance and Development Corporation; DURF;
Dwelling Unit Revolving Fund Equity Program; Interim Financing

Description:

Extends the Dwelling Unit Revolving Fund Equity Pilot Program to 6/30/2030. Gives preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2), HRS. Effective 7/1/2050. (SD2)

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