

JAN 17 2025

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# A BILL FOR AN ACT

RELATING TO DOWN PAYMENTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the size of the  
2 State's population is declining. The United States Census  
3 Bureau estimated that, in fiscal year 2020-2021, Hawaii lost  
4 10,358 residents, and that in fiscal year 2022-2023, an average  
5 of eighteen individuals moved away from Hawaii each day. People  
6 who move away from Hawaii often cite the State's high cost of  
7 living as the deciding factor for their move.

8           The legislature also finds that the relocation of  
9 individuals and families out of Hawaii causes economic, social,  
10 and cultural burdens for the State. The lack of frequent  
11 physical contact with family members can be traumatic,  
12 disruptive, and fragmenting to ohana. This erosion of kinship  
13 support networks among existing residents can profoundly impact  
14 the decisions of younger generations as to whether they can  
15 afford to start a family, given their legitimate concerns over  
16 their financial ability to feed, clothe, and educate their  
17 future offspring.



1           The legislature further finds that many individuals who  
2 leave the State are among the most skilled and educated members  
3 of the workforce, due to these individuals having the necessary  
4 qualifications for highly desirable career opportunities in the  
5 mainland United States. Failing to act to stem this loss will  
6 only endanger Hawaii's economic future.

7           Additionally, the legislature finds that the problem of  
8 home affordability is not limited to former Hawaii residents who  
9 wish to return. Residents who choose to remain in the State are  
10 faced with single-family home prices that are significantly  
11 higher than those of most other cities in the United States.  
12 For example, the Honolulu Star-Advertiser reported that the  
13 median sale price of a single-family home on Oahu in April 2024  
14 was \$1,100,000. Moreover, the legislature finds that high home  
15 prices, combined with the State's high cost of living, are  
16 significant factors that compel many Hawaii residents to leave  
17 the State. Clearly, decisive action must be taken now to slow  
18 this out-migration.

19           The legislature finds that the establishment of a  
20 state-level program to assist qualifying individuals with  
21 downpayments for the purchase of a primary residence can help to



1 ease the financial burdens that force many Hawaii families to  
2 leave the State. This program, augmented by similar programs  
3 administered by the counties, will create additional  
4 opportunities for local families throughout the State to achieve  
5 home ownership.

6 The purpose of this Act is to ease the burden of Hawaii's  
7 high cost of living for current residents and encourage former  
8 Hawaii residents to return to the State by establishing a  
9 program to assist qualifying individuals with down payments for  
10 the purchase of a primary residence.

11 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
12 amended by adding two new sections to part III to be  
13 appropriately designated and to read as follows:

14 "§201H- Current and returning resident down payment  
15 program; established. (a) There is established the current and  
16 returning resident down payment program, to be administered by  
17 the corporation. The program shall encourage former Hawaii  
18 residents to return to Hawaii, and assist current Hawaii  
19 residents in coping with the State's high cost of living, by  
20 awarding grants to assist with the down payment for the purchase



1 of a primary residence, which shall be a single family  
2 residence.

3 (b) Subject to available funds, the current and returning  
4 resident down payment program shall award grants of up to one  
5 dollar for each dollar of down payment made by a qualified  
6 applicant; provided that the total award to an applicant shall  
7 not exceed the lesser of:

8 (1) Ten per cent of the value of the single family  
9 residence to be purchased; or

10 (2) \$50,000.

11 (c) To be eligible for an award under the current and  
12 returning resident down payment program, an applicant shall:

13 (1) Have earned a high school diploma from a high school  
14 located in the State;

15 (2) In the case of a former resident, have ceased  
16 residency in the State for the purpose of attending a  
17 four-year course of study leading to a baccalaureate  
18 degree at a college or university accredited by the  
19 United States Department of Education or other entity  
20 recognized by the corporation;



1       (3) Use the award to make a down payment for the purchase  
2       of a single family residence, as defined in section  
3       521-8; and

4       (4) Be a resident of the State, or a former resident of  
5       the State, who satisfies the requirements of  
6       paragraphs (1) and (2) as applicable, represent that  
7       the applicant will be an owner-occupant of the  
8       residence to be purchased pursuant to paragraph (3),  
9       and own no other interest in real property within or  
10       without the State.

11       (d) Any applicant who has received an award and fails to  
12       satisfy the requirements of subsection (c)(4) shall repay the  
13       award plus interest at the rate of eight per cent.

14       §201H-       Current and returning resident down payment

15       special fund. (a) There is established in the state treasury  
16       the current and returning resident down payment special fund,  
17       into which shall be deposited the following moneys:

18       (1) Appropriations made by the legislature to the special  
19       fund; and

20       (2) Repayments to the fund made pursuant to section  
21       201H-       (d).



1           (b) Funds in the special fund shall be used for the  
2 purposes of the current and returning resident down payment  
3 program."

4           SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$                   or so  
6 much thereof as may be necessary for fiscal year 2025-2026 for  
7 deposit into the current and returning resident down payment  
8 special fund.

9           SECTION 4. There is appropriated out of the current and  
10 returning resident down payment special fund the sum of  
11 \$                   or so much thereof as may be necessary for fiscal  
12 year 2025-2026 and the same sum or so much thereof as may be  
13 necessary for fiscal year 2026-2027 for the current and  
14 returning resident down payment program.

15           The sums appropriated shall be expended by the Hawaii  
16 housing finance and development corporation for the purposes of  
17 this Act.

18           SECTION 5. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$                   or so  
20 much thereof as may be necessary for fiscal year 2025-2026 and  
21 the same sum or so much thereof as may be necessary for fiscal



1 year 2026-2027 to establish two full-time equivalent (2.0 FTE)  
2 positions in the single-family housing finance unit of the  
3 Hawaii housing finance and development corporation to support  
4 the current and returning resident down payment program.

5 The sums appropriated shall be expended by the Hawaii  
6 housing finance and development corporation for the purposes of  
7 this Act.

8 SECTION 6. New statutory material is underscored.

9 SECTION 7. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:

*Kurt Ferrell*



# S.B. NO. 627

**Report Title:**

HHFDC; Current and Returning Resident Down Payment Program;  
Special Fund; Appropriations

**Description:**

Establishes within the Hawaii Housing Finance and Development Corporation a current and returning resident down payment program to provide matching funds for the down payment on a primary residence. Appropriates moneys and establishes positions.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

