

STAND. COM. REP. NO.

485

Honolulu, Hawaii

FEB 12 , 2025

RE: H.B. No. 1009
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1009 entitled:

"A BILL FOR AN ACT RELATING TO THE DWELLING UNIT REVOLVING FUND,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Codify the Dwelling Unit Revolving Fund Equity Pilot Program as a permanent program; and
- (2) Allow partial or full repayment of Dwelling Unit Revolving Fund interim loans by eligible developers in the form of unit equity through the Dwelling Unit Revolving Fund Equity Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one individual.

Your Committee finds that the high cost of housing is causing Hawaii residents, especially those in professions facing a shortage, such as teachers, health care workers, and law enforcement officers, to leave the State. To address this, the

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Legislature enacted Act 92, Session Laws of Hawaii 2023, which established the Dwelling Unit Revolving Fund Equity Pilot Program (Program). The Program allows residents to purchase a for-sale housing unit with Hawaii Housing Finance and Development Corporation's equity investment in the unit. Your Committee further finds that developers have shown strong interest in the Program, with three projects already participating. This measure will build on the success of the pilot program and make it permanent for the benefit of future projects.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Housing Finance and Development Corporation may purchase equity in for-sale housing development projects secured by a recorded instrument as determined by the Corporation;
- (2) Deleting language that would have authorized an eligible developer to repay, in the form of equity, a part or all of the interim financing made under the Program;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1009, H.D. 1, and be referred to your Committee on Finance.

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

ZMC

LUKE A. EVSLIN, Chair



