

STAND. COM. REP. NO.

731

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1408
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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1408, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS,"

begs leave to report as follows:

The purpose of this measure is to allow the Department of Hawaiian Home Lands to utilize the Dwelling Unit Revolving Fund as collateral when the Department acts as an eligible borrower for a loan agreement under section 184A of the federal Housing and Community Development Act of 1992, as amended.

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

Your Committee finds that Congress established the Section 184A Native Hawaiian Housing Loan Guarantee Program in 2000 in order to provide access to sources of private financing on Hawaiian home lands. Under that program, the Department of Hawaiian Home Lands is an eligible borrower and can use these funds to develop rental housing or to build single-family homes. Once the housing is developed, the native Hawaiian who is eligible to purchase the home can either assume the Section 184A loan or secure other financing to purchase the home.

2025-1786 HB1408 HD1 HSCR HMSO



Your Committee further finds, however, that the Hawaiian Homes Commission Act of 1920, limits what can be utilized as collateral to secure loans made by government agencies or private lending institutions to the Department. This measure authorizes the use of the Dwelling Unit Revolving Fund to allow the Department to secure private funding to develop rental housing or build single-family homes.

Your Committee notes that the Department of Hawaiian Home Lands should provide your Committee on Finance with a legal opinion on if the phrase "notwithstanding the Hawaiian Homes Commission Act of 1920, as amended", should be retained in this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1408, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



