

STAND. COM. REP. NO.

144

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 1229  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.  
No. 1229 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Make the Dwelling Unit Revolving Fund Equity Pilot Program permanent;
- (2) Authorize partial or full repayment of Dwelling Unit Revolving Fund (DURF) interim loans in the form of unit equity through the Dwelling Unit Revolving Fund Equity Program; and
- (3) Give preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2), Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, one member of the Maui County Council, Hawaii Appleseed Center for Law and Economic Justice, Hawai'i Community Foundation, and Holomua Collaborative.



Your Committee finds that Act 92, Session Laws of Hawaii 2023, established the Dwelling Unit Revolving Fund Equity Pilot Program, which authorized HHFDC to purchase a share of equity in units in certain for-sale developments and offer the units to residents working in a profession facing a shortage, who do not own any other real property, and receive no gift funds, thereby reducing the contribution made by the eligible buyers to make the units more affordable. Presently, three housing development projects are participating in the Equity Pilot Program with a total of \$7.4 million committed to existing projects. However, high interest rates have stalled certain for-sale housing projects. Therefore, making the Equity Pilot Program permanent and utilizing loans from DURF will ensure projects can proceed. Accordingly, this measure makes homeownership attainable for Hawaii's local working families while alleviating workforce shortages in the State's critical industries.

Your Committee has amended this measure by:

- (1) Clarifying that HHFDC may purchase equity in for-sale housing development projects secured by a recorded instrument as determined by HHFDC, rather than in the form of a second mortgage loan;
- (2) Deleting language that, with prior approval from HHFDC, would have authorized an eligible developer to repay, in the form of equity in project units under the program, a part or all of the interim financing made available under the program in favor of the amendments in section 2 of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, and be referred to your Committee on Ways and Means.



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

  
\_\_\_\_\_  
STANLEY CHANG, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SB 1229</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>1/30/25</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.				✓
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:

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\*Only one measure per Record of Votes