

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 572

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. 572 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Add loan funds administered by Nonprofit Community Development Financial Institutions (CDFIs) for certain for-sale affordable housing projects to the list of loan priorities for the Affordable Homeownership Revolving Fund (AHRF); and
- (2) Expand use of funds in the AHRF to allow financing as matching funds for CDFIs to mobilize other funding sources.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Habitat for Humanity Association, and Hawai'i Community Lending.

Your Committee finds that Act 227, Session Laws of Hawaii 2021, established the AHRF to offer loans to nonprofit CDFIs and nonprofit housing development organizations that develop affordable homeownership housing projects. With expanded access to additional capital from federal, private, and philanthropic



sources, for-sale projects funded with AHRF funds can achieve faster fund recapture through loan repayments, ensuring AHRF sustainability and longevity. Therefore, this measure mobilizes funding for homeownership projects that will increase the State's limited housing inventory.

Your Committee notes the testimony provided by the Hawaii Housing Finance and Development Corporation (HHFDC) at the public hearing on this measure. According to HHFDC, the AHRF received an initial appropriation of \$5 million. Presently, one project has received committed funding from the AHRF of approximately \$1.8 million for four units. The proposed loan terms for this project are structured as a construction loan to assist with the development on a draw down basis, with a ten-year term, to be repaid at one percent interest.

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. 572 and recommends that it pass Second Reading 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>SB572</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>1/30/25</b>
---	--	-------------------------

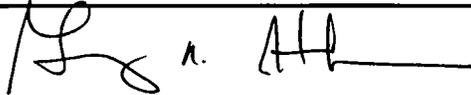
The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

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: 

Distribution:    Original    Yellow    Pink    Goldenrod  
 File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy

**\*Only one measure per Record of Votes**