

STAND. COM. REP. NO.

1473

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 477
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B.
No. 477, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the homeownership housing revolving fund to provide loans to nonprofit community development financial institutions and nonprofit housing development organizations to develop affordable homeownership housing projects under a self-help housing program in the State.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawaii Habitat for Humanity Association; Habitat for Humanity Hawaii Island, Inc.; Kauai Habitat for Humanity, Inc.; Hawaii Island HIV/AIDS Foundation; Hawaiian Community Assets; Building Industry Association Hawaii; Partners in Housing; Chamber of Commerce Hawaii; and five individuals. Your Committee received comments on this measure from the Hawaii HomeOwnership Center Housing and Land Trust.

Your Committee finds that the high cost of living coupled with the high cost of housing in the State have resulted in Hawaii having one of the lowest homeownership rates in the nation. The low rate of homeownership in the State is partially due to the



lack of construction and development of affordable for-sale housing units. Your Committee further finds that the self-help housing model is a cost-effective means of assisting low-income families to become homeowners. Self-help housing organizations utilize federal funding, supplemented by the recipient's own labor, to build an affordable housing unit for a family who would otherwise not be able to afford to purchase a home.

Your Committee additionally finds that qualified nonprofit housing trusts are another tool to help families by reducing housing costs significantly for income-qualified families. These nonprofit housing entities often utilize grants and other low-cost means of financing that require matching funds to acquire or development housing units. Your Committee notes that Senate Bill No. 878, S.D. 1 (Regular Session of 2019), which was previously heard and passed by your Committee, creates the foundation to assist residents of Hawaii to become homeowners by establishing a qualified nonprofit housing trust program.

Accordingly, your Committee has amended this measure by:

- (1) Inserting certain provisions from Senate Bill No. 878, S.D. 1, that:
 - (A) Establish a qualified nonprofit housing trust revolving fund and a qualified housing trust program for affordable for-sale housing development; and
 - (B) Appropriate funds into and out of the qualified nonprofit housing trust revolving fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that although the appropriation amounts for loans to nonprofit community development financial institutions or nonprofit organizations operating a self-help housing program are blank, the Hawaii Habitat for Humanity Association requests an appropriation of \$25,000,000 to establish the homeownership housing revolving fund to provide these loans.



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. 477, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 477, H.D. 1, 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
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* HB 477, HDI	Committee Referral: HOU, WAM	Date: 3/12/2019		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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