

SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 3 Date MAR 03 2020

TO: Senate Bill No. 2409, S.D. 2

SECTION 1. Senate Bill No. 2409, S.D. 2, is amended as follows:

1. By broadening the measure's scope to include current state residents among the persons eligible to apply for down payment assistance grants from the Hawaii Housing Finance and Development Corporation;

2. By deleting the contents of Senate Bill No. 2409, S.D. 2; and

3. By replacing the measure's contents with the following:

"SECTION 1. The legislature finds that the size of the State's population is declining. In fiscal year 2016-2017, the United States Census estimated that Hawaii had a net loss of 13,537 people. People who move away from Hawaii often cite Hawaii's high cost of living as the deciding factor in moving.

The legislature further finds that the relocation of individuals and families out of Hawaii causes economic, social, and cultural burdens for the State. The lack of frequent physical contact with family members can be traumatic, disruptive, and fragmenting to ohana. This erosion of kinship support networks among existing residents can even delay family-making decisions for younger generations when considering their ability to clothe, feed, and educate their future children.

The legislature further finds that many who move out of Hawaii are often the most skilled and educated members of the workforce since those individuals have the greatest opportunity



for career choices in the mainland United States. Failure to stem this loss represents a danger to Hawaii's economic future.

Additionally, the legislature finds that the problem of home affordability is not limited to former Hawaii residents who wish to return. Residents who choose to remain in the State are faced with single-family home prices that are significantly higher than those of most other cities in the United States. For example, Hawaii News Now reported in August 2019 that the median sale price of a single-family home on Oahu reached a new record high of \$835,000 in July 2019. The legislature further finds that high home prices, combined with the State's high cost of living, are significant factors that compel many Hawaii residents to leave the State, and that decisive action must be taken to slow this out-migration.

The purpose of this Act is to ease the burden of Hawaii's high cost of living for current residents and encourage former Hawaii residents to return to the State by establishing a program to assist qualifying individuals with down payments for the purchase of a primary residence.

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§201H-A Current and returning resident down payment program; established. (a) There is established the current and

returning resident down payment program, to be administered by the corporation. The program shall encourage former Hawaii residents to return to Hawaii, and assist current Hawaii residents in coping with the State's high cost of living, by awarding grants to assist with the down payment on the purchase of a primary residence that shall be a single family residence.

(b) Subject to available funds, the current and returning resident down payment program shall award grants of up to one dollar for each dollar of down payment made by a qualified applicant; provided that the total award to an applicant shall not exceed the lesser of ten per cent of the value of the single family residence to be purchased or \$50,000.

(c) To be eligible for an award under the current and returning resident down payment program, an applicant shall:

- (1) Have earned a high school diploma from a high school located in the State;
- (2) In the case of a former resident, have ceased residency in the State for the purpose of attending a four-year course of study leading to a baccalaureate degree at a college or university accredited by the United States Department of Education or other entity recognized by the corporation;



SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2020-2021 for deposit into the current and returning resident down payment special fund.


SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2020-2021 for the current and returning resident down payment program.

The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this Act.

SECTION 5. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2050."

Offered by:  () Carried
() Failed to Carry
() Withdrawn

