



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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JOSH GREEN, M.D.
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SYLVIA LUKE
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NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Commerce and Consumer Protection
Tuesday, March 21, 2023
2:00 p.m.
Conference Room 329**

**On the following measure:
S.B. 764 S.D. 1 H.D. 1, RELATING TO AFFORDABLE HOUSING**

Chair Nakashima and Members of the Committee:

My name is Nadine Ando and I am the Director for the Department of Commerce and Consumer Affairs ("Department"). The Department appreciates the amendments made in the H.D.1 and supports this bill.

The purposes of this bill are to: (1) allows a bank to invest, in aggregate, up to fifteen per cent of the bank's assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties without the approval of the commissioner of financial institutions; (2) authorize a bank to apply to the commissioner of financial institutions to invest up to twenty per cent of the bank's assets.

The Department fully supports the intent of the bill to encourage financing of low-income residential housing projects and notes that the department has in the past approved all requests for investment in low income housing projects requested by our banks.

Currently, if Hawaii's banks wanted to invest additional capital in affordable housing projects for tax credits, banks can use the "wild card" provision in the Chapter 412, HRS, to ask for the same treatment as national banks. National banks can invest up to 15% of capital and surplus with the OCC's approval for affordable housing projects. See 12 CFR 24.4. This wild card provision creates parity among all our state chartered and national chartered banks to have the same opportunity for investment in affordable housing projects.

The Department also notes that the FDIC currently allows a bank to invest, in aggregate, up to two per cent of the bank's total assets after application and meeting their review, approval and regulatory requirements contained in CFR Title 12, Chapter III, Subchapter B, Part 362. A bank would need to form a subsidiary with FDIC's approval and obtain prior written consent to determine if the bank will continue to meet applicable capital standards. To create parity with the same statutory authority as the FDIC's rule, we recommend that provisions of Part 362 be included in the bill should this option be adopted.

Thank you for the opportunity to provide comments for this bill.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

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HolomuaCollaborative.org

Page 1 of 2

Committee: House Committee on Consumer Protection & Commerce
Bill Number: SB 764, SD1, HD1 - Relating to Affordable Housing
Hearing Date and Time: March 21, 2023 at 2:00pm (Room 329)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members:

We write in support of SB 764, SD1, HD1, Relating to Affordable Housing. This bill will allow local financial institutions greater ability to take advantage of the Low-Income Housing Tax Credit (LIHTC) Program so they can finance more affordable housing for local working families. The bill would permit a bank to invest, in aggregate, up to fifteen per cent of the bank's assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties without the approval of the commissioner of financial institutions. It would also authorize a bank to apply to the commissioner of financial institutions to invest up to twenty per cent of the bank's assets. These actions will positively impact the lives of many families and individuals struggling to find affordable places to live.

Holomua Collaborative's mission is to support and advance public policies that make Hawai'i affordable for all working families. Providing housing that working families can afford is a central part of making this possible. For families from a variety of income levels, housing is simply out of reach for too many people in Hawai'i. The median middle class mean household income in 2019 in Hawai'i was just under \$67,000.¹ As of January 2023, the median price of a single family home on O'ahu was \$970,000.² The situation is not much better for renters. As of late last year, Honolulu was the third most expensive place to rent in the country, with the median rent for a two-bedroom unit coming out to about \$2,500 per month.³ The numbers simply do not pencil out for local families to be able to pay for housing, whether they rent or own.

¹ See <https://holomuacollaborative.org/resources/> ("Middle Class" households in Hawai'i are identified as those with an income ranging from two-thirds to double the state median household income, following the Pew Research Center's methodology in "[America's Shrinking Middle Class \(2016\)](#)).

² See "Honolulu real estate prices normalizing after pandemic frenzy," Hawai'i News Now, February 12, 2023 (<https://www.hawaiinewsnow.com/2023/02/12/honolulu-real-estate-prices-normalizing-after-pandemic-frenzy/>).

³ See "As Housing prices soar, Honolulu becomes the third most expensive place to rent in the country," Hawai'i News Now, August 2, 2022 (<https://www.hawaiinewsnow.com/2022/08/03/analysis-honolulu-is-now-nations-third-most-expensive-place-rent/>).

This is where the LIHTC Program comes in. It is a financing tool for private developers and non-profit entities to construct or rehabilitate affordable rental units. Federal and state tax credits are awarded by the Hawai'i Housing Finance and Development Corporation (HHFDC), and may be used to obtain a dollar for dollar reduction in income tax liability for 10 years for federal tax credits and 5 years for state tax credits.

The LIHTC tax credit is available only for units rented to low-income occupants. This means that a project must have: (1) at least 20% of its units rented to households with incomes of 50% or less of area median income; *or* (2) at least 40% of the units must be rented to households with incomes of 60% or less of area median income. Low-income rents are restricted based on the number of bedrooms in the unit and the area median income as established annually by the office of Housing and Urban Development (HUD). If the tenant pays for utilities, the rent must be adjusted by the applicable utility allowance.

While the program has proven successful, the ability of banks to participate is too limited. Currently, Hawai'i law prohibits a bank from aggregate investments in LIHTCs exceeding 10% of a bank's capital and surplus. This bill's increase of the LIHTC investment limit for local banks to 15% - with the ability to increase to 20% with the approval of the commissioner of financial institutions - will enable more investment in LIHTC projects, which will enable the construction of more affordable housing.

We are proud to support this bill and appreciate the opportunity to testify.

Sincerely,



Josh Wisch
President & Executive Director

Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

RE: **SB 764 SD1 HD1 - Relating to Affordable Housing – In Support
March 21, 2023; 2:00 P.M.; Conference Room 329**

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee:

Central Pacific Bank ("CPB") is submitting testimony in support of SB 764 HD1, which allows a bank to invest, in aggregate, up to fifteen percent of the bank's capital and surplus without the prior approval of the commissioner of financial institutions, and authorizes a bank to apply to the commissioner of financial institutions for approval to allow a bank to invest up to twenty percent of the bank's capital and surplus.

CPB is approaching its low-income housing tax credit ("LIHTC") cap. This bill will enable us to do more to support affordable housing in Hawaii. Due to CPB's size in relation to its current funding of LIHTC project investments and desire to fund future LIHTC projects, CPB needs the passage of this bill more than other banks who either do not invest in LIHTC or due to their larger size, have a larger LIHTC investment limit.

Safety and soundness are not compromised for the following reasons. The Hawaii Division of Financial Institution (DFI) and the Federal Deposit Insurance Corporation (FDIC) exercise strong oversight of banks. The DFI and FDIC examine CPB annually to ensure CPB operates in a safe and sound manner, which examinations include a review of CPB's LIHTC investments. If the DFI or FDIC were to have any concern over CPB's LIHTC investments or respecting any of CPB's other activities, the DFI and FDIC have within their supervisory authority and under State and Federal laws and regulations, the authority to limit, restrict or prohibit CPB's LIHTC investments.

CPB maintains strong investment protocols, to include rigorous due diligence and reviews of proposed LIHTC investments by internal committees, pursuant to established policies and procedures. For CPB invested LIHTCs, CPB conducts regular monitoring. CPB has not in its long history of investing in LIHTCs taken any loss and all its LIHTC investments have performed.

CPB has total loans of \$5.5 billion, total investment securities of \$1.3 billion and total assets of \$7.4 billion. Accordingly, with the bill's passage and increase in LIHTC investment limit, CPB's increase in LIHTC limit would not present any additional significant risk to the Bank.

CPB must and does, per DFI and FDIC laws and regulations, maintain safe and sound loan and investment criteria, policies, procedures and practices, which include internal executive and committee level reviews and monitoring, all of which is audited by

independent auditors both internal and external, which is overseen by an independent Board of Directors, and which are annually examined by the DFI and FDIC.

CPB requests your favorable consideration in passing this measure. As a bank founded by those intent on serving the underserved, we would like to be able to do more to support low income and affordable housing development for Hawaii residents. Thank you for your time and attention to this important matter.

Arnold Martines
President & Chief Executive Officer
Central Pacific Bank



Hunt Development Group, LLC
737 Bishop Street, Suite 2750
Honolulu, Hawai'i 96813
Office: 808-585-7900

Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Tuesday, March 21, 2023; 2:00 P.M.
Conference Room 329 & Videoconference

RE: SB 764 SD1 HD1 – Relating to Affordable Housing – IN SUPPORT

Aloha Chair Nakashima, Vice Chair Sayama and Members of the Committee:

Hunt Development Group, LLC and Hunt Capital Partners, LLC appreciate the opportunity to submit testimony in strong support of SB 764 SD1 HD1.

Hunt Capital Partners, LLC is a syndicator of federal and state low-income housing, historic and solar tax credits, raising over \$3 billion since its inception in 2010. Hunt Capital Partners, LLC has helped finance 19 developments in Hawaii, providing over 1,300 affordable homes since 2011.

We support any and all actions that would increase the ability of Hawaii banks to invest in low-income housing tax credits, and support more affordable housing in the state.

We ask for your favorable consideration in passing this measure.

Steven W. Colón
President – Hawaii Region
Hunt Development Group, LLC

Jeff Weiss
President
Hunt Capital Partners, LLC



CATHOLIC CHARITIES HAWAI'I

**TESTIMONY IN SUPPORT OF SB 764, SD1 HD1:
RELATING TO AFFORDABLE HOUSING**

TO: House Committee on Consumer Protection and Commerce
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, March 21, 2023 2:00 PM; CR 329 & via videoconference**

Chair Nakashima, Vice Chair Sayama, and Members, Committee on Consumer Protection and Commerce:

Thank you for the opportunity to provide testimony **in Support of SB 764, SD1, HD1** which increases the amount a bank can invest, to up to 15% - 20% of the bank's capital and surplus in limited partnerships, limited liability partnerships, and corporations formed to invest in residential properties that qualify for the federal Low Income Housing Tax Credit. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Hawaii's developers are ready to build affordable rentals for our struggling families and elders. The Hawaii Housing Finance and Development Corporation (HHFDC) receives many more applications than they can fund to build new rentals. More resources are needed to create the affordable rental projects that Hawai'i so desperately needs.

Catholic Charities Hawai'i supports this bill since it will enable banks to make more funds available for affordable housing projects. Currently banks are limited to 10 percent of their total capital. If increased to the proposed 15% percent of their own assets, the amounts available for affordable housing would increase exponentially. Authorizing a bank to apply to the Commissioner of Financial Institutions for approval to invest up to 20% of their own assets in affordable housing, would provide some oversight for this higher amount.

We must seek new and creative ways to fund the massive construction needed to provide sufficient inventory to meet the needs of our residents. We urge your support of this bill as one more tool the State can use to create more affordable housing.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813 if you have any questions.





SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 20, 2023

TO: Representative Mark Nakashima
Chair, Committee on Consumer Protection and Commerce

FROM: Mihoko E. Ito / Tiffany N. Yajima

RE: **S.B. 764 SD1 HD1 Relating to Affordable Housing**
Hearing Date: Wednesday, March 21, 2023 at 2:00 p.m.
Conference Room 329 & Videoconference

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

We submit the following testimony in **support** of S.B. 764 SD1 HD1 on behalf of the Hawaii Bankers Association (HBA). This bill proposes to allow a bank to invest, in aggregate, up to fifteen per cent of the bank's assets in affordable housing residential properties without the approval of the commissioner of financial institutions and authorizes a bank to apply to the commissioner of financial institutions to invest up to twenty per cent of the bank's assets.

HBA is supportive of efforts to increase opportunities to invest in affordable housing projects and supports the compromise as set forth in the HD1 version of this measure. Banks, here and on the continent, have long provided services for low to moderate income communities (LMI). The Community Reinvestment Act (CRA) is the bulwark of such LMI support by banks and the Affordable Housing Tax Credit Coalition wrote in 2020 that 73% of housing credit investment comes from banks motivating CRA requirements.

Under the current law, banks are permitted to invest up to 10% of their capital and surplus in low income housing tax credit projects, and must obtain approval from DFI if the bank's investments exceed 5% of capital and surplus. An increase to 15% will align Hawai'i with the main federal banking regulators (OCC and FRB) and most Western states which all have a 15% capital and surplus limit. The OCC and FRB supervise a vast majority of banks with the capacity to invest in affordable housing projects, and the OCC supervises financial institutions that conduct about 70% of banking activity.

For the three state banks (assets over \$7 billion), an increase to allowing for the investment of 15% of capital and surplus will provide for a 50% increase in the capacity of Hawai'i banks to invest in low to moderate income projects for affordable housing, including affordable rentals, without compromising safety and soundness of financial institutions in Hawaii. The 15% limit will increase their capacity to a maximum of \$203 million, which is close to the 2018 legislative appropriation to the Hawaii Housing Finance Development (HHFDC), our state's housing agency.

We believe that increasing the investment limit to 15% of capital and surplus as proposed in this bill protects the safety and soundness of a bank, and the risk caused by the lack of diversity of investments, and helps to ensure that the Division of Financial Institutions will still be able to receive its franchise tax revenue.

Thank you for the opportunity to submit testimony regarding this measure.



March 20, 2023

Committee: House Committee on Consumer Protection & Commerce
Bill Number: SB 764 HD1, Relating to Affordable Housing
Hearing Date and Time: March 21, 2023, 2:00pm
Re: Testimony of HPM Building Supply in support

Dear Chair Nakashima, Vice Chair Sayama, and members of the Committee,

I am writing to express my strong support for SB 764 HD1 which allows a bank to invest, in aggregate, up to fifteen per cent of the bank's total assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties and requires approval from the commissioner of financial institutions for up to twenty per cent of the bank's assets.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 17 locations across Hawaii and Washington State, we offer various services and products, including retail stores, building supply and lumber yards, Home Design Centers, drafting, design, roofing, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities. The company is guided by its core values of Heart, Character, and Growth, striving to provide top-quality products and exceptional customer service. HPM has earned recognition as a leader in the industry for its products, services, and commitment to its community.

SB 764 HD1 represents a significant opportunity for financial institutions to play a role in addressing the shortage of affordable housing in Hawaii. The bill will allow these institutions to support construction of affordable housing, which will positively impact the lives of many families and individuals struggling to find affordable places to live.

The Low Income Housing Tax Credit (LIHTC) program, enables developers to provide affordable rental housing to local families and kupuna. LIHTC provides long-term, subsidized, rent-restricted housing for low-income households with incomes up to 80% of the area median income (AMI). The program provides a dollar-for-dollar reduction in federal income tax liability for developers, leveraging federal subsidies for Hawaii. The program also supports jobs in Hawaii, as LIHTC projects are built by local union laborers, including plumbers, steamfitters, and metal workers.

Currently, local banks are limited by Hawaii law in investing in LIHTCs. This bill increases the LIHTC investment limit for local banks to a level already permitted by the federal government, enabling more investment in LIHTC projects. LIHTC is the federal government's primary program for encouraging private investment in the development of affordable rental housing for low-income households and has successfully attracted private dollars to create affordable housing.

In the past couple of years, we have seen an increase in demand for subsidized rental housing, and the demand for investment in LIHTC projects has expanded. There have been LIHTC projects on all islands, including over 10 projects on the Island of Hawaii, 4 projects on Kauai, 12 projects on Maui, and 17 projects throughout Oahu.

We respectfully request your favorable consideration of SB 764 HD1 and support for this critical measure. The bill will allow local banks to invest in LIHTC projects and support the creation of more affordable housing for our communities.

Sincerely,

Jason Fujimoto
President & CEO





Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Consumer Protection & Commerce Tuesday, March 21, 2023, at 2:00pm Conference Room 329 & Videoconference

RE: SB 764 SD1 HD1 Relating to Affordable Housing

Aloha Chair Nakashima, Vice Chair Sayama, and members of the committee,

The Chamber of Commerce Hawaii ("The Chamber") **supports SB 764 SD1, HD1**, which allows a bank to invest, in aggregate, up to two per cent of the bank's total assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties. Requires approval from the commissioner of financial institutions to exceed this amount.

When polling our membership on issues that affect the economy, affordable housing and the cost of living always rise to the top. A 2019 study commissioned by DBEDT noted that the State will need an additional 50K new housing units by year 2025 (Oahu needing 22K new housing units, Hawaii Island needing 13K new housing units, Maui County needing 10K new housing units, Kauai needing 4K new housing units). Over 60% of the new housing units need is for residents at or below 80% of Area Median Income (AMI) in Hawaii.

While home ownership is a goal that many people in our state are striving for, renting a home in Hawaii is still unaffordable, and only getting worse. The annual cost reaching \$30K compared to annual salaries of \$60K. Per a 2021 study by NiceRx the average cost of rent in Hawaii was \$29,772 with residents spending about 49.3% of their income on rent, well above the 30% guideline for spending on housing costs. Hawaii residents are spending 49.3% of their salaries, virtually half of their earnings, just to cover the cost of rent. Those residents earning below 80% of AMI are unable to secure affordable housing.

Many of our businesses in the community are stepping up to solve the affordable housing crisis. Our local banks are interested in investing in affordable housing residential properties to drive the cost down for all our residents. This bill increases the Low Income Housing Tax Credit investment limit for local banks to a level already permitted by the federal government. Without the lending support of local banks, Low Income Housing Tax Credit development in Hawaii is unnecessarily limited. Affordable housing is crucial to serve our workforce needs and to keep businesses thriving.

Overall, we need our business community to be a part of the solution when addressing societal problems. Affordable housing is not only economic issue, but a human issue. The Chamber of Commerce Hawaii supports our local banks addressing the issue by investing more in projects throughout the state, including our neighbor islands.



Chamber *of* Commerce HAWAII

The Voice of Business

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.

SB-764-HD-1

Submitted on: 3/20/2023 2:44:43 PM

Testimony for CPC on 3/21/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ed Schultz	Hawaiian Host Group	Support	Written Testimony Only

Comments:

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members:

We write in support of SB 764, Relating to Affordable Housing. The purpose of SB 764 is to allow a bank to invest in residential properties that will qualify for the low-income housing tax credit (LIHTC).

Hawaiian Host Group is the states largest food manufacturer since 1927, and we are proud to employ over 250 people who work in food facilities and offices in Honolulu and Hilo. Being a longtime employer of so many people in Hawai‘i, we know how important it is for all working families to have access to affordable living. The LIHTC program aids local banks with greater capacity to invest in projects assisted through the low income housing tax credit program which will help local developers meet the community’s need for more affordable housing.

We support SB 764 and appreciate the opportunity to testify.



600 Puuloa Road | Honolulu, HI 96819 | 808.831.2600

March 20, 2023

Committee: Senate Committee on Commerce and Consumer Protection
Bill Number: SB 764 Related to Affordable Housing (LITHTC)
Date and Time: March 21 at 2pm
Re: Testimony of JN Group Support

JN Group supports HB 764 which allows banks to invest up to 2% of their assets into affordable housing projects.

JN Group was founded in 1961, employs 300 local family members, and the many other local small businesses who provide services and products to our automotive, motorcycle, and retail businesses here in Hawaii.

Many of our employees struggle with housing security and their inability to find affordable homes in our communities. In an effort to retain our best and brightest, and generational talent, HB 764 helps support this evident need.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Nicolai', written over a white background.

Brad Nicolai
President and CEO



**TITLE GUARANTY
HAWAII**

March 20, 2023

Committee: House Committee on Consumer Protection and Commerce
Bill Number: SB 764, SD1, HD1, Relating to Affordable Housing
Hearing Date & Time: March 21, 2023 at 2:00 PM (Room 329)
Re: Testimony of Title Guaranty of Hawai'i in support

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members:

We write in support of SB 764, SD1, HD1, Relating to Affordable Housing. The purpose of SB 764 is to allow a bank to invest in residential properties that will qualify for the low-income housing tax credit (LIHTC).

Title Guaranty of Hawai'i is the state's oldest and largest title company. We have been owned and operated by a kama'aina family since 1896, and we are proud to employ over 300 people who work in our branches all across the state. Being a longtime employer of so many people in Hawai'i, we know how important it is for all working families to have access to affordable living. The LIHTC program aids local banks with greater capacity to invest in projects assisted through the low-income housing tax credit program which will help local developers meet the community's need for more affordable housing.

We support SB 764 and appreciate the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike B. Pietsch', written in a cursive style.

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i





MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 329
TUESDAY, MARCH 21, 2023 AT 2:00 P.M.**

To The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair
Members of the committee on Consumer Protection & Commerce

SUPPORT FOR SB764 SD1 HD1 RELATING TO AFFORDABLE HOUSING

The Maui Chamber of Commerce **supports SB764 SD1 HD1** which allows a bank to invest, in aggregate, up to fifteen per cent of the bank's assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties without the approval of the commissioner of financial institutions; and authorizes a bank to apply to the commissioner of financial institutions to invest up to twenty per cent of the bank's assets.

The Chamber can agree with this proposal because it will allow banks more flexibility in funding affordable housing projects.

For this reason, we **support SB764 SD1 HD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Housing Hawaii's Future
PO Box 3043
Honolulu, HI 96802-3043

March 21, 2023

Dear Chair Nakashima, Vice Chair Sayama, and members of the Consumer Protection & Commerce Committee,

Housing Hawai'i's Future is a movement led by young locals who will create opportunities for Hawai'i's next generation by ending the workforce housing shortage.

On behalf of Housing Hawai'i's Future, **I write in SUPPORT of SB 764**, allowing banks to invest, in aggregate, up to fifteen per cent of their assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties

One of the rate limiting factors for new construction and rehabilitation of affordable housing units is access to capital.

SB764 increases the available supply of capital.

Please support SB 764.

Thank you,

A handwritten signature in black ink that reads "Sterling Higa".

Sterling Higa
Executive Director
Housing Hawai'i's Future

sterling@hawaiisfuture.org

+1 (808) 782-7868

hawaiisfuture.org