Honolulu, Hawaii

March 21

, 2014

RE: S.B. No. 2266

S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2266, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to finance the development of affordable rental housing and associated infrastructure by authorizing the issuance of general obligation bonds to fund the Rental Housing Trust Fund and the Dwelling Unit Revolving Fund.

The Hawaii Housing Finance and Development Corporation, Chamber of Commerce of Hawaii, Hawai'i Appleseed Center for Law and Economic Justice, Partners in Care, PHOCUSED, Hawaii Primary Care Association, Community Alliance for Mental Health, United Self Help, Catholic Charities Hawaii, Hawaii Association of REALTORS, Hawaii Catholic Conference, and Land Use Research Foundation of Hawaii provided testimony in support of this measure. The Department of Budget and Finance and Building Industry Association of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

(1) Authorizing mixed-use developments encompassing commercial or revenue generating opportunities in conjunction with affordable rental projects on the same site;

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- (2) Authorizing an exemption from the general excise tax, but not from county surcharges, for affordable housing development as mixed-use projects situated in location-efficient areas;
- (3) Requiring state agencies within such location-efficient areas to enter into a memorandum of understanding with the Department of Business, Economic Development, and Tourism to develop at least one mixed-use project in the area, unless exempted by the Department; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2266, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2266, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

MARK J. HASHEM, Chair

## State of Hawaii House of Representatives The Twenty-seventh Legislature HSCR 1172-14

## **Record of Votes of the Committee on Housing**

Bill/Resolution No.: Sb 2266 SD 1	Committee Referral: HSG, FIN	) Dat	te: 3 - 17 - 14	4
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)			, 225	
2. WOODSON, Justin H. (VC)				
3. BELATTI, Della Au				
J. DELATTI, Della Au				
4. CARROLL, Mele				
5. CREAGAN, Richard				
6. JORDAN, Jo				
7. KOBAYASHI, Bertrand				
1. KODATASIII, Betti aliu				
8. MORIKAWA, Dee				
9. OSHIRO, Marcus R.				
10. MATSUMOTO, Lauren Kealohil	ani \			
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TOTAL (10)	7	ø	Ø	3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				