STAND. COM. REP. NO.



Honolulu, Hawaii

MAR 2 4 2023

RE: H.B. No. 678 H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 678, 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 require the counties to issue affordable housing credits for affordable housing units that are constructed pursuant to chapter 201H, Hawaii Revised Statutes, until June 30, 2028.

Your Committee received testimony in support of this measure from NAIOP Hawaii; NAIOP Hawaii Developing Leaders; 'Ikenākea Development, LLC; American Savings Bank; Highridge Costa Development Company; Housing Hawai'i's Future; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Housing Finance and Development Corporation. Your Committee received comments on this measure from the Office of Housing and Community Development of the County of Hawaii, Maui Chamber of Commerce, and one individual.

Your Committee finds that the State is in a housing crisis and that additional housing units will need to be immediately developed in mass quantities to meet the projected demand. Your Committee recognizes that the recent increases in home loan and construction loan interest rates have neutralized the incentives



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for market developers to build income-specified housing units under chapter 201H, Hawaii Revised Statutes. Housing credits help provide an opportunity to alleviate some of the strain on the current availability of resources to finance important housing projects with less risk. This measure is intended to encourage the production of more affordable units in the State through the creation of a temporary affordable housing credit program that provides affordable housing credits to eligible developers of residential projects that are required to be sold or rented to individuals within a specific income range.

Your Committee has amended this measure by:

- Amending language to allow the Hawaii Housing Finance and Development Corporation to enter into memorandums of agreement with any county;
- (2) Inserting an effective date of January 1, 2024; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 678, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 678, 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,

Chai



The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Housing HOU

Bill / Resolution No.:*	Committee Referral:			Date:	
HB 678, HDI	HOU, WAM			03/21/2023	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
CHANG, Stanley (C)					
KANUHA, Dru Mamo (VC)					
AQUINO, Henry J.C.					
RHOADS, Karl					
AWA, Brenton					
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TOTAL					
Recommendation: Not Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Re	eport (Yellow Clerk's Office	Pink Drafting Ager		denrod e File Copy

*Only <u>one</u> measure per Record of Votes