

Honolulu, Hawaii

APR 28 2023

RE: S.B. No. 764
S.D. 1
H.D. 3
C.D. 1

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

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 764, S.D. 1, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose and intent of this measure is to:

- (1) Allow a bank to invest, in aggregate, up to fifteen per cent of the bank's capital and surplus in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties without the prior approval of the Commissioner of Financial Institutions (Commissioner) or an after-the-fact notice; and



- (2) Authorize an eligible bank to either:
- (A) Apply to the Commissioner to allow the aggregate amount invested to exceed fifteen percent, but not more than twenty percent, of the bank's capital and surplus; or
 - (B) Make an investment exceeding fifteen percent, but not exceeding twenty percent, of the bank's capital and surplus without prior notification to, or approval by, the Commissioner if the eligible bank submits an after-the-fact notice.

Your Committee on Conference finds that the State is presently facing a housing shortage and is in need of creative options to promote investment in the development of low-income affordable housing rental units. Existing law limits the amount that a bank may invest in entities formed to invest in residential properties that qualify for federal Low-Income Housing Tax Credits. This measure encourages the financing of affordable residential housing projects by increasing the low-income housing tax credit investment limit for local banks to a level already permitted by the federal government.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have authorized an eligible bank to apply to the Commissioner to allow the aggregate amount invested to exceed fifteen percent, but not more than twenty percent, of the bank's capital and surplus;
- (2) Making it effective upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

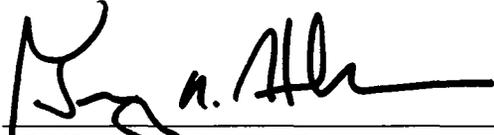
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 764, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 764, S.D. 1, H.D. 3, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



TROY N. HASHIMOTO
Co-Chair



MARK M. NAKASHIMA
Co-Chair



KYLE T. YAMASHITA
Co-Chair



STANLEY CHANG
Chair



JARRETT KEOHOKALOLE
Co-Chair



Hawai'i State Legislature

CCR 100

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 764, SD 1, HD 3	Date/Time: 4/27/23, 10:38am
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
CHANG, Stanley, Chr.	✓				HASHIMOTO, Troy N., Co-Chr.	✓			
KEOHOKALOOLE, Jarrett, Co-Chr.	✓				NAKASHIMA, Mark M., Co-Chr.				✓
AQUINO, Henry J.C.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
					AIU, Micah P.K.	✓			
					MATSUMOTO, Lauren	✓			
TOTAL	3				TOTAL	4			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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