

STAND. COM. REP. NO.

1319

Honolulu, Hawaii

MAR 17, 2023

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

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 764, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow a bank to invest, in aggregate, up to two percent of the bank's total assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing properties; and
- (2) Require approval from the Commissioner of Financial Institutions to exceed that amount.

Your Committee received testimony in support of this measure from Central Pacific Bank; Housing Hawai'i's Future; Chamber of Commerce Hawaii; NAIOP Hawaii; HPM Building Supply; EAH Housing; Ahe Group; Catholic Charities Hawai'i; Hunt Development Group, LLC; Hunt Capital Partners, LLC; Holomua Collaborative; Title Guaranty of Hawai'i; Roman Catholic Church in the State of Hawaii; Maui Chamber of Commerce; and Avalon Development Company LLC. Your Committee received testimony in opposition to this measure from

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the Hawaii Bankers Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Credit Union League.

Your Committee finds that existing law allows a bank to invest its own assets in limited partnerships, limited liability partnerships, limited liability companies, or corporations formed to invest in residential properties that qualify for the federal Low Income Housing Tax Credit. This measure will encourage banks to invest into more affordable housing projects, thereby helping with the housing shortage in the State.

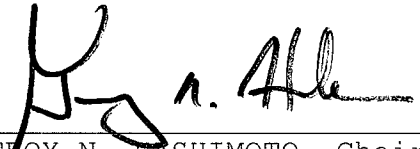
Your Committee has amended this measure by:

- (1) Allowing a bank to invest, in aggregate, up to fifteen percent of the bank's capital and surplus without the approval of the Commissioner of Financial Institutions;
- (2) Authorizing a bank to apply to the Commissioner of Financial Institutions for approval for the bank to invest up to twenty percent, in aggregate, of the bank's capital and surplus and specifying that the application shall be deemed approved if the Commissioner does not render a decision within twenty days;
- (3) Specifying that a bank shall not invest more than twenty percent, in aggregate, of the bank's capital and surplus;
- (4) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (5) 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. 764, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 764, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



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

  
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TROY N. HASHIMOTO, Chair



