

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 764

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 Commerce and Consumer Protection, to which was referred S.B. No. 764 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow banks in the State 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 residential properties; and
- (2) Require approval from the Commissioner of Financial Institutions to exceed this amount.

Your Committee received testimony in support of this measure from Central Pacific Bank, EAH Housing, Housing Hawai'i's Future, HPM Building Supply, Hawai'i Association of REALTORS, and Ahe Group. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the State needs up to 45,497 additional housing units to meet demand in Hawai'i by 2030. Your Committee additionally finds that Hawaii is presently facing a housing shortage across the islands and is especially in need of



creative options to promote investment in the development of low-income affordable housing rentals. This measure increases the low-income housing tax credit investment limit for local banks to a level already permitted by the federal government to increase the available supply of capital, which will reduce unnecessary constraints in addressing soaring demand for affordable rental housing.

Your Committee has amended this measure by inserting an effective date of July 1, 2050 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 764, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



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JARRETT KEOHOKALOLE, Chair



