STAND. COM. REP. NO. 755

Honolulu, Hawaii MAR 0 3 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



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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,

JARRETT KEOHOKALOLE, Chair



## The Senate Thirty-Second Legislature State of Hawai'i

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## Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee		Da	ate:	1
SB764	Hov,	CPN		2/21	1-3
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 (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)		V			
FUKUNAGA, Carol (VC)					
MCKELVEY, Angus L.K.					~
RICHARDS, III, Herbert M. "Tim"		~		ļ	
AWA, Brenton				~	
TOTAL		3	0	/	(
Recommendation:					
Chair's or Designee's Signature:					
Cand John age					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

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