

Honolulu, Hawaii

APR 26 2024

RE: S.B. No. 1170
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
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. 1170, S.D. 2, H.D. 1, entitled:

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

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 of this measure is to require the counties to issue affordable housing credits for affordable housing units that are constructed under the various programs of the Hawaii Housing Finance and Development Corporation.

Your Committee on Conference finds that the current high interest rate environment is negatively impacting the Hawaii Housing Finance and Development Corporation's production of affordable housing in the State. To promote housing production at the county level, this measure will provide a pathway for housing to be built at a lower cost and provides a means for developers to fulfill their



affordable housing requirements with less risk and increase the State's housing supply.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have allowed a county to impose a geographic constraint on the transfer of affordable housing credits with a minimum radius of five miles by public road;
- (2) Inserting language allowing the credits to be applied to satisfy up to fifty percent of the affordable housing obligations imposed by the county for each market-priced residential or non-residential development, unless the county allows for more than fifty percent as provided by county ordinance, rules, or any memoranda of agreement between the county and the Hawaii Housing Finance and Development Corporation;
- (3) Inserting language requiring that, prior to the issuance of an affordable housing credit, an agreement, including affordable housing-related agreements between a county or the Hawaii Housing Finance and Development Corporation and an eligible developer, shall be executed and include language requiring:
 - (A) A new and sequential identification number of at least four digits in length for each affordable housing credit to be issued within each county for tracking purposes;
 - (B) An agreement to be recorded on title of at least one parcel or tax map key of the originating housing project, as defined in section 201H-1, Hawaii Revised Statutes; and
 - (C) The prompt amendment of an agreement when an affordable housing credit originally generated by a housing project is sold, transferred, or utilized to create an easily auditable trail of ownership;
- (4) Changing the sunset date from June 30, 2031, to July 1, 2031;
- (5) Making it effective upon its approval; and



- (6) 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. 1170, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1170, S.D. 2, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



LUKE A. EVSLIN
Co-Chair



MICAH AIU
Co-Chair



STANLEY CHANG
Chair



DRU KANUHA
Co-Chair



**Record of Votes of a
Conference Committee**

Bill / Concurrent Resolution No.: SB 1170, SD 2, HD 1	Date/Time: 4/26/24, 11:06am
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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.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
CHANG, Stanley, Chr.	✓				EVSLIN, Luke A., Co-Chr.	✓			
KANUHA, Dru Mamo, Co-Chr.	✓				AIU, Micah P.K., Co-Chr.	✓			
HASHIMOTO, Troy N.	✓				MIYAKE, Tyson K.	✓			
					MORIKAWA, Dee	✓			
					MATSUMOTO, Lauren	✓			
TOTAL	3				TOTAL	5			

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

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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