

STAND. COM. REP. NO. 2138

Honolulu, Hawaii

FEB 06 2024

RE: S.B. No. 2133

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 2133 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Housing Finance and Development Corporation (HHFDC) to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects;
- (2) Exempt bonds issued by HHFDC for improvements by assessments, and the interest thereon, from state, county, and municipal taxation, with certain exceptions;
- (3) Include proceeds from bonds issued for regional state infrastructure projects as a source of revenue for regional state infrastructure subaccounts; and
- (4) Authorize regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation,



Office of Planning and Sustainable Development, and one individual.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the cost of off-site infrastructure is a major barrier to the development of housing statewide. These costs are typically paid by private housing developers who, in turn, pass them on to homebuyers or renters. This measure provides a much-needed predictable revenue source to help finance regional public infrastructure to facilitate transient-oriented development and affordable housing production in the State.

Your Committee notes the concerns raised in testimony that bonds issued by the State require a reliable source of revenue for the repayment of the bonds. According to testimony received by your Committee, the HHFDC will use the assessments to repay the bonds.

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. 2133 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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


STANLEY CHANG, Chair



