

Honolulu, Hawaii

FEB 07 2025

RE: S.B. No. 24

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Housing and Commerce and Consumer
Protection, to which was referred S.B. No. 24 entitled:

"A BILL FOR AN ACT RELATING TO LIMITED-PROFIT HOUSING
ASSOCIATIONS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an organizational, tax, and regulatory framework for limited-profit housing associations; and
- (2) Establish the Limited-Profit Housing Council to oversee limited-profit housing associations.

Your Committees received testimony in support of this measure from one individual.

Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that limited-profit housing associations are private companies that develop and manage residential housing units that are characterized by a distinct business model wherein profits are revolved to finance the future of affordable housing construction. Additionally, rents for units in a development owned by a limited-profit housing association are fixed to account



for costs such as construction, operating and management, and routine repair and maintenance. As limited-profit housing associations are restricted in the types of activities that may be undertaken and rent amounts that may be collected, this model offers the State an opportunity to incentivize the development of housing at the scale needed to address the state's ongoing housing shortage.

Your Committees have amended this measure by:

- (1) Deleting references to "affordable housing" and instead using the term "housing developed exclusively for qualified residents as defined in section 201H-32, Hawaii Revised Statutes"; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 24, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 24, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

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


JARRETT KEOHOKALO, Chair
STANLEY CHANG, Chair

Record of Votes Committee on Housing HOU

*Only one measure per Record of Votes

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB24</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HOV/CPN, WAM/JDL</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">1/29/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton				✓
TOTAL	3	0	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

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