

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 3025
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3025, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that the issuance of affordable housing credits by the counties to the Department of Hawaiian Home Lands applies to the issuance of credits for each single-family residence, multi-family unit, other residential unit, or if allowed under the county's affordable housing program, vacant lot, developed by the Department of Hawaiian Home Lands, under specified conditions and requirements.

Two concerned individuals supported the measure. The Kauai County Housing Agency opposed the measure. The Department of Hawaiian Home Lands, Department of the Attorney General, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Retaining language requiring the affordable housing credit to be transferable and to be issued on a one-unit for one-unit basis;
- (2) Requiring, rather than authorizing, that the affordable housing credits be issued for each single-family



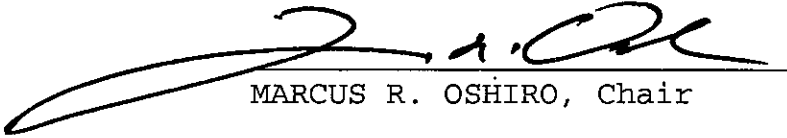
residence, multi-family unit, or other residential unit, or if allowed under the county's affordable housing programs, vacant lot, developed by the Department of Hawaiian Home Lands;

- (3) Deleting specific conditions and requirements in which affordable housing credits may be issued, such as for-sale units or lots and land leased in perpetuity, qualifying criteria for the county's affordable housing programs, and income level of the purchaser;
- (4) Deleting language that required the credit to apply only to Department of Hawaiian Home Lands households earning 120 percent or lower of the respective county median income;
- (5) Retaining the words "market price" and deleting the word "affordable" as it relates to the residential and non-residential developments;
- (6) Providing that county-wide and project-specific housing class, use, or type requirements, among other requirements already stated in the measure, shall not be applied to impair, restrict, or condition the county's obligation to apply the credits in full satisfaction of "all county requirements";
- (7) Changing the effective date to upon its approval; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3025, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3025, S.D. 2, H.D. 2.



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



MARCUS R. OSHIRO, Chair



Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 3025 SD2 HD1	Committee Referral: HSG/HAW, FIN	Date: 4/4/12
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHOY, Isaac W.	✓			
4. CULLEN, Ty	✓			
5. GIUGNI, Heather	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. ICHIIYAMA, Linda	✓			
9. JORDAN, Jo	✓			
10. KAWAKAMI, Derek S.K.	✓			
11. LEE, Chris	✓			
12. MORIKAWA, Dee		✓		
13. TOKIOKA, James Kunane	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene	✓			
TOTAL (17)	16	1	0	0

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: Marilyn B. Lee

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