

Honolulu, Hawaii
April 4, 2014

RE: S.B. No. 2266
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2266, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to promote efficient housing growth in the State by:

- (1) Authorizing mixed-use developments encompassing commercial or revenue generating opportunities in conjunction with affordable rental projects on the same site;
- (2) Authorizing an exemption from the general excise tax, but not from county surcharges, for affordable housing development as mixed-use projects situated in location-efficient areas;
- (3) Requiring state agencies within such location-efficient areas to enter into a memorandum of understanding with the Department of Business, Economic Development, and Tourism to develop at least one mixed-use project in the area, unless exempted by the Department; and

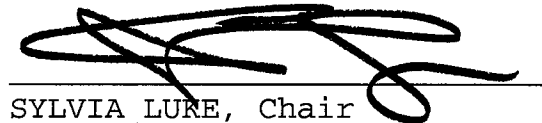


- (4) Financing the development of affordable rental housing and associated infrastructure by authorizing the issuance of general obligation bonds to fund the Rental Housing Trust and the Dwelling Unit Revolving Fund.

The Chamber of Commerce Hawaii, PHOCUSED, and an individual testified in support of this measure. The Department of Taxation, Hawaii Housing Finance and Development Corporation, Department of Budget and Finance, and Tax Foundation of Hawaii provided comments on this measure.

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. 2266, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LURE, Chair



