

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 488  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 488, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the availability of and access to housing stock in the State.

Specifically, this measure:

- (1) Specifies that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and to passive activity losses do not apply with respect to claims from the state low-income housing tax credit;
- (2) Authorizes the issuance of general obligation bonds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing improvements, renovations, and security upgrades; and
- (3) Appropriates funds for deposit into the dwelling unit revolving fund to support housing development.



Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority; Hawaii Housing Finance and Development Corporation; Hawaii State Judiciary; Hawaii Operating Engineers Industry Stabilization Fund; EAH Housing; InState Partners; Hawaii Construction Alliance; Faith Action for Community Equity; Hawaii Habitat for Humanity Association, Inc.; FACE/Housing Now Coalition; DeBartolo Development; Hawaii Association of Realtors; FACE Maui; Partners in Care; Catholic Charities Hawaii; The Community Health Outreach Work to Prevent AIDS Project; Stanford Carr Development, LLC; Pacific Resource Partnership; IMUAlliance; Michaels Development Company; Chamber of Commerce Hawaii; PHOCUSED; Land Use Research Foundation of Hawaii; and four concerned individuals.

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

Your Committee finds that increasing access to affordable housing in Hawaii is a priority for the State. Your Committee further finds that current limitations on low-income housing tax credits exclude many individuals and small businesses from participation.

Your Committee is concerned about cash balances in the rental housing revolving fund, the dwelling unit revolving fund, and the Hula Mae fund. Quicker disbursement of funding will promote more housing development and a healthier economy for all Hawaii residents. Affordable housing advocates should be made aware of this issue, and your Committee encourages advocates to undertake efforts to support more expeditious expenditures by the Hawaii Housing Finance and Development Corporation.

Your Committee also believes it is more appropriate to address appropriations for housing projects through the executive budget.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language authorizing the issuance of general obligation bonds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing improvements, renovations, and security upgrades;



- (2) Deleting language appropriating funds for the dwelling unit revolving fund;
- (3) Providing that the amendments made to the low-income housing tax credit in section 2 of the measure will apply to qualified low-income buildings awarded credits beginning after December 31, 2050, rather than December 31, 2017, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 488, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 488, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,




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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 488, HD2, SD1	HOU/HMS, WAM	4/3/17
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
	Nay	Excused
TOKUDA, Jill N. (C)	/	
DELA CRUZ, Donovan M. (VC)	/	
ENGLISH, J. Kalani	/	
GALUTERIA, Brickwood	/	
HARIMOTO, Breene	/	
INOUYE, Lorraine R.	/	
KAHELE, Kaiali'i	/	
RIVIERE, Gil	/	
SHIMABUKURO, Maile S.L.	/	
TANIGUCHI, Brian T.	/	
WAKAI, Glenn	/	
<b>TOTAL</b>	11	
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

\*Only one measure per Record of Votes