

Honolulu, Hawaii

March 2, 2018

RE: H.B. No. 2330

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2330, 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 address Hawaii's affordable housing needs by:

- (1) Expanding the general excise tax exemption for affordable rental housing projects developed under certain Hawaii Housing Finance and Development Corporation (HHFDC) or county public works contracts by removing limits on eligible costs and extending the exemption approval and certification period for the housing projects to June 30, 2026;
- (2) Specifying that the tax exemption applies to new construction and substantial rehabilitation projects that provide affordable rental housing;
- (3) Prohibiting project owners from refusing to lease affordable rental housing project units to qualified applicants solely because the applicant holds a voucher or certificate of eligibility under the federal Section 8 Housing Choice Voucher Program; and

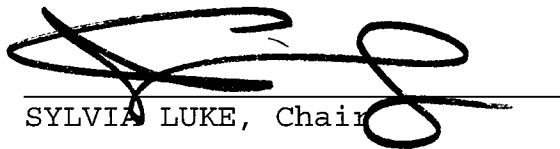


- (4) Making permanent statutory provisions defining the required wages for laborers and mechanics on HHFDC projects eligible for the tax credits.

The Office of the Governor; Department of Taxation; Department of Business, Economic Development and Tourism; HHFDC; Hawaii Public Housing Authority; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii; Pacific Resource Partnership; Hawaii Self Advocacy Advisory Council; Hawai'i Construction Alliance; and Land Use Research Foundation of Hawaii supported this measure. The Office of Hawaiian Affairs, Tax Foundation of Hawaii, and General Contractors Association 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 H.B. No. 2330, H.D. 1, and recommends that it pass Third Reading.

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


SYLVIA LUKE, Chair



