

Honolulu, Hawaii

**APR 26** , 2018

RE: H.B. No. 2748  
H.D. 2  
S.D. 2  
C.D. 1

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

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2748, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to require, and appropriate funds to, the Hawaii Housing Finance and Development Corporation to study housing waitlists in the State and in each county to gain a better understanding of the current and future demand for and supply of affordable housing suitable for individuals with access and functional needs.

Your Committee on Conference finds that the State needs a comprehensive housing measure that takes a momentous step forward in addressing the statewide affordable rental housing crisis. Your Committee further finds that increasing the available funding in the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund,

HB2748 CD1 HCCR HMS 2018-3851



expanding the general excise tax exemption for the construction of affordable rental units, and studying the current and future needs for rental housing are policies to proactively address Hawaii's housing crisis.

In addition, your Committee finds that:

- (1) The Rental Housing Revolving Fund provides equity gap low-interest loans or grants to qualified owners and developers for the development, pre-development, construction, acquisition, or preservation of affordable rental housing. The appropriation contained in this measure will more than double the Revolving Fund's capacity to provide low-income and working families with quality affordable housing;
- (2) The Dwelling Unit Revolving Fund provides interim construction financing of affordable housing projects, including construction of community facilities and necessary infrastructure to support housing development, and mitigates the cost to the State of housing development;
- (3) An expansion of the general excise tax exemption for construction of affordable rental units will spur the creation of more affordable housing and is expected to result in the construction of 24,000 new affordable rental units; and
- (4) An assessment of housing needs for persons with low or no income and functional barriers to successfully maintain stable housing will allow policy makers to make informed policy decisions in the creation of appropriate affordable housing and provision of supportive services.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Appropriating \$200,000,000 into the Rental Housing Revolving Fund;
- (2) Appropriating \$10,000,000 into the Dwelling Unit Revolving Fund;
- (3) Increasing the aggregate available amount of the general excise tax exemption for costs of developing affordable



rental housing from \$7,000,000 per year to \$30,000,000 per year, and extending availability of the exemption for an additional eight years to 2030; and


- (4) Appropriating \$50,000 to the Hawaii Housing Finance and Development Corporation to prepare an assessment of housing needs for persons with significant access and functional barriers and available supportive services.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2748, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2748, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
DONOVAN M. DELA CRUZ  
Chair

  
TOM BROWER  
Co-Chair

  
ROSALYN H. BAKER  
Co-Chair

  
JOHN M. MIZUNO  
Co-Chair

  
WILL ESPERO  
Co-Chair

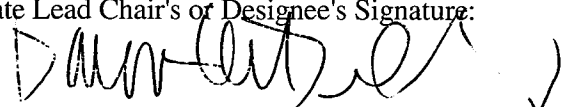

  
NADINE K. NAKAMURA  
Co-Chair



Hawaii State Legislature

Record of Votes of a  
Conference Committee

CCR 37-18

Bill / Concurrent Resolution No.: <b>HB 2748, HD 2, SD 2</b>					Date/Time: <i>4-24-2018 2:20p</i>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
DELA CRUZ, Donovan M., Chr.	✓				BROWER, Tom, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				MIZUNO, John M., Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				NAKAMURA, Nadine K., Co-Chr.	✓			
					GATES, Cedric Asuega	✓			
					HASHEM, Mark J.	✓			
					TODD, Chris	✓			
					MCDERMOTT, Bob				✓
TOTAL	3	0	0	0	TOTAL	6	0	0	1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original <i>File with Conference Committee Report</i>			Yellow <i>House Clerk's Office</i>		Pink <i>Senate Clerk's Office</i>		Goldenrod <i>Drafting Agency</i>