

Honolulu, Hawaii

MAR 22 , 2018

RE: S.B. No. 2757
S.D. 2
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 Housing, to which was referred S.B. No. 2757, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to support the development of affordable housing in the State by:

- (1) Extending the exemption from the general excise tax applicable to certain affordable rental housing projects from June 30, 2022, to June 30, 2026;
- (2) Removing the \$7,000,000 cap on the exemption from general excise taxes; and
- (3) Prohibiting affordable housing owners who receive a general excise tax exemption from refusing to lease a rental unit in the project to an applicant because the applicant holds a Section 8 Voucher or Certificate of Eligibility.

The Office of the Governor, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development and Tourism, Hawai'i Construction Alliance, Hawaii



Rental Housing Coalition, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Pacific Resource Partnership, and Hawaii Regional Council of Carpenters supported this measure. The Department of Taxation, Office of Hawaiian Affairs, and Tax Foundation of Hawaii offered comments on this measure.

Your Committee notes the testimony of the Office of Hawaiian Affairs that half of the 65,000 residential housing units needed by 2025 are for households that earn at or below 80% of the area median income and that this measure would result in the production of units that, on average, are for households earning 128% of the average median income.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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


TOM BROWER, Chair



