

Honolulu, Hawaii

MAR 20 2023

RE: H.B. No. 1246  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1246, H.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:

- (1) Authorizes the Hawaii Housing Finance Development Corporation to issue bonds for infrastructure projects and to finance the development of regional state infrastructure projects;
- (2) Authorize the issuance of an unspecified amount of general obligation bonds with the funds to be deposited into the Dwelling Unit Revolving Fund; and
- (3) Appropriate an unspecified amount of funds into and out of the Dwelling Unit Revolving Fund.

Your Committee received testimony in support of this measure from the Chief Housing Officer of the Office of the Governor; Hawaii Housing Finance and Development Corporation; Hawai'i Association of REALTORS; NAIOP Commercial Real Estate Development Association, Hawaii Chapter; EAH Housing; and Housing Hawaii's



Future. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the cost of off-site infrastructure is a major barrier to the development of affordable housing statewide. These costs are typically paid by private housing developers, who in turn, pass them on to homebuyers in the form of higher prices. Accordingly, this measure offers another source of funding for counties to pay for housing infrastructure to increase affordable housing inventory in the State. Additionally, according to testimony received by your Committees, this measure will also help offset some of the burden on the Dwelling Unit Revolving Fund, which is currently being depleted by the State's historical infrastructure obligations in Waiahole Valley and in the Villages of Kapolei.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Housing Finance and Development Corporation may issue bonds for infrastructure projects that are for a housing project or projects;
- (2) Inserting language to require the Hawaii Housing Finance and Development Corporation to submit a report to the Legislature on the housing units to be generated by the infrastructure projects;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 1246, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1246, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



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

  
STANLEY CHANG, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes  
 Committee on Housing  
 HOU**

Bill / Resolution No.:* <b>HB 1246, HDI</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>03/14/2023</b>		
<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				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b>	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

**\*Only one measure per Record of Votes**