

STAND. COM. REP. NO.

743

Honolulu, Hawaii

, 2023

**FEB 17**

RE: H.B. No. 1236

H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1236, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow a bank to invest, in aggregate, up to two percent of the bank's total assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing properties; and
- (2) Require prior approval from the Commissioner of Financial Institutions to exceed that amount.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, HPM Building Supply, EAH Housing, Highridge Costa Development Company, Central Pacific Bank, NAIOP Hawaii, Housing Hawaii's Future, General Contractors Association of Hawaii, Ahe Group, and Maui Chamber of Commerce. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

2023-1806 HB1236 HD2 HSCR HMSO



Your Committee finds that a housing crisis exists in the State. Your Committee further finds that existing law limits the amount a bank may invest in entities formed to invest in residential properties that qualify for the federal Low Income Housing Tax Credit. This measure increases the existing statutory limit, which will encourage banks to invest more into affordable housing projects.

Your Committee has amended this measure by inserting a sunset date of June 30, 2025.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1236, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1236, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Thirty-second Legislature

*HSCR 743*

**Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: <i>HB 1236, HD1</i>	Committee Referral: <i>HSG, CPC, FIN</i>	Date: <i>02-15-23</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. SAYAMA, Jackson D. (VC)	/			
3. AMATO, Terez	/			
4. BELATTI, Della Au	/			
5. HASHEM, Mark J.	/			
6. HUSSEY-BURDICK, Natalia	/			
7. GATES, Cedric Asuega				/
8. LOWEN, Nicole E.	/			
9. ONISHI, Richard H.K.	/			
10. TAM, Adrian K.	/			
11. PIERICK, Elijah	/			
<b>TOTAL (11)</b>	<b>10</b>			<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Justin Szy</i>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				