

STAND. COM. REP. NO. 1216-24

Honolulu, Hawaii

, 2024

**MAR 20**

RE: S.B. No. 1170  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 1170, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the counties to issue affordable housing credits, until June 30, 2031, for affordable housing units that are constructed under various Hawaii Housing Finance and Development Corporation programs.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands; Hawai'i Association of REALTORS; 'Ikenākea Development LLC; EAH Housing; NAIOP Hawaii; Maui Chamber of Commerce; and one individual. Your Committee received testimony in opposition to this measure from the Office of Housing and Community Development of the County of Hawai'i and Department of Planning and Permitting of the City and County of Honolulu. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and Office of Planning and Sustainable Development.

Your Committee finds that the State is in dire need of more affordable housing. To add to housing challenges already faced by Hawaii residents, interest rates for residential mortgages have

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reached a forty-year high. The recent increases in interest rates have resulted in a lower sales price for certain units built under the housing development programs overseen by the Hawaii Housing Development Corporation, due to sales price limitations tied into area median income limitations. This measure will provide a means for housing developers to fulfill their affordable housing requirements with less risk, thereby increasing the supply of affordable housing for residents of the State.

Your Committee has amended this measure by:

- (1) Authorizing the counties to impose a geographic constraint on the transfer of affordable housing credits with a minimum radius of five miles by public road;
- (2) Specifying that no housing credits shall be issued until a certificate of occupancy has been issued;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1170, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1170, 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,

**ZML**

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LUKE A. EVSLIN, Chair



