

STAND. COM. REP. NO.

438

Honolulu, Hawaii

FEB 15 , 2023

RE: H.B. No. 678
H.D. 1

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

Sir:

Your Committee on Housing, to which was referred H.B. No. 678
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to clarify a county's
obligations with respect to housing developed through the housing
development programs under the Hawaii Housing Finance and
Development Corporation.

Your Committee received testimony in support of this measure
from the Hawai'i Association of REALTORS and NAIOP Hawaii. Your
Committee received comments on this measure from the Hawaii
Housing Finance and Development Corporation.

Your Committee finds that a 2019 report on housing demand in
the State by the Department of Business, Economic Development, and
Tourism found that the State needs up to 50,156 housing units to
meet demand in Hawaii by 2025. To add to housing challenges,
interest rates for residential mortgages have reached a forty-year
high. The recent increases in interest rates have decreased the
sales prices of certain units built under the housing development
programs overseen by the Hawaii Housing Development Corporation
due to the area median income limitations. This measure will
provide a means for market developers to fulfill their affordable

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housing requirements with less risk, thereby increasing the supply of housing for residents of the State.

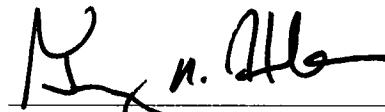
While your Committee notes the success of the housing credits provided to the Department of Hawaiian Home Lands for affordable housing projects, your Committee believes that additional guardrails are needed to ensure the credits are properly issued, controlled, and accounted for if the State is to expand the use of housing credits to affordable housing projects under the Hawaii Housing Finance and Development Corporation.

Your Committee has amended this measure by:

- (1) Amending the definition of "affordable housing obligation" to include requirements imposed by the Hawaii Community Development Authority;
- (2) Changing the sunset date to July 1, 2028;
- (3) Changing the effective date to June 30, 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 H.B. No. 678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 678, H.D. 1, and be referred to your Committee on Finance.

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


TROY N. BASHIMOTO, Chair



