

STAND. COM. REP. NO.

2209

Honolulu, Hawaii

FEB 09 2024

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

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

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

begs leave to report as follows:

The purpose and intent of this measure is to temporarily require the counties to issue affordable housing credits for affordable housing units that are constructed pursuant to chapter 201H, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from AARP Hawaii and NAIOP Hawaii.

Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and County of Hawai'i Office of Housing and Community Development.

Your Committee finds that a 2019 study commissioned by the Department of Business, Economic Development, and Tourism found that the State will require an additional 50,156 homes by the year 2025. Your Committee also finds that residential mortgage



interest rates have increased dramatically since 2021, directly affecting residents who wish to own a home.

Your Committee further finds that real estate construction loan interest rates have also increased since 2021 which has severely impaired the ability of the Hawaii Housing Finance and Development Corporation to increase the affordable housing supply in the State. This measure will help ensure the continued production of affordable and workforce housing units.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Hawaiian Home Lands to enter into memorandums of agreement with any of the counties, not just Kauai County and City and County of Honolulu;
- (2) Specifying that each county and the Hawaii Community Development Authority shall recognize housing units developed pursuant to section 201H-38, Hawaii Revised Statutes, and issue affordable housing credits to the eligible developer for residences required to be sold or rented to individuals within a specified income range, if a developer chooses to receive affordable housing credits;
- (3) Amending the definition of "affordable housing obligation" to include requirements imposed by the Hawaii Community Development Authority; and
- (5) Making technical, nonsubstantive amendments for the purpose 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 S.B. No. 1170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1170, 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



