

STAND. COM. REP. NO. 516

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1462
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 S.B. No. 1462 entitled:

"A BILL FOR AN ACT RELATING TO LIMITED-PROFIT HOUSING ASSOCIATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an organizational and regulatory framework for limited-profit housing associations.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Department of Taxation; and Office of the Auditor.

Your Committee finds that it would be in the best interest of the State to consider Vienna's Limited-Profit Housing Act of 1979 as a model to sustainably finance the development of affordable housing in the State. Profits generated by a limited-profit housing association are used to build more housing, which means that each new public housing project built enables the creation of more housing. This measure offers entrepreneurs and investors a sustainable option to develop long-term housing in the State.

Your Committee has amended this measure by:



- (1) Deleting language that would have:
 - (A) Required the State Auditor or their designee to serve as the chair of the Limited-Profit Housing Council;
 - (B) Required the Commissioner of Financial Institutions or their designee to serve on the Limited-Profit Housing Council;
 - (C) Required limited-profit housing associations to undergo an annual audit and publicly post an annual report;
 - (D) Defined and established limited-profit housing supervisory boards; and
 - (E) Established two working groups;
- (2) Inserting language that requires the Executive Directors of the Hawaii Housing Finance and Development Corporation and Hawaii Public Housing Authority to serve as co-chairs of the Limited-Profit Housing Council; and
- (3) 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 S.B. No. 1462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1462, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

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.:*	Committee Referral:	Date:		
<i>SB1462</i>	<i>HOU, CPN</i>	<i>02/14/2023</i>		
<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				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton			✓	
TOTAL	<i>4</i>		<i>1</i>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes