

Honolulu, Hawaii

Feb 16, 2006

RE: H.B. No. 2176  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2176 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to ease Hawaii's affordable housing and homeless crisis by:

- (1) Promoting the development of self-help housing by allowing the Hawaii Housing and Finance Development Administration (HHFDA) to lease parcels of land for \$1 per year for up to 50 years;
- (2) Expanding the use of the State Rent Supplement Program (Program) by authorizing HHFDA to use Program funds for project-based operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units;
- (3) Expanding the State's low-income housing tax credit to include construction of new affordable housing units and rehabilitation of existing affordable housing units;
- (4) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 50 percent;



- (5) Requiring HHFDA to identify public lands suitable for affordable residential development no later than September 1, 2006, and requiring the state agency having control of those lands to initiate transfer of the land to HHFDA no later than December 1, 2006;
- (6) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;
- (7) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (8) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

The Affordable Housing and Homeless Alliance, A Woman's Voice International, Hawaii Family Forum, Hawaii Catholic Conference, Kokua Council, Honolulu Community Action Program, Catholic Charities Hawaii, Land Use Research Foundation of Hawaii, Hawaii Business Roundtable, Hawaii Association of Realtors, Self-Help Housing Corporation of Hawaii, Partners in Care, Blueprint for Change, Hawaii Habitat for Humanity, Faith Action for Community Equity, and several concerned individuals testified in support of this bill. The Office of the Governor supported this measure with amendments. The Housing and Community Development Corporation of Hawaii, Office of Hawaiian Affairs, and a concerned individual supported the intent of this bill. The Department of Taxation, City and County of Honolulu Department of Community Services, Institute for Human Services, Tax Foundation of Hawaii, and a concerned individual offered comments.

This measure was introduced to implement many of the recommendations of the Joint Legislative Affordable Housing and Homeless Task Force. Your Committee is committed to working with stakeholders to find meaningful near-term solutions to address Hawaii's critical affordable housing and homeless needs.

Accordingly, your Committee has amended this bill by:

- (1) Authorizing HHFDA to determine Program payments through administrative rules rather than statute;
- (2) Amending the definition of "housing owner" for purposes of the Program to include HHFDA;



- (3) Removing the restriction against public assistance recipients being considered "qualified tenants" for purposes of the Program;
- (4) Removing provisions for the low-income housing tax credit;
- (5) Increasing the conveyance tax allocation to RHTF to 65 percent; and
- (6) Making technical, nonsubstantive amendments for 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. 2176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2176, H.D. 1, and be referred to the Committee on Finance.

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



MICHAEL P. KAHIKINA, Chair



