

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2176

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 2176, H.D. 1, 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) Expanding the use of the State Rent Supplement Program (Program) by authorizing the Hawaii Housing and Finance Development Administration (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;
- (2) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 65 percent;
- (3) Promoting the development of self-help housing by allowing HHFDA to lease parcels of land for \$1 per year for up to 50 years;
- (4) 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 lands to HHFDA no later than December 1, 2006;



- (5) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;
- (6) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (7) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

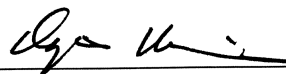
The Hawaii Habitat for Humanity Association, Hawaii Association for Realtors, and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii and Office of Hawaiian Affairs supported the intent of this measure. The Department of Taxation, Department of Community Services of the City and County of Honolulu, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2176, H.D. 2.

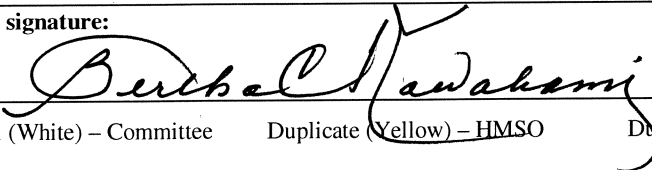
Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



DWIGHT TAKAMINE, Chair



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2176 HD1		Date: 2.28.06		
Committee Referral: HSG, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose	✓			
16. MOSES, Mark S.	✓			
17. PINE, Kymberly	✓			
18. STEVENS, Anne V.				✓
TOTAL	17			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				