

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2991
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. 2991 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this bill is to promote the development of affordable housing through enabling legislation that establishes the manner and procedure for the issuance of special purpose revenue bonds (SPRBs) to not-for-profit private organizations to develop low- and moderate-income housing.

The Affordable Housing and Homeless Alliance testified in support of this bill. The Office of the Governor supported this measure with amendments. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this bill. UniDev, LLC, and the Land Use Research Foundation of Hawaii offered comments.

Your Committee finds that although Article VII, section 12 of the State Constitution provides for authorization of SPRBs for "low and moderate income government housing programs," enabling legislation was not established. Because of Hawaii's growing affordable housing and homeless problem, your Committee is open to various innovative solutions to build more affordable housing.



Concerns were raised on whether a constitutional amendment is necessary to implement the language in this measure. Your Committee believes that a constitutional amendment is not necessary, however, your Committee has taken steps to improve this measure to lessen those concerns.

Accordingly, your Committee has amended this bill by:

- (1) Inserting a section describing the legislative intent of this measure;
- (2) Defining low- and moderate-income housing" to specify affordability requirements of qualified projects;
- (3) Clarifying other definitions to specifically apply to low- and moderate-income housing projects;
- (4) Changing the effective date to July 1, 2006, and removing the provision that the Act take effect upon ratification of a constitutional amendment; and
- (5) Making other 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. 2991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2991, H.D. 1, and be referred to the Committee on Judiciary.

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


MICHAEL P. KAHIKINA, Chair



