

Honolulu, Hawaii
March 17, 2006

RE: S.B. No. 2572
S.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 Housing, to which was referred S.B. No. 2572, S.D. 2, 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 Office of the Governor, Land Use Research Foundation of Hawaii, UniDev, LLC, and Hawaii Reserves, Inc., testified in support of this bill. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this measure.

Your Committee recognizes the concerns that this measure is limited to not-for-profit developers. The Joint Legislative Housing and Homeless Task Force (Task Force) found that the development of affordable housing is generally undertaken by not-for-profit developers. However, your Committee is open to offering the opportunity to for-profit developers to apply for SPRBs, but is taking a cautious approach because of the Task Force's findings.



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. 2572, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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


MICHAEL P. KAHIKINA, Chair



