

Honolulu, Hawaii

April 7, 2006

RE: S.B. No. 2958
S.D. 2
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 Finance, to which was referred S.B. No. 2958, S.D. 2, 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 address Hawaii's affordable housing and homeless issues by, among other things:

- (1) Removing the requirement that a housing project, to be considered for transfer to another entity for rehabilitation, must no longer be suitable for its original use and intended for demolition;
- (2) Allowing State Rent Supplement Program (SRSP) funds to be used for project-based operating subsidies for state low-income housing units that are transferred to private organizations for management and operation;
- (3) Allowing individuals receiving public assistance to qualify as tenants for public housing;
- (4) Extending from June 30, 2007, to June 30, 2009, the use of the Rental Housing Trust Fund (RHTF) to provide grants for rental units for households at or below 30 percent of the median family income;



- (5) Increasing from 30 to 65 percent the conveyance tax allocation to RHTF;
- (6) Authorizing the lease of parcels deemed suitable for affordable housing at \$1 per year for up to 50 years for self-help development;
- (7) Authorizing the transfer of state lands from the Department of Land and Natural Resources (DLNR) or another state agency to the Hawaii Housing Finance and Development Administration (HHFDA) for affordable housing development;
- (8) Appropriating \$20,000,000 for homeless services and transitional housing programs;
- (9) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects;
- (10) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes;
- (11) Setting aside five percent of state low-income public housing units for grandparents who are primary caregivers for grandchildren, and making related amendments;
- (12) Appropriating \$6,800,000 for HHFDA to acquire the Kulana Nani property from Kamehameha Schools and retain the property as affordable housing; and
- (13) Appropriating funds to renovate existing structures at Kalaeloa to provide shelter to homeless veterans.

The Office of Hawaiian Affairs, Department of Taxation, The League of Women Voters of Hawaii, Affordable Housing and Homeless Alliance, Hawaii Disability Rights Center, Hawaii Habitat for Humanity, AARP Hawaii, Hawaii Association of Realtors, Hawaii Business Roundtable, Partners in Care, and several concerned individuals testified in support of this bill. The Office of the Governor and a concerned individual supported this measure with amendments. The Policy Advisory Board for Elder Affairs supported the intent of this bill in part. The Attorney General, Housing and Community Development Corporation of Hawaii, City and County



of Honolulu Department of Community Services, and Tax Foundation of Hawaii offered comments.

Your Committee notes that significant legal concerns were raised with regard to the provision requiring a five-percent set aside of state low-income public housing units for grandparents who are the primary caregivers for their grandchildren. While your Committee recognizes that such concerns indeed exist, your Committee believes that further discussion is merited.

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 S.B. No. 2958, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



DWIGHT TAKAMINE, Chair



