

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2966
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,
to which was referred H.B. No. 2966, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to effectuate the implementation plan prepared by the Housing and Community Development Corporation of Hawaii to create two separate state housing agencies, the Hawaii Housing Finance and Development Corporation, and the Hawaii Public Housing Authority; to make necessary technical and conforming amendments to relevant statutory provisions; and to appropriate funds for implementation of the plan. The measure contains an effective date of July 1, 2020, for purposes of encouraging further discussion.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (with recommended amendments).

Your Committee finds that the burden of administering the public housing projects in the State has overshadowed the ability of the Housing and Community Development Corporation of Hawaii to pay sufficient attention to the financing and development of affordable housing. Accordingly, as required by Act 196, Session Laws of Hawaii 2005, the Corporation will be split into two organizations to more effectively concentrate on the development of affordable housing. This measure is a result of the



implementation plan prepared by the Corporation for the reorganization of the State's housing functions, in compliance with Act 196.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2952, S.D. 1, which are substantively similar, except for technical differences. As amended, the measure also:

- (1) Restores the Director of Budget and Finance and the Governor's representative to the Board of Directors of the Hawaii Housing Finance and Development Corporation;
- (2) Restores the Governor's representative to the Board of Directors of the Hawaii Public Housing Authority;
- (3) Allows the Boards of Directors of each agency to set the salary of the Executive Director and the Executive Assistant;
- (4) Provides for continuation of the eviction process for public housing, and clarifies that the process applies only to federal housing;
- (5) Provides for the continuation of teacher housing until its eventual transfer to the Department of Education; and
- (6) Provides for the transfer of functions, personnel, property, and documents to from the Housing and Community Development Corporation of Hawaii to the Hawaii Public Housing Authority.

Your Committee has further amended this measure to:

- (1) Allow public assistance recipients to receive state rent supplements;
- (2) Limit the use and payment of administrative expenses from the dwelling unit revolving fund;
- (3) Exempt the Kikala-Keokea revolving fund from appropriation and allotment; and



- (4) Make technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2966, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2966, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Housing,



RON MENOR, Chair



