

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2958
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 S.B. No. 2958 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to implement many of the
recommendations of the Joint Legislative Housing and Homeless Task
Force, including to:

- (1) Appropriate funds for homeless and transitional housing programs;
- (2) Appropriate funds to repair vacant public housing units;
- (3) Adjust allocation of conveyance tax revenues;
- (4) Allow state-owned parcels to be leased for the development of self-help housing; and
- (5) Amend the state low-income housing tax credit to be used for construction and rehabilitation of existing affordable housing units.

Testimony in support of the measure was submitted by the
Housing and Community Development Corporation of Hawaii, the Land
Use Research Foundation of Hawaii, the Hawaii Business Roundtable,
the Hawaii Association of Realtors, Hawaii Habitat for Humanity,
Affordable Housing and Homeless Alliance, and Catholic Charities



Hawaii. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee finds that:

- (1) Clarification is needed that the Hawaii Housing Finance and Development Administration will be authorized to lease ceded land parcels for self-help housing development;
- (2) State rent supplement program funds should be utilized for state low-income housing units, provided that the median family income of persons or families eligible to participate in this program shall not exceed sixty per cent;
- (3) The new state low-income housing tax credit proposed by this measure for affordable housing should be decoupled from the existing state and federal low-income housing tax credits;
- (4) The rental housing trust fund's share of conveyance tax proceeds should be increased to sixty-five per cent for five years; and
- (5) Public lands suitable for affordable housing development have already been identified by the Department of Land and Natural Resources, and the analysis (included as Appendix F in the Report of the Joint Legislative Housing and Homeless Task Force) need not be required again by this measure.

Your Committee has amended the measure in accordance with the findings stated above, and has made technical nonsubstantive amendments.

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 S.B. No. 2958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, 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



