

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2958
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2958, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to address the issues of providing affordable housing for residents of the State and sheltering the homeless.

Specifically, the measure implements many of the recommendations of the Joint Legislative Housing and Homeless Task Force, by:

- (1) Authorizing the Hawaii Housing Finance and Development Administration to lease lands at a nominal fee of \$1 per year for up to fifty years to certain organizations that will develop self-help dwelling units;
- (2) Authorizing the Hawaii Housing Finance and Development Administration to utilize state rent supplement funds for project-based operating subsidies for state low-income housing units that are transferred to the State from private organizations;
- (3) Allowing the state low-income housing tax credit to be used for construction and rehabilitation of existing affordable housing units;



- (4) Adjusting the allocation of conveyance tax revenues to provide that sixty-five per cent of conveyance tax revenues, instead of the usual thirty per cent, shall be paid into the Rental Housing Trust Fund for a period of five years;
- (5) Directing the Department of Land and Natural Resources to transfer certain lands suitable for affordable housing development to the Hawaii Housing and Finance Administration by December 1, 2006;
- (6) Appropriating \$20,000,000 in general fund revenues to the Hawaii Public Housing Administration to be used as grants for homeless and transitional housing assistance programs;
- (7) Appropriating \$10,000,000 in general fund revenues to the Hawaii Public Housing Administration to repair vacant public housing units; and
- (8) Appropriating \$400,000 in general fund revenues to the Hawaii Housing and Finance and Development Administration to provide interim construction loans for up to ten self-help development homes.

Your Committee has amended the measure by:

- (1) Deleting the findings section (section 1) and the section that adjusts the allocation of the conveyance tax (section 5) of the measure;
- (2) Reordering the measure into parts according to the substantive subjects of the homeless, low-income housing, and affordable housing;
- (3) Placing the remaining sections of the measure into each part as they relate to the subject headings;
- (4) Adding provisions from S.B. No. 2180 and S.B. No. 3048 to produce a measure that:
 - (A) Under the part for the homeless:
 - (i) Appropriates moneys for transitional housing;



- (ii) Appropriates moneys for support services within homeless shelters;
 - (iii) Appropriates moneys for the Shelter Care Plus Program (program for the mentally ill and chronic substance abusers);
 - (iv) Appropriates moneys for housing placement programs for the homeless population; and
 - (v) Adds to the Hawaii Public Housing Administration's board of directors, one advocate for the homeless and low-income persons and one advocate with a disability or a person that advocates for persons with disabilities;
- (B) Under the part for low-income housing:
- (i) Amends low-income housing qualifications to provide that grandparents raising grandchildren shall be able to qualify and sets aside five per cent of low-income public housing units for this purpose;
 - (ii) Appropriates moneys to the Rental Housing Trust Fund; and
 - (iii) Appropriates moneys for the repair and maintenance of state public housing projects; and
- (C) Under the part for affordable housing:
- (i) Appropriates moneys to the Habitat for Humanity program;
 - (ii) Authorizes the issuance of an unspecified amount of general obligation bonds for the Hawaii Public Housing Administration to develop affordable housing; and
 - (iii) Establishes a mortgage credit certificate program to assist low- and moderate-income persons with purchasing a principal residence



by providing qualified buyers with a state income tax credit that equals twenty per cent of their mortgage interest payment;

- (5) Changing the effective date to July 1, 2006, with the tax provisions being applicable to taxable years beginning after December 31, 2005; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the measure will further the discussion on the incentives and directives needed to provide an adequate supply of affordable housing for the residents of Hawaii and to shelter the homeless population of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2958, S.D. 2.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)

Measure:* SB 2958 SD1	Committee Referral: CPH, WAM	Date: 2/28/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
TANIGUCHI, Brian T. (C)	/			
TSUTSUI, Shan S. (VC)	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.				/
INOUE, Lorraine R.	/			
KANNO, Brian				/
KIM, Donna Mercado	/			
KOKUBUN, Russell S.	/			
NISHIHARA, Clarence K.	/			
SAKAMOTO, Norman	/			
HEMMINGS, Fred				/
SLOM, Sam				/
TRIMBLE, Gordon			/	
TOTAL	10	0	1	4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.