

STAND. COM. REP. NO.

1289

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 150
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Human Services and Public Housing and Commerce, Consumer Protection, and Affordable Housing and Water, Land, Agriculture, and Hawaiian Affairs, to which was referred H.B. No. 150, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose of this measure is to increase the share of the conveyance tax dedicated to the Rental Housing Trust Fund; and to appropriate funds to repair and renovate state public housing, provide outreach and support services to the homeless, operate emergency and transitional shelters, and for Shelter Plus Care grants.

The Hawaii Housing Finance and Development Corporation; the Hawaii Public Housing Authority; the City and County of Honolulu Department of Community Services; Catholic Charities Hawai'i; Hawaii Family Forum; Neighborhood Board No. 8, Housing and Homelessness Committee; the Institute for Human Services Emergency Shelter; EAH Housing, Inc.; and four individuals submitted testimony in support of this measure. The Governor's Policy Office, the Department of Taxation, and the Land Use Research Foundation of Hawaii submitted testimony in support of the intent of this measure. The Representative of the 45th District of the State of Hawaii, the Mayor of the County of Hawaii, and the Tax Foundation of Hawaii submitted comments.



Your Committees find that the homeless and affordable housing crises continue to be two of the State's most significant and challenging social problems. Meaningful solutions to Hawaii's housing and homeless problems must be found. Several testifiers noted that the conveyance tax is a good source of revenues, with a sensible nexus, to facilitate the development of affordable rental housing, and opined that the percentage of the tax allocated to the Rental Housing Trust Fund should be increased to sixty-five per cent.

The Governor's Policy Office testified that special purpose revenue bonds that are issued to assist in the development of low- and moderate-income housing projects do not involve the expenditure of public funds. As such, the financing of these projects with special purpose revenue bonds should not be subject to the State's procurement code.

When questioned by your Committees, the Hawaii Housing Finance and Development Corporation opined that it has the administrative capacity to handle an increase in funding and to appropriately monitor existing inventory, as well as the development of new for-sale units and rental units.

It is the Committees' intent to improve access to shelter and support services for the homeless, and to improve and increase the available public housing and affordable housing inventory.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting all of its provisions and inserting the contents of S.B. No. 1917, S.D. 3, which has similar provisions and also:
 - (A) Requires the Hawaii Housing Finance and Development Corporation to create an affordable housing inventory registry;
 - (B) Authorizes the issuance of general obligation bonds for the construction of four thousand affordable housing units;
 - (C) Authorizes the issuance of general obligation bonds to the Hawaii Public Housing Authority for capital improvement projects, and for the repair and



maintenance of elevators in public housing buildings; and

- (D) Extends the sunset date for the allocation of the conveyance tax revenues to the Rental Housing Trust Fund to June 30, 2012;
- (2) Allocating sixty-five per cent of conveyance tax revenues to the Rental Housing Trust Fund;
- (3) Requiring the Hawaii Housing Finance and Development Corporation to report annually to the Legislature on expenditures from the Rental Housing Trust Fund;
- (4) Exempting special purpose revenue bonds that are issued to assist in the development of low- and moderate-income housing projects from the procurement code;
- (5) Appropriating an unspecified sum to provide matching funds for the United States Department of Housing and Urban Development Homeless Assistance Program, including Shelter Plus Care and other supportive housing programs. This will ensure that all homeless provider recipients of federal Supportive Housing Program funds have access to non-federal cash match resources; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committees note that while the appropriation amounts are blank, they recommend that the following be considered:

- (1) \$15,000,000 for homeless facilities, emergency shelters, and transitional shelters; and to provide matching funds for the United States Department of Housing and Urban Development Homeless Assistance Program, including Shelter Plus Care and other supportive housing programs;
- (2) \$8,000,000 to provider agencies that offer outreach or support services, or both, to unsheltered homeless, at-risk homeless, and individuals residing in homeless facilities;



- (3) \$50,000,000 to the Rental Housing Trust Fund for the planning, development, and construction of affordable housing;
- (4) \$50,000,000 to the Dwelling Unit Revolving Fund for the planning, development, and construction of four thousand affordable housing units. The Committees further recommend that the appropriation be made out of the general revenues as cash instead of issuing general obligation bonds;
- (5) \$40,000,000 in general obligation bonds to the Hawaii Public Housing Authority for capital improvement projects;
- (6) \$10,000,000 for the repair and maintenance of existing federal and state public housing buildings out of the general revenues as cash, instead of issuing general obligation bonds; and
- (7) \$15,000,000 for the repair and maintenance of elevators in existing federal and state public housing buildings.

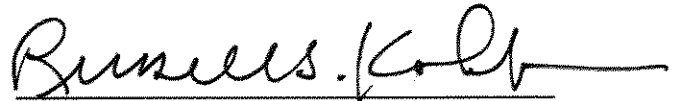
As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Commerce, Consumer Protection, and Affordable Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 150, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 150, 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
Committees on Human Services
and Public Housing and
Commerce, Consumer Protection,
and Affordable Housing and
Water, Land, Agriculture, and
Hawaiian Affairs,


BRIAN T. TANIGUCHI, Chair



SUZANNE CHUN OAKLAND, Chair


RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:*	Committee Referral: WAM	Date:		
HB150 HD2	HSP/CPH/WAHI	3-20-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<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	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii


Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* <i>HB 150 HD2</i>	Committee Referral: <i>HSP/CPH/NAH,WAM</i>	Date: <i>3/20/2007</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
SLOM, Sam		✓		
TOTAL	4	1		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

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The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Water, Land, Agriculture and Hawaiian Affairs
WAH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 150 HD2	HSP/CPH/WAH, WAM	3/20/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<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	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol				X
HEE, Clayton	X			
SLOM, Sam		X		
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes