

Honolulu, Hawaii

July 4, 2008

RE: S.B. No. 3174
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3174, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this bill is to comprehensively address Hawaii's affordable housing shortage by:

- (1) Extending the sunset date of the 50 percent conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from June 30, 2008, to June 30, 2013;
- (2) Appropriating funds for third-party review and certification of building permits for affordable housing projects;
- (3) Establishing and appropriating funds to the Self-help Housing Fund to assist with technical assistance expenditures up to \$20,000 per self-help housing unit; and
- (4) Changing the Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond ceiling from \$400,000,000 to an unspecified amount.



HHFDC, the Kauai County Housing Agency, County of Hawaii Office of Housing and Community Development, Catholic Charities Hawaii, Hawaii Island Community Development Corporation, Hawaii Family Forum, Hawaii Catholic Conference, Self-Help Housing Corporation of Hawaii, Community Alliance Partners, Kauai Habitat for Humanity, EAH Housing, Hawaii Habitat for Humanity, and several concerned individuals supported this bill. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee notes that Hawaii Habitat for Humanity requested that the bill be amended to allow the Self-Help Housing Fund to also be used for land acquisition, infrastructure, and construction. Although your Committee has not amended this measure to reflect those suggestions at this time, these suggestions should be discussed during the Committee on Conference deliberations for this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 3174, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3174, S.D. 2, H.D. 2.

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


MARCUS R. OSHIRO, Chair



