

STAND. COM. REP. NO. **3063**

Honolulu, Hawaii
MAR 20 2008

RE: H.B. No. 2512
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Intergovernmental and Military Affairs, to which was referred H.B. No. 2512, 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 assist in addressing the problems of and provide further opportunities in affordable housing in the State by appropriating an unspecified sum to the Hawaii Housing Finance and Development Corporation to use to assist developers in contracting for third party review and certification to expedite the processing and issuance of building permits for affordable housing projects.

Testimony in support of this measure was submitted by the Hawaii Housing Finance and Development Corporation; the Department of Planning and Permitting, City and County of Honolulu; the Pacific Housing Assistance Corporation; the Hawaii Building and Construction Trades Council, AFL-CIO; and Castle & Cooke Hawai'i.

The lack of affordable housing is a crisis that continues to be a significant and challenging social problem in the State as the costs of home ownership and rentals are increasing. The prospect of making high mortgage payments and saving enough money for the down payment and closing costs needed to buy a home at current market prices is a formidable challenge for many families in the State. Your Committees find that providing additional



funds to use to assist developers in contracting for third party review and certification to expedite the processing and issuance of building permits for affordable housing projects will aid in addressing the lack of affordable housing in the State.

Your Committees recognize that the Committee on Ways and Means created an affordable housing package under S.B. No. 3174, S.D. 2, that (1) makes an appropriation for expedited third party review of affordable housing projects, (2) establishes a self-help housing technical assistance trust fund under the Hawaii Housing Finance and Development Corporation to provide funding for self-help housing projects, (3) increases the Hula Mae multifamily revenue bond authorization that provides home financing for residents, and finances the purchase of the Kukui Gardens Rental Housing Complex, and (4) extends the sunset date of the increased conveyance tax allocation to the Rental Housing Trust Fund. Your Committees believe that the same should be done to this measure, but note that the extension of the sunset date of the conveyance tax allocation to the Rental Housing Trust Fund under H.B. No. 2514, H.D. 1, has already been passed unamended by the Committee on Commerce, Consumer Protection, and Housing, and is currently referred to the Committee on Economic Development and Taxation.

Accordingly, your Committees have amended this measure by:

- (1) Incorporating the contents of H.B. No. 3403, H.D. 2, into this measure to establish a Self-Help Housing Trust Fund under the Hawaii Housing Finance and Development Corporation to provide funding for self-help housing projects;
- (2) Incorporating the contents of H.B. No. 3058, H.D. 1, into this measure to provide a vehicle to change the Hula Mae multifamily revenue bond authorization that provides home financing for residents and finances the purchase of the Kukui Gardens Rental Housing Complex;
- (3) Making conforming amendments consistent with the foregoing changes;
- (4) Inserting an effective date of upon its approval; provided that the appropriations in this measure shall become effective on July 1, 2008; and



- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committees offer the following information regarding the fiscal implications of establishing a Self-Help Housing Trust Fund for further discussion by the Committee on Ways and Means. The typical technical assistance costs in Hawaii roughly average \$20,000 per home. A trust fund dedicated to providing funds for technical assistance costs will allow self-help housing programs to provide approximately fifty additional affordable housing units per year, which equate to roughly \$1,000,000 in technical assistance costs. The Committees note that the technical assistance cost of \$20,000 per home is a best estimate based on current projects. The consumer price index may be used to determine a sliding scale of technical assistance costs per home in the future, if necessary.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2512, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2512, 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 Commerce,
Consumer Protection, and
Affordable Housing and
Intergovernmental and Military
Affairs,


LORRAINE R. INOUYE, Chair


RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

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

Bill / Resolution No.:	Committee Referral:	Date:
HB 2512 HD2	CPH/IGM, WAM	3-14-08

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon	✓			
TOTAL	4			3

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2512, HD 2	CPH/IGM, WAM	3/14/08

The committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	✓			
TSUTSUI, Shan S. (VC)				✓
HEMMINGS, Fred	✓			
TOTAL	2	0	0	1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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