

Honolulu, Hawaii

RE: **MAR 14 2008**
H.B. No. 2514
H.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 Human Services and Public Housing, to which was referred H.B. No. 2514, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX,"

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 extending the sunset date for the allocation of fifty per cent of the conveyance tax under section 247-7, Hawaii Revised Statutes, to the Rental Housing Trust Fund established under section 201H-202, Hawaii Revised Statutes, to an unspecified year.

Testimony in support of this measure was submitted by the Hawaii Housing Finance and Development Corporation; the Department of Taxation; the Department of Community Services, City and County of Honolulu; the Office of Hawaiian Affairs; the Hawaii Association of Realtors; the Hawaii Family Forum; Catholic Charities Hawai'i; and one private individual. The Tax Foundation of Hawaii submitted comments.

The Rental Housing Trust Fund provides equity gap financing for the construction or preservation of affordable rental housing projects throughout the State. Through the end of the 2007 calendar year, the Hawaii Housing Finance and Development Corporation has leveraged the Rental Housing Trust Fund to facilitate the development or preservation of 2,391 rental housing



units in thirty-two projects statewide. Your Committees find that providing additional funds, including extending the allocation of fifty per cent of the conveyance tax into the Rental Housing Trust Fund, will aid in addressing the lack of affordable housing in the State.

Your Committees recognize that S.B. No. 3174, as amended, also extends the sunset date for the allocation of fifty per cent of the conveyance tax to the Rental Housing Trust Fund for five more years. Your Committees note that the Senate Committee on Ways and Means amended that measure to incorporate various affordable housing measures under S.B. No. 3174, S.D. 2 to include the following:

- (1) Extending the sunset date of the conveyance tax allocation to the Rental Housing Trust Fund to ensure continued funding and emphasis on providing rental housing to those in need;
- (2) Appropriating funds to assist developers in contracting for third party review and certification to expedite the processing and issuance of building permits for affordable housing projects;
- (3) Establishing a Self-help Housing Technical Assistance Trust Fund under the Hawaii Housing Finance and Development Corporation to provide funding for self-help housing projects; and
- (4) Increasing the Hula Mae multifamily revenue bond authorization from \$400,000,000 to \$500,000,000 to not only provide home financing for residents but to also finance the purchase of the Kukui Gardens Rental Housing Complex.

Your Committees encourage further discussion on these matters by the Committee on Economic Development and Taxation and the Committee on Ways and Means as this measure moves through the legislative process.

Your Committees believe that this measure fulfills its intent, which is to assist in addressing the problems of and provide further opportunities in affordable housing in the State.



As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2514, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on behalf of the members of the Committees on Commerce, Consumer Protection, and Affordable Housing and Human Services and Public Housing,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair


Russell S. Kokubun

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: | Date: | | |
| HB 2514, HD 1 | CPH/HSP, EDT, WAM | 3/14/08 | | |
| <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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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 | ✓ | | | |
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| TOTAL | 3 | - | - | 2 |
| 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