

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2225
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 Human Services and Public Housing, to which was referred S.B. No. 2225 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose of this measure is to provide measures to assist in alleviating the problems of housing and homelessness in the State.

Specifically, this measure:

- (1) Extends the sunset date for the allocation of the conveyance tax under section 247-7, Hawaii Revised Statutes, into the rental housing trust fund established under section 201H-202, Hawaii Revised Statutes, for five years;
- (2) Authorizes general obligation bonds in the sum of \$25,000,000, the revenues from which are to be paid into the rental housing trust fund for the Hawaii Housing Finance and Development Corporation to use for the planning, development, and construction of affordable housing in cooperation with private and nonprofit developers;
- (3) Authorizes general obligation bonds in the sum of \$30,000,000, the revenues from which are to be paid into



the dwelling unit revolving fund for the Hawaii Housing Finance and Development Corporation to use for housing development;

- (4) Appropriates the sum of \$500,000 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;
- (5) Appropriates the sum of \$2,000,000 to the Hawaii Public Housing Authority to conduct repair and maintenance on public housing projects;
- (6) Authorizes general obligation bonds in the sum of \$40,200,000 for the Hawaii Public Housing Authority to conduct capital improvement projects to repair and renovate public housing;
- (7) Appropriates the sum of \$1,500,000 to the Hawaii Public Housing Authority to provide security in public housing projects;
- (8) Appropriates the sum of \$5,300,000 to the Hawaii Public Housing Authority to provide outreach or support services to unsheltered homeless, at-risk homeless, and those residing in homeless facilities; and
- (9) Authorizing general obligation bonds in the sum of \$32,000,000 for the Hawaii Public Housing Authority to fund homeless facilities, emergency shelters, and transitional shelters on the islands of Oahu and Hawaii.

Testimony in support of this measure was submitted by Hawaii Housing Finance and Development Corporation; the Hawaii Public Housing Authority; the Department of Taxation; the Department of Community Services, City and County of Honolulu; the Office of Housing and Community Development, County of Hawaii; the Hawaii Association of Realtors; Partners In Care; Catholic Charities Hawai'i; the Waikiki Health Center's Care-A-Van Program; the Affordable Housing and Homeless Alliance; the Hawaii Habitat for Humanity Association; the Hawaii Family Forum; and one private citizen. The Tax Foundation of Hawaii submitted comments.



Homelessness and the lack of affordable housing are two crises that continue to be significant and challenging social problems in the State. The most recent estimate of the total number of homeless persons in Hawaii is 6,029 on any given day, which does not reflect the number of people who are considered "hidden homeless" or those who are at-risk of homelessness. Your Committees find that providing additional funds, including extending the allocation of the conveyance tax into the rental housing trust fund, will aid in addressing the homelessness problem in the State.

Your Committees note that this measure and S.B. No. 3174, as amended, are similar in purpose and content, and have amended both measures to separately focus on public housing and affordable housing. Thus, your Committees have amended this measure by:

- (1) Repealing the sunset date for the allocation of the conveyance tax under section 247-7, Hawaii Revised Statutes, into the rental housing trust fund established under section 201H-202, Hawaii Revised Statutes, and making the repeal effective upon the Act's approval; thus, creating a permanent allocation;
- (2) Deleting language that authorizes general obligation bonds in the sum of \$25,000,000 to be paid into the rental housing trust fund and appropriated from the rental housing trust fund for the Hawaii Housing Finance and Development Corporation to use for the planning, development, and construction of affordable housing in cooperation with private and nonprofit developers;
- (3) Deleting language that authorizes general obligation bonds in the sum of \$30,000,000 to be paid into the dwelling unit revolving fund for the Hawaii Housing Finance and Development Corporation to use for housing development;
- (4) Deleting language that appropriates the sum of \$500,000 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; and



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

Your Committees recognize that additional funding is needed for homeless facilities, emergency shelters, and transitional shelters on the islands of Oahu and Hawaii, but indicated concerns regarding which homeless facility projects would receive funds. While your Committees agree that funds should be dedicated to the Kaloko housing project on the island of Hawaii, concern was expressed regarding what comprises the urban areas on the island of Oahu for which funds would be allocated for these types of facilities and projects.

Your Committees believe that appropriating funds to various housing and homeless programs fulfills the intent of this measure, which is to provide measures to assist in alleviating the problems of housing and homelessness 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 S.B. No. 2225, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2225, S.D. 1, 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, 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:	Date:		
SB 2025	CPH / HSP EDI. WAM	2/1/08		
<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 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	3	-	-	2
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;">N. Sakamoto</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes