

STAND. COM. REP. NO. 2137

Honolulu, Hawaii

FEB 0'8 2008

RE: S.B. No. 3174
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. 3174 entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE 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.

Specifically, this measure:

- (1) Extends the sunset date for the allocation 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, for five more years;
- (2) 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 Development Corporation to use for housing development; and
- (3) 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.

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 Hawaii Association of Realtors; and the Hawaii Habitat for Humanity Association.

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, including extending the allocation of the conveyance tax into the rental housing trust fund, will aid in addressing the lack of affordable housing in the State.

Your Committees note that this measure and S.B. No. 2225, as amended, are similar in purpose and content, and have amended both measures to separately focus on affordable housing and public housing. Thus, your Committees have amended this measure by:

- (1) Adding 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; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees believe that appropriating funds to various affordable housing programs and initiatives fulfills the intent of this measure, 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 S.B. No. 3174, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3174, 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 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:		
SB 3174	CPH/ HSP	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:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes