

STAND. COM. REP. NO.

2861

Honolulu, Hawaii

FEB 29 2008

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

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 3174, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to extend the sunset date of the increased conveyance tax allocation to the rental housing trust fund.

The measure also authorizes the issuance of bonds for the dwelling unit revolving fund, appropriates funds for expedited third party review of affordable housing projects, and authorizes the issuance of bonds for the construction of affordable housing in cooperation with nonprofit and private developers.

Your Committee received testimony in support of this measure from the Department of Taxation, the Hawaii Housing Finance and Development Corporation, the City and County of Honolulu, the Hawaii Island Community Development Corporation, and the Hawaii Association of Realtors. The Pacific Housing Assistance Corporation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that the affordable housing crisis continues to be one of the State's most significant and challenging social problems and is a critical issue for many Hawaii residents. As the cost of home ownership and rentals increases, the State must continue to assist residents to obtain affordable housing. However, because funding for these matters is

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more appropriately considered within context of the Executive Supplemental budget, your Committee has amended the measure by removing sections 2, 4, 5, and 6 of the measure, with respect to appropriations for the dwelling unit revolving fund, the rental housing trust fund, and private and nonprofit housing developers. Your Committee is very cognizant of the importance of continued budgetary support for affordable housing and will seek to address these concerns in the overall context of the senate draft of the state supplemental budget.

Your Committee is also aware of the need for additional resources for repair and maintenance concerns in Hawaii Public Housing Authority housing projects and continued support for the homeless and homeless services. These important issues will be addressed within the fiscal constraints and overall context of the state budget as well.

In addition to your Committee's efforts to support affordable housing and homelessness issues through the state budget, a second component of your Committee's plan is to expand on the housing issues raised in this measure. Accordingly, your Committee has further amended the measure to:

- (1) Delete the specific appropriation amount in section 3 of the measure for expedited third party review of affordable housing projects;
- (2) Incorporate the contents of S.B. No. 2560 into the measure to establish 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) Incorporate the contents of S.B. No. 2980 into this measure to provide a vehicle to change the Hula Mae multifamily revenue bond authorization which provides home financing for residents and finances the purchase of the Kukui Gardens Rental Housing Complex;
- (4) Making conforming amendments consistent with the foregoing changes; and
- (5) Making technical nonsubstantive amendments for purposes of clarity and style.



Your Committee believes that this measure and the affordable housing appropriations in the state budget will provide the focus and support needed to assist residents with obtaining affordable housing. Your Committee also appreciates the direction and legislative priority provided by your Committee on Human Services and Public Housing and will continue to depend on their expertise to address the affordable housing issues this session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3174, S.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.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 3174, SD1</i>	Committee Referral: <i>CPH/HSP, WAM</i>	Date: <i>2/22/08</i>
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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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.				/
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	11	0	0	1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes