

STAND. COM. REP. NO.

1311

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 1015  
H.D. 1  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1015, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO OBLIGATIONS OF THE DEPARTMENT OF HAWAIIAN HOME LANDS TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to enable the Department of Hawaiian Home Lands to begin housing projects without having the full cost of the project on hand, by amending the law controlling trust fund expenditures to allow the Department of Hawaiian Home Lands to incur obligations exceeding the amount in the Department's trust fund, subject to conditions that the Director of Finance deems necessary when:

- (1) The Director of Finance determines that trust fund will be receiving moneys enabling payment of the entire obligation within a reasonable time; and
- (2) The expenditure is approved by the Governor.

Two government agencies submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow the Department of Hawaiian Home Lands to reduce project costs and maximize revenues. It would also bring the development of the Department's projects more in-line with private industry standards



that allow contractors to be bonded and to proceed with construction projects in phases. However, your Committee believes that it is reasonable and advisable to initiate a two-year pilot project to allow for a determination of the effectiveness and economic impact of enabling the Department of Hawaiian Home Lands to commence with the construction of housing projects without having the full cost of the project on hand at the start of the projects.

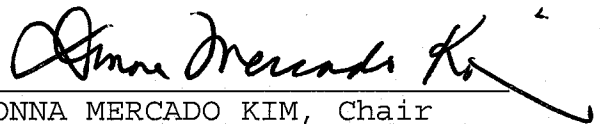
Your Committee has amended this measure by:

- (1) Making the provisions of the measure temporary, for a two-year period, by repealing the measure on June 30, 2011; and
- (2) Requiring the Department of Hawaiian Home Lands to submit an interim and final report to the Legislature prior to the 2010 Regular Session and 2011 Regular Session.

Your Committee recognizes that while the text of this measure contains no specific mention of affordable housing, your Committee intends that the procedures authorized by this measure be used solely to expedite affordable housing projects, as represented in the comments submitted in support of the measure. Your Committee intends to follow-up on this issue during Conference.

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 H.B. No. 1015, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1015, H.D. 1, S.D. 2.

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

  
DONNA MERCADO KIM, Chair



