

Honolulu, Hawaii

FEB 04 2013

RE: S.B. No. 303

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 303 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and the appropriation of funds into the rental assistance revolving fund for purposes of expanding the rental assistance program.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, the Hawaii Public Housing Authority, the Hawaii Association of REALTORS, the Hawaii Appleseed Center for Law and Economic Justice, the Pacific Housing Assistance Corporation, Catholic Charities Hawaii, and the International Longshore and Warehouse Union 142 Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the rental assistance revolving fund targets funding to low-income families as they enter housing. Even more important, new funding would support the development of new affordable buildings that could offer this project-based, not tenant-based, subsidy. The average subsidy is between \$175 and \$250 per month. Your Committee further finds that this subsidy makes it possible for families to be financially stable and keep their unit over time; this in turn strengthens the financial viability of affordability of affordable housing projects, which are in short supply.



Your Committee has heard the testimony of the Department of Budget and Finance expressing concerns that federal tax law requires that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities will derive the benefit of the rental housing trust fund, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the rental housing trust fund to provide financing to private entities. Your Committee finds that this issue raises concerns that merit further consideration by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 303 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 303	Committee Referral: HMS, WAM	Date: 1/28/13		
<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)	✓			
GREEN, Josh (VC)	✓			
KIDANI, Michelle N.				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam		✓		
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; font-family: cursive;">92</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