

Honolulu, Hawaii
February 18, 2016

RE: H.B. No. 2638
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2638 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Hawaii Public Housing Authority (Authority) to impose a maximum rental period of seven years for state low-income housing projects that receive state funds for repair and maintenance or for capital improvement;
- (2) Require the Authority to fix the rates for the seven-year rentals for the entire term of the lease;
- (3) Establish savings accounts within the Authority to provide matching funds for tenants who participate in the seven-year rentals;
- (4) Authorize the issuance of general obligation bonds to fund the repair and maintenance of state low-income housing; and
- (5) Appropriate funds for the repair and maintenance of state low-income housing projects and to fund the savings accounts established by the Authority.



The General Contractors Association of Hawaii supported this measure. Black Lives Matter opposed this measure. The Hawaii Public Housing Authority, Governor's Coordinator on Homelessness, and Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Changing the maximum rental period for dwelling units in state low-income housing projects that receive state funding for repair and maintenance or for capital improvement from seven years to five years;
- (2) Requiring the Authority to not impose a maximum rental period of five years on individuals who are disabled or 65 years of age or older;
- (3) Replacing references to "savings accounts" with "trust accounts";
- (4) Requiring applicants who choose to rent dwelling units in a state low-income housing project to:
 - (A) Establish and maintain a trust account managed by the Authority, rather than a savings account at certain financial institutions; and
 - (B) Participate in the Family Self-Sufficiency Program under Title 42 United States Code Section 1437u;
- (5) Requiring tenants to pay an unspecified percent of their income as payment for rent to the Authority, and the Authority to take the difference between the tenant's payment and the fixed rate established by the Authority and deposit the moneys into the tenant's trust account;
- (6) Removing the requirement that the Authority shall not renovate a vacant dwelling unit if no applicant agrees to the conditions to rent the dwelling unit;
- (7) Appropriating funds for:
 - (A) Matching funds that will be placed in the trust accounts of the tenants; and
 - (B) An unspecified number of positions to manage the funds of the trust accounts of the tenants;



- (8) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should your Committee on Finance deliberate this measure further, your Committee on Housing respectfully requests that it consider the questions and concerns raised by the Hawaii Public Housing Authority in its testimony.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2638, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



MARK J. HASHEM, Chair



