

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 488
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Housing and Human Services, to which was referred H.B. No. 488, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the issuance of general obligation bonds and appropriate funds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing; and
- (2) Appropriate funds for public housing security improvements, renovation, and repairs.

Your Committees received testimony in support of this measure from the Judiciary of the State of Hawaii; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; EAH Housing; Land Use Research Foundation of Hawaii; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Housing Now Coalition; Hawaii Association of REALTORS; Hawaii Construction Alliance; In-State Partners; Stanford Carr Development, LLC; Catholic Charities Hawaii; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Children's Action Network; Americans for Democratic Action;



IMUAlliance; Protecting Hawaii's Ohana, Children, Underserved, Elderly and Disabled; Partners in Care; Hawaii Habitat for Humanity Association; Institute for Human Services; and four individuals.

Your Committees find that Hawaii's housing market suffers from a persistent shortage of housing, particularly housing that is affordable for Hawaii's workforce and lower income groups. Your Committees further find that a significant investment of resources in capital improvement projects by the State is necessary to meet the critical and longstanding need for housing and services. Your Committees additionally find that expanding the pool of investors that may qualify for low-income housing tax credits will further incentivize development of affordable housing in the State.

Accordingly, your Committees have amended this measure by:

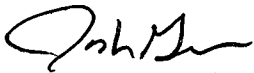
- (1) Inserting language to specify that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and to passive activity losses do not apply with respect to claims from the state low-income housing tax credit;
- (2) Specifying a general obligation bond issuance and appropriation amount of \$75,000,000 for purposes of the rental housing revolving fund;
- (3) Specifying a general obligation bond issuance and appropriation amount of \$15,000,000 for construction of a mixed-use affordable rental housing and multi-use juvenile services and shelter center;
- (4) Inserting a general fund appropriation of \$75,000,000 for purposes of the dwelling unit revolving fund;
- (5) Replacing specific appropriations and language for public housing security enhancements with a single general bond issuance and appropriation of \$75,000,000 for development, improvements, security upgrades, repairs, and renovations of public housing, including security improvements and enhancements at Kalihi Valley Homes;



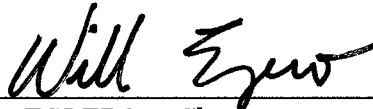
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 488, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 488, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Housing and Human
Services,



JOSH GREEN, Chair



WILL ESPERO, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* HB 488 HD2	Committee Referral: HOU/HMS, WAM	Date: 3/21/17		
<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
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
KAHELE, Kaiali'i				✓
KEITH-AGARAN, Gilbert S.C.				✓
NISHIHARA, Clarence K.	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Harit</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

