

STAND. COM. REP. NO. 421

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 591

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

Sir:

Your Committees on Transportation and Energy and Housing, to which was referred S.B. No. 591 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 Director of Finance to issue general obligation bonds to construct affordable rental units and homes, including infrastructure improvements at specified Hawaii public housing projects and temporary transitional housing or homeless shelters; and
- (2) Allow monies from the conveyance tax and the county surcharge on state tax to be used to repay the bonds.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Hawaiian Home Lands; Hawaii Public Housing Authority; Waikiki Health; IMUAlliance; Hunt Development Group, LLC; Hawai'i Construction Alliance; and seven individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.



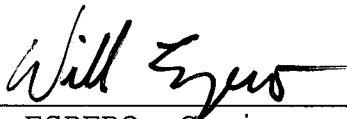
Your Committees find that the cost of housing and the lack of affordable rentals and properties for sale are two of the most pressing issues facing the State, and that the lack of housing inventory has driven up the cost of rental properties and homes for sale. In November 2016, the median price of a home in Hawaii was \$584,400. On Oahu, where the shortage of affordable housing is most acute, the median sale price for single-family houses, as reported by the Honolulu Board of REALTORS, was \$730,000.

Your Committees further find that a shortage of affordable housing is one of the primary causes of homelessness in Hawaii. More units must be constructed to meet the growing demand for affordable housing. Government-owned land is available for housing, but infrastructure is insufficient in many areas, including for transit-oriented development. It is projected that meeting long-term housing goals will require 64,000 new housing units by 2025, and of that total, 22,200 households of all income levels will require rental units.

If your Committee on Ways and Means chooses to consider this measure, your Committees request that it take under advisement the suggestion of the Department of Taxation that a specific percentage or amount of the conveyance tax that may be used to repay general obligation bonds for the purposes of this measure be determined.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 591 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Housing,



WILL ESPERO, Chair

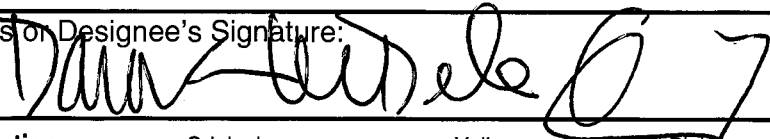


LORRAINE R. INOUE, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

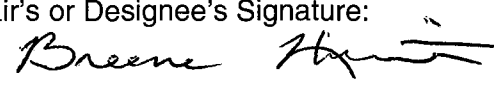
Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* SB 591	Committee Referral: TRE/HOU,WAM	Date: 2/14/17		
<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 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
INOUE, Lorraine R. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
HARIMOTO, Breene	/			
SHIMABUKURO, Maile S.L.				/
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 591	Committee Referral: TRE/HOU, WAM	Date: 2/14/17		
<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 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
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: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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