

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 749
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 749 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to build non-subsidized housing.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Housing Finance and Development Corporation and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Hawaii Public Housing Authority.

Your Committee finds that creating more affordable housing opportunities for Hawaii residents is of utmost importance. However, many affordable housing projects are revenue-negative, which limits the number of projects that the Hawaii Public Housing Authority can undertake. By allowing the Hawaii Public Housing Authority to build non-subsidized housing, this measure will allow for more mixed use and for-profit portions of affordable housing projects, which will make these projects more financially viable. With more profitable projects, the Hawaii Public Housing Authority can return more money to the State and therefore build more affordable housing projects.



Your Committee notes the conflicting testimony submitted by the Hawaii Housing Finance and Development Corporation and Hawaii Public Housing Authority. In order to provide input to the Committee that is credible and useful, state agencies are encouraged to better coordinate their testimony before this Committee going forward.

Your Committee has amended this measure by:

- (1) Deleting the definition of "Public housing project, housing project, or complex" from section 356D-1, Hawaii Revised Statutes, as this definition does not include "state low-income housing project" as defined in section 356D-51, Hawaii Revised Statutes;
- (2) Adding a new definition of "Housing" to section 356D-1, Hawaii Revised Statutes, as recommended by the Hawaii Public Housing Authority, to prevent any unintended consequences that may inhibit the Hawaii Public Housing Authority from carrying out the legislative intent of this measure;
- (3) Making conforming amendments to section 356D-11, Hawaii Revised Statutes, to further the purpose and intent of this measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 749, S.D. 1, and be referred to your Committee on Ways and Means.



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


STANLEY CHANG, Chair



