

STAND. COM. REP. NO. 838

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 120
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 120, S.D. 1, 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 appropriate funds to support affordable and public housing, and the housing first programs for the chronically homeless.

More specifically, this measure:

- (1) Authorizes the issuance of general obligation bonds and the appropriation of funds for deposit into the rental housing trust fund and the dwelling unit revolving trust fund;
- (2) Appropriates moneys for the construction of mirco apartment housing units; and
- (3) Appropriates funds for the continued administration of the housing first programs for the chronically homeless.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, The Chamber of Commerce of Hawaii, United States Veterans Initiative, Faith Action for Community Equity, Hawaii Applesseed Center for Law and Economic Justice, Goodwill Industries of Hawaii, Inc., Hawaii Catholic



Conference, Hawaii Association of REALTORS, Hawaii Primary Care Association, Land Use Research Foundation of Hawaii, Partners in Care, PHOCUSED, and four individuals. The Department of Budget and Finance and the Department of Human Services submitted written comments on this measure.

Your Committee finds that existing public housing in Hawaii is in severe need of repair. The Hawaii Public Housing Authority's public housing has a backlog of repairs estimated to cost \$754,000,000 according to the Authority's 2014 annual fiscal year report. Your Committee believes that an expansive and comprehensive approach is needed to address the lack of housing in Hawaii.

Your Committee also finds that homelessness is a significant problem in Hawaii. Hawaii has the second highest rate of homelessness in the United States and the rate of homelessness does not appear to be improving. The 2011 Hawaii housing planning study found that up to 50,000 new housing units need to be built by 2016 to meet demand for housing.

Your Committee notes the concern by the Department of Budget and Finance that, given federal law restrictions on use of tax-exempt general obligation bonds, the State would need to issue taxable general obligation bonds at a higher cost in order to fund the rental housing trust fund and dwelling unit revolving fund. Your Committee respectfully requests that, should this measure be heard by other Standing Committees, there be further discussion regarding these concerns.

Your Committee has amended this measure by:

- (1) Changing the means of financing the construction of micro apartment housing units from general funds to general obligation bonds, which lapse on June 30, 2018;
- (2) Making all appropriation amounts unspecified sums; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 1, as amended herein, and recommends that it



pass Third Reading in the form attached hereto as S.B. No. 120,
S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB120 SD1	Committee Referral: HSH, WAM	Date: 3/2/15		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </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