

Honolulu, Hawaii

February 15, 2018

RE: H.B. No. 2620
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2620 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to ensure the availability of affordable housing by:

- (1) Authorizing the Director of Finance to issue general obligation bonds to construct affordable rental units and homes; and
- (2) Allowing conveyance tax revenues and certain county surcharge on state tax revenues to be used to repay bonds.

The Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Department of Hawaiian Home Lands, and IMUAlliance supported this measure. Hawaii Association of REALTORS opposed this measure. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

Your Committee notes that should this measure be enacted, the corresponding annual debt service will need to be included in the Supplemental Appropriations Act of 2018.



Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Housing Finance and Development Corporation may enter into partnerships with state as well as private entities for the construction of affordable rental units that are financed by the issuance of general obligation bonds;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2620, H.D. 1, and be referred to your Committee on Finance.

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



TOM BROWER, Chair



