

Honolulu, Hawaii

MAR 21 2018

RE: H.B. No. 2745  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2745, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL ASSISTANCE PROGRAM, "

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expand the rental assistance program by increasing the minimum percentage of affordable units a rental housing project is required to maintain for eligible tenants from twenty percent to thirty percent; and
- (2) Appropriate funds to be deposited into the rental assistance revolving fund to support new rental assistance program contracts.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness, Hawaii Housing Finance and Development Corporation, Catholic Charities Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.



Your Committee finds that homelessness remains one of the most pressing challenges facing Hawaii, and the State has adopted a comprehensive framework to address homelessness. In particular, the State has worked together with the Legislature and other stakeholders to increase resources for permanent housing programs. For example, the rental assistance program provides qualified owners with monthly rental assistance subsidies to assist eligible tenants with income at or below eighty percent of the area median income who live in rental housing developments. This measure will increase the number of eligible projects and provide an infusion of funds into the rental assistance revolving fund to expand the rental assistance program.

Your Committee has amended this measure by:

- (1) Adopting suggested language from Catholic Charities Hawai'i that decreases the qualifying maximum income threshold from eighty percent to thirty percent of the area median income for a family or individual to be an eligible tenant under the rental assistance program;
- (2) Clarifying that the intent of this measure is not to jeopardize the receipt of any federal aid nor to impair any existing federal obligation of the State or any agency thereof and therefore avoid any potential fiscal impact on the program or potential implications on federal funding and obligations; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that lowering the qualifying area median income percentage will increase the number of eligible tenants under the rental assistance program; however, your Committee believes that the potential fiscal impact on the program and potential implications on federal funding and obligations merit further discussion by your Committee on Ways and Means.

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. 2745, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2745,



H.D. 1, 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,

*Will Espero*


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WILL ESPERO, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>HB 2745, HD 1</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>3/13/18</b>		
<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)	✓			
GREEN, Josh	✓			
KAHELE, Kaiali'i				✓
NISHIHARA, Clarence K.				✓
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes