

STAND. COM. REP. NO.

2246

Honolulu, Hawaii

FEB 13 2018

RE: S.B. No. 2421
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 S.B. No. 2421 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs 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, temporary transitional housing or housing shelters, infrastructure for transit-oriented development, and a condominium on Hawaiian home lands; and
- (2) Allow monies from the conveyance tax and the county surcharge on state tax to be used to repay the general obligation bonds.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Department of Hawaiian Home Lands, Hawaii Public Housing Authority, IMUAlliance, Hawaii Habitat for Humanity Association, and one individual. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committee received comments on this measure from



the Department of Budget and Finance, Tax Foundation of Hawaii, and League of Women Voters of Hawaii.

Your Committee finds 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. Furthermore, the shortage of affordable housing is one of the primary causes of homelessness in Hawaii.

Your Committee further finds that a consensus exists among many individuals, working groups, and task forces focused on addressing the issue of homelessness that more units must be constructed to meet the growing demand for affordable housing. Although government land is available for housing, the 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. This measure provides a key funding component to meet these construction goals.

Your Committee has amended this measure by:

- (1) Increasing the percentage of the conveyance tax collected to be paid into the rental housing revolving fund from fifty to sixty percent and repealing the statutory cap of \$38,000,000, to increase the revenue stream into the revolving fund;
- (2) Increasing the amount of the general obligation bonds authorized for issuance for the development of affordable housing from \$500,000,000 to \$800,000,000, and distributing specified amounts to the:
 - (A) Dwelling unit revolving fund, of which a specified amount is dedicated to transit-oriented development infrastructure projects;
 - (B) Rental housing revolving fund; and
 - (C) Rental assistance revolving fund;

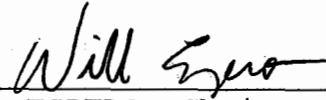


- (3) Decreasing the amount of the general obligation bonds authorized for issuance for certain public housing properties under the jurisdiction of the Hawaii Public Housing Authority from \$400,000,000 to \$100,000,000 and removing the purposes of completing Kuhio Park Terrace improvements and the Hawaii Public Housing Authority School Street project;
- (4) Decreasing the amount of general obligation bonds authorized for issuance for the construction of temporary transitional housing or homeless shelters on Kauai, Maui, Oahu, and the island of Hawaii from \$200,000,000 to \$50,000,000 and clarifying that the monies are to be used for constructing homeless shelters statewide and transitional housing centers for the homeless;
- (5) Removing the general obligation bond appropriation of \$450,000,000 to the Hawaii Housing Finance and Development Corporation for the purpose of constructing affordable rental units;
- (6) Removing the general obligation bond appropriation of \$400,000,000 to the Hawaii Housing Finance and Development Corporation for the purpose of constructing infrastructure on or near state lands for transit-oriented development with priority given to certain areas;
- (7) Adding language to allow the Department of Hawaiian Home Lands to use the general obligation bond appropriation for the purpose of constructing tiny homes on Hawaiian home lands and making infrastructure improvements; and
- (8) 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. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, 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,

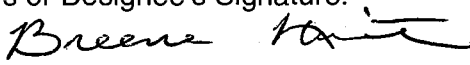


WILL ESPERO, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 2421	Committee Referral: HOU, WAM	Date: 2/6/18		
<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.	✓			
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				

*Only one measure per Record of Votes