

STAND. COM. REP. NO. 370

Honolulu, Hawaii

FEL 14, 2007

RE: H.B. No. 948
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 948 entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this bill is to encourage the development of affordable housing units by:

- (1) Exempting the development of affordable housing units from the general excise tax (GET);
- (2) Requiring that county members of the Board of Directors of the Hawaii Housing Finance and Development Corporation (HHFDC) be appointed from a list of nominees submitted by the continuum of care system of each county;
- (3) Specifying that HHFDC may approve and certify GET exemptions for persons or firms involved in the planning, design, financing, construction, or marketing of a proposed newly constructed or rehabilitated project;
- (4) Clarifying the conditions under which HHFDC can develop, sell, or rent housing projects;



- (5) Stipulating that at least five percent of housing units developed with moneys from the Rental Housing Trust Fund (Fund) be reserved for persons or households with incomes at or below 30 percent of the median income;
- (6) Clarifying the eligible applicants and eligible activities for assistance from the Fund; and
- (7) Requiring projects eligible for assistance from the Fund to produce certain categories of housing units.

Hawaii Reserves Inc. and Brigham Young University Hawaii, testified in support of this bill. Department of Taxation, HFDC, the Chair and Vice Chair of the Maui County Council commented on this measure.

Hawaii is currently experiencing an affordable housing crisis. Providing exemptions from the GET and streamlining the review and approval process for affordable housing units are ideas that will help in the development of affordable housing units for Hawaii's people.

However, your Committee understands the many concerns regarding jurisdiction and conflicting issues regarding the methods used by this measure to streamline the review and approval process. Accordingly, your Committee has amended this measure by deleting language that:

- (1) Established requirements for the appointment of county members of the Board of Directors of HHFDC;
- (2) Clarified the conditions under which HHFDC can develop, sell, or rent housing projects;
- (3) Required at least five percent of housing units developed with moneys from the Fund to be reserved for persons with certain income levels;
- (4) Clarified the eligible applicants and eligible activities for assistance from the Fund; and
- (5) Required projects eligible for assistance from the Fund to produce certain categories of housing units.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



