

STAND. COM. REP. NO.

2212

Honolulu, Hawaii

FEB 09 2024

RE: S.B. No. 2034
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2034 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 issuance of general obligation bonds for the Hawaii Housing Finance and Development Corporation's and Hawaii Public Housing Authority's programs to develop housing exclusively for residents of the State who are owner- or renter-occupants and own no other real property; and
- (2) Make appropriations.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, Office of Planning and Sustainable Development, Partners in Care, NAIOP Hawaii, Catholic Charities Hawai'i, AARP Hawai'i, Aloha United Way, Hawai'i Children's Action Network Speaks!, and three individuals.

Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.



Your Committee finds that Hawaii has a severe shortage of housing and also experiences one of the highest costs of housing in the country. Building more affordable housing ensures a more resilient future for the State's residents. This measure will provide much needed funding for the Hawaii Housing Finance and Development Corporation and the Hawaii Public Housing Authority to increase housing stock in the State, assure affordability, deconcentrate poverty, and create vibrant mixed-income and mixed-use communities for generations to come.

Your Committee notes the concerns raised in testimony that this measure would increase annual debt service costs and double the current capital improvement program budget in the 2024-2025 fiscal year. However, the Hawaii Housing Finance and Development Corporation testified that the funds made available by this measure are used to make loans to entities that then repay the loans with interest to the State. Accordingly, the revenue returned to the State, plus interest, can be used to service the debt and associated costs.

Your Committee has amended this measure by:

- (1) Clarifying that the general obligation bonds shall be issued for the purposes of financing projects for the Hawaii Housing Finance and Development Corporation and Hawaii Public Housing Authority housing for qualified residents, as defined in section 201H-32, Hawaii Revised Statutes;
- (2) Correcting the lapse date to June 30, 2026;
- (3) Deleting the general fund expenditure ceiling declaration, as there is no general fund appropriation in this measure; and
- (4) 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. 2034, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as S.B. No. 2034, 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,



STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
 Committee on Housing
 HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2034	HOU, WAM	1/25/24		
<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
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.				✓
KANUHA, Dru Mamo	✓			
AWA, Brenton	✓			
TOTAL	4	0	0	1
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