

STAND. COM. REP. NO. 143

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 576

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 576
entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL ADMINISTRATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the requirements of legislative reports to be submitted by the Hawaii Public Housing Authority (HPHA) and Hawaii Housing Finance and Development Corporation (HHFDC);
- (2) Amend the scope of moneys to be deposited into and the purposes of the Public Housing Special Fund; and
- (3) Exempt expenditures of the Public Housing Special Fund from appropriation and allotment by the Legislature, subject to certain requirements.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

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

Your Committee finds that the Public Housing Special Fund was established to support long-term and special projects undertaken



by HPHA. Presently, HPHA secures some funding through the Rental Housing Revolving Fund administered by HHFDC, restricting HPHA's ability to expeditiously construct new public housing, or perform repair and maintenance on existing properties. With direct appropriations to HPHA, including the ability to recycle repaid funds, HPHA can focus on redevelopment projects, reducing administrative burden, and accelerating public housing production. Accordingly, this measure provides HPHA with greater flexibility while ensuring the continuity of existing operations to provide the State's low-income residents with safe and secure housing.

Your Committee notes the testimony submitted by the Department of Budget and Finance regarding the funding mechanism for the Public Housing Special Fund. As the Fund does not have a significant, consistent source of revenue, HPHA would need to rely on other funding sources such as the Rental Housing Revolving Fund or the Dwelling Unit Revolving Fund for gap funding. Therefore, the Legislature should consider a permanent funding mechanism to ensure the proper maintenance of HPHA's housing inventory and enable HPHA to build more housing for the most vulnerable residents in the State.

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. 576 and recommends that it pass Second Reading 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



