

STAND. COM. REP. NO.

71

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 1350  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 1350 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to increase the inventory of affordable housing units to benefit the State's working class by exempting the sale or transfer of real property that is subject to a sustainable affordable lease from the ten-year buyback and shared appreciation equity restrictions under chapter 201H, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Hawaii Housing Finance and Development Corporation; Hawaii Reserves, Inc.; and the Hawaii Leeward Planning Conference.

Under section 201H-47, Hawaii Revised Statutes, for a period of ten years after the purchase, lessees of sustainable affordable leases who wish to sell their homes must sell back their homes to the Hawaii Housing Finance and Development Corporation, who in turn will resell the home to another income-qualified family, or to a qualified resident. Sustainable affordable lease projects already satisfy the intent of the buyback and shared equity appreciation restrictions under chapter 201H, Hawaii Revised Statutes, because the homes in a sustainable affordable development are permanently affordable and intended to remain in the affordable housing inventory. If the traditional ten-year buyback and shared appreciation equity restrictions are applied to

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sustainable affordable leases, the purpose and implementation of the sustainable affordable development model under chapter 516, part VI, Hawaii Revised Statutes, will be frustrated. Your Committee finds that exempting sustainable affordable leasehold developments and projects from the ten-year buyback and shared appreciation equity restrictions will expedite the development process for sustainable affordable leaseholds.

The Hawaii Leeward Planning Conference indicated to your Committee that there are many instances where immediate family members of a deceased lessee are forced to move out of the affordable home because of the ten-year buyback and shared equity provisions. Accordingly, your Committee has amended this measure by adopting the amendment that was suggested by the Hawaii Leeward Planning Conference by adding an additional exemption under section 201H-47(c), Hawaii Revised Statutes, to include the right of first refusal for the sale or transfer of real property to an immediate family member of the purchaser upon the purchaser's death.

Your Committee believes that the amended measure fulfills the intent of this measure, which is to increase the inventory of affordable housing units to benefit the State's working class.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.


Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land,  
Agriculture, and Hawaiian  
Affairs,

  
RUSSELL S. KOKUBUN, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WAH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1350	WAH, CPH	FEB. 05, 2007		
<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
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol	X			
HEE, Clayton				X
SLOM, Sam	X			
<b>TOTAL</b>	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes