

JAN 22 2007

S.B. NO. 1350

A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 201H-47, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The corporation may waive the restrictions prescribed
4 in subsection (a) or (b) if:

5 (1) The purchaser wishes to transfer title to the real
6 property by devise or through the laws of descent to a
7 family member who would otherwise qualify under rules
8 established by the corporation; [~~e~~]

9 (2) The sale or transfer of the real property would be at
10 a price and upon terms that preserve the intent of
11 this section without the necessity of the State
12 repurchasing the real property; provided that, in this
13 case, the purchaser shall sell the unit or lot and
14 sell or assign the property to a person who is a
15 "qualified resident" as defined in section 201H-32;
16 and provided further that the purchaser shall pay to
17 the corporation its share of appreciation in the unit

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1 as determined in rules adopted pursuant to chapter 91,
2 when applicable[-]; or

3 (3) The sale or transfer is of real property subject to a
4 sustainable affordable lease as defined in section
5 516-1."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

~~_____~~
BY REQUEST

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development and Tourism

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: To exempt certain lessees from the ten-year buyback and shared appreciation equity restrictions under chapter 201H, Hawaii Revised Statutes.

MEANS: Amend section 201H-47(c), Hawaii Revised Statutes.

JUSTIFICATION: This bill allows projects that, pursuant to section 516-1, Hawaii Revised Statutes, comprise a sustainable affordable development to utilize the chapter 201H development process. Under this model, lessees of sustainable affordable leases who wish to sell their homes must sell back their homes to the lessor, which in turn resells the home to another income-qualified family. Such projects satisfy the intent of the buyback and shared appreciation restrictions, as they retain homes in the affordable inventory. If the traditional ten-year buyback and shared appreciation equity restrictions imposed by the HHFDC are applied, the sustainable affordable development model would not work.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: BED 160.

OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: Upon approval.