

STAND. COM. REP. NO.

1233

Honolulu, Hawaii

March 23, 2017

RE: S.B. No. 1244
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 1244, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to, among other things:

- (1) Allow the Hawaii Community Development Authority (HCDA) to waive a right to repurchase a reserved or workforce unit and transfer the right of repurchase to a qualified nonprofit housing trust;
- (2) Allow the counties to waive their right of first refusal to repurchase certain privately-developed affordable housing units and transfer that right of repurchase to a qualified nonprofit housing trust;
- (3) Allow the Hawaii Housing Finance and Development Corporation (HHFDC) to waive its first option to repurchase certain real property and transfer the right to repurchase to a qualified nonprofit housing trust;
and

SB1244 HD1 HSCR HSG HMS 2017-3060



- (4) Amend the means of calculating the maximum price for HHFDC's first option to purchase real property.

Hawaii Association of REALTORS, Gentry Homes, Maui Chamber of Commerce, In-State Partners, and two individuals testified in support of this measure. The City and County of Honolulu Department of Planning and Permitting opposed this measure. HHFDC and HCDCA provided comments on this measure.

Upon careful consideration, your Committee has amended this measure by:

- (1) Adding the contents from H.B. No. 1335, H.D. 1, which was heard by your Committee earlier this session, and which:
 - (A) Amends the State Low-Income Housing Tax Credit so that certain provisions of the Internal Revenue Code related to at-risk rules, deductions, and passive activity loss limitations do not apply with respect to investments in buildings and projects claiming the credit; and
 - (B) Appropriates funds to establish one full-time equivalent (1.00 FTE) position to oversee the Low-Income Housing Tax Credit Program;
- (2) Changing its effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1244, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1244, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Housing,

A handwritten signature in black ink, appearing to read "Tom Brower", written over a horizontal line.

TOM BROWER, Chair



