

STAND. COM. REP. NO.

174)

Honolulu, Hawaii

April 7

, 2017

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1244, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to ensure that affordable housing units remain affordable for Hawaii residents by:

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

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- (4) Amending the means of calculating the maximum price for the HHFDC's first option to purchase real property;
- (5) Amending the low-income housing tax credit; and
- (6) Appropriating funds to the HHFDC to establish a position to oversee the low-income housing tax credit.

The Department of Land and Natural Resources, Hawaii Association of REALTORS, Pacific Resource Partnership, The Chamber of Commerce Hawaii, InState Partners, DeBartolo Development, Hawaii Construction Alliance, Hawaii Operating Engineers Industry Stabilization Fund, Stanford Carr Development LLC, and two concerned individuals supported this measure. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The HHFDC, Department of Taxation, HCDA, Tax Foundation of Hawaii, Hawaii HomeOwnership Center, BIA-Hawaii, and Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Specifying that if certain repurchase rights are transferred to a qualified nonprofit housing trust then the housing trust shall establish buyback restrictions for the purpose of maintaining the unit as affordable for as long as practicable, or as required by the applicable government agency;
- (2) Removing the reporting requirements for the HCDA, HHFDC, and counties; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1244, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 2, H.D. 2.



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



SYLVIA LUKE, Chair



