

STAND. COM. REP. NO.

498

Honolulu, Hawaii

FEB 17 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Housing and Government Operations, to which was referred S.B. No. 1244 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to authorize qualified nonprofit housing trusts to repurchase affordable units developed with government assistance when a government entity waives its first right of refusal to repurchase the unit.

Your Committees received testimony in support of this measure from the Hawaii HomeOwnership Center; Hawaii HomeOwnership Center on behalf of more than fifty-five residents; Hawaii Association of REALTORS; Gentry Homes, LTD; Honolulu Board of REALTORS; and two individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Housing Finance and Development Corporation, and Hawaii Community Development Authority.

Your Committees find that the shortage of safe, decent, and sanitary housing has been a persistent problem in Hawaii for decades. Your Committees further find that the median price for single family homes on Oahu has risen to approximately \$750,000. Your Committees additionally find that it is necessary to take steps to ensure that existing affordable housing is preserved as affordable for as long as possible. Your Committees also find



that this measure has generated a significant amount of testimony by state agencies and other bodies deeply involved in the development and management of affordable residential units in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Adding language requiring perpetual buyback restrictions by qualified nonprofit housing trusts;
- (2) Clarifying the definition of "qualified nonprofit housing trust" and allowing HCDA, each county, and the Hawaii Housing and Finance Development Corporation (HHFDC) to make their own determinations of whether a qualified nonprofit housing trust has the capacity, resources, and mission to ensure long-term affordability of housing;
- (3) Adding language including the Hawaii Housing Finance and Development Corporation's share of net appreciation in the real property for the purposes of calculating the maximum price of the Corporation's first option to purchase;
- (4) Adding language clarifying that the Hawaii Housing Finance and Development Corporation may select the nonprofit housing trust which shall have the option to purchase an affordable housing unit if the Corporation waives its first option to repurchase;
- (5) Adding language clarifying that the Hawaii Community Development Authority may adopt rules to specify the cutoff income levels for low- and moderate-income ranges for the purpose of determining workforce housing; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1244, as amended herein, and recommend that it



pass Second Reading in the form attached hereto as S.B. No. 1244, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Housing and
Government Operations,



DONNA MERCADO KIM, Chair

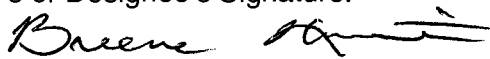


WILL ESPERO, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i


Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 1244	Committee Referral: HOU/AVO, WAM	Date: 2/14/17		
<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
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
KAHELE, Kaiali'i				✓
KEITH-AGARAN, Gilbert S.C.	✓			
NISHIHARA, Clarence K.				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SB 1244</i>	Committee Referral: <i>HOU / GVO, WAM</i>	Date: <i>2-14-17</i>		
<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
KIM, Donna Mercado (C)	X			
RUDERMAN, Russell E. (VC)	X			
GALUTERIA, Brickwood	X			
RHOADS, Karl	X			
TOKUDA, Jill N.				X
TOTAL	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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