

Honolulu, Hawaii
February 6, 2018

RE: H.B. No. 2327
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2327 entitled:

"A BILL FOR AN ACT RELATING TO LANDS CONTROLLED BY THE STATE,"

begs leave to report as follows:

The purpose of this measure is to exempt from statutory requirements for legislative approval the sale of the leased fee interest in certain affordable leasehold developments by the Hawaii Housing Finance and Development Corporation.

The Office of the Governor, Department of Business, Economic Development and Tourism, Hawaii Housing Finance and Development Corporation, and Land Use Research Foundation of Hawaii supported this measure. The Office of Hawaiian Affairs provided comments.

Your Committee finds that obtaining legislative approval for the fee simple sale of state lands is a lengthy and costly process for individual leasehold homeowners. This burden may be especially onerous when applied to the individual lessees of the lots and units not currently exempted from the approval requirement. These lessees have successfully achieved the purpose of a state program to provide affordable housing to lessees and allow them to purchase the fee interest in the property when they become able to do so. This measure will provide relief for those



homeowners and reduce the administrative burden of continually processing individual homes and condominiums in the same developments as homeowners become able to purchase the leased fee interest to their homes.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, to encourage further discussion; and
- (2) 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 H.B. No. 2327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2327, H.D. 1, and be referred to your Committee on Water & Land.

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



TOM BROWER, Chair



