



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the

HOUSE COMMITTEE ON HOUSING

Thursday, February 8, 2018

9:30 a.m.

State Capitol, Conference Room 423

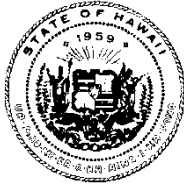
in consideration of
HB 2328
RELATING TO HOUSING.

Chair Brower, Vice Chair Nakamura and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT)

supports HB2328, an Administration bill making technical and clarifying amendments to Act 159, Session Laws of Hawaii 2017. This bill clarifies that any HHFDC-assisted project that was developed or sold prior to Act 159's enactment is grandfathered in to avoid unintended consequences and administrative burdens.

Thank you for the opportunity to offer support of HB 2328.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 8, 2018 at 9:30 a.m.
State Capitol, Room 423

In consideration of
H.B. 2328
RELATING TO HOUSING.

The HHFDC **strongly supports** H.B. 2328, an Administration bill making technical and clarifying amendments to Act 159, Session Laws of Hawaii 2017.

Act 159 allows qualified non-profit housing trusts to utilize HHFDC's buyback restriction on affordable for-sale homes and condominium units resold by their original owner-occupants in situations when the HHFDC decides not to do so itself. However, during the interim, we found that some HHFDC projects may not be covered by the existing grandfather clause wording. This bill is intended to exclude any project developed or sold prior to Act 159's enactment.

Furthermore, section 201H-50, HRS, requires the HHFDC to notify homebuyers of "any substantial change in restrictions made by law, ordinance, rule, or regulation" and to make public notice, through publication, three times in the State, of their opportunity to modify their existing contract to incorporate the most recent modification. To make a section 201H-50 notification to all existing HHFDC homebuyers still subject to the buyback restriction would be a significant fiscal and administrative burden to the agency. Therefore, HHFDC would prefer that Act 159 not apply to any project developed or sold before its enactment. This bill is intended to do so.

Thank you for the opportunity to testify.