STAND. COM. REP. NO. 15 39

Honolulu, Hawaii

APR 0 5 2007

RE: H.B. No. 1264

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 1264 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to exempt certain lessees for sustainable affordable developments from the ten-year buyback and shared appreciation equity restrictions under chapter 201H, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; the Office of Hawaiian Affairs; Brigham Young University Hawai'i; and UniDev Hawaii, L.L.C.

Your Committee finds that this measure allows the Hawaii Housing Finance and Development Corporation (HHFDC) to waive ten-year buyback and shared appreciation equity restrictions for projects that, pursuant to section 516-1, HRS, comprise a sustainable affordable development. Under existing law, a lessee of a HHFDC affordable leasehold residential property who wishes to sell the affordable home within ten years of purchase must sell the home back to HHFDC so that HHFDC, in turn, may resell the property to another income-qualified lessee. However, your Committee believes that sustainable affordable developments, such as those developed and managed by HHFDC, already satisfy the intent of the buyback and shared appreciation restrictions because sustainable affordable developments are affordable in perpetuity.

Your Committee also finds that there are many instances where immediate family members of a deceased lessee are forced to move out of the affordable home because of the ten-year buyback and shared appreciation equity provisions. Accordingly, your Committee has amended this measure by adding an additional exemption under section 201H-47(c), HRS, to include the right of first refusal for the sale or transfer of real property to an immediate family member of the purchaser upon the purchaser's death. This amendment will assist in creating a greater inventory of affordable housing for the benefit of the State's working class.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1264, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Affordable Housing,

BRIAN T. TANIGUCHI, Chai

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

Bill / Resolution No.:* HB I264	CPH	Dat	18/28	107
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)				
IGE, David Y. (VC)				
ESPERO, Will				
IHARA, Jr., Les				
SAKAMOTO, Norman				
SLOM, Sam			9041504111011111111111111111111111111111	I Eligi Kampoog Salari ara Pinan bangs
TOTAL	5		·	1
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

Revised: 12/18/06

^{*}Only one measure per Record of Votes