

STAND. COM. REP. NO.

3199

Honolulu, Hawaii

APR 19 2010

RE: H.C.R. No. 26  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian  
Affairs, to which was referred H.C.R. No. 26 entitled:

"HOUSE CONCURRENT RESOLUTION APPROVING THE FEE SIMPLE SALE OF  
91-1072 WELOWELO STREET, KAPOLEI, HAWAII,"

begs leave to report as follows:

The purpose of this measure is to approve the sale of fee  
simple property located at 91-1072 Welowelo Street in Kapolei,  
Oahu.

Testimony in support of this measure was submitted by one  
state agency. Written testimony presented to the Committee may be  
reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation  
(Corporation) was established to develop and finance low- and  
moderate-income housing projects and administer homeownership  
programs. To ensure a balance between the needs of the resident-  
purchaser and the State, a shared appreciation requirement is  
imposed on all sales to qualified residents. If a homeowner  
refinances their mortgage or sells the property, the State gets  
fifty per cent of any appreciation of the property. Additional  
requirements are imposed, including if the resident wishes to  
transfer title within ten years of purchase, then the Corporation  
has the first option to purchase. Thus, in selling single family  
residences in fee simple to qualified residents, the State  
benefits not only from the social benefits linked to home  
ownership, including increased education for children, lower teen



pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The property subject to this measure was purchased by the Corporation at foreclosure, in accordance with the Corporation's first option to purchase. Your Committee finds the resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for affordable home ownership. Your Committee also finds that approving the sale of this home will relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose for selling this property is to promote affordable residential homeownership and that there are no further development plans for the property;
- (2) Inserting the name of the appraiser;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Clarifying that no objections were received at the public informational briefing; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 26, S.D. 1.



Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land,  
Agriculture, and Hawaiian  
Affairs,



---

CLAYTON HEE, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WTL**

Bill / Resolution No.:* <b>4CR 26</b>	Committee Referral: <b>WTL</b>	Date: <b>4/15/10</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
TOKUDA, Jill N. (VC)	/			
BUNDA, Robert	/			
FUKUNAGA, Carol	/			
KOKUBUN, Russell S.	/			
TAKAMINE, Dwight Y.				/
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <b>Distribution:</b>            Original            File with Committee Report         </div> <div style="text-align: center;">           Yellow            Clerk's Office         </div> <div style="text-align: center;">           Pink            Drafting Agency         </div> <div style="text-align: center;">           Goldenrod            Committee File Copy         </div> </div>				

**\*Only one measure per Record of Votes**