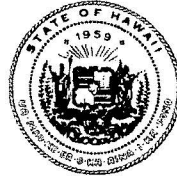


Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

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HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 23, 2010, 3:00 p.m.
Room 308, State Capitol

In consideration of
H.B. 2845
RELATING TO LANDS CONTROLLED BY THE STATE.

The HHFDC supports H.B. 2845. This measure would allow HHFDC to resell individual dwelling units previously encumbered by buyback or shared appreciation equity restrictions in fee simple without complying with the requirements of section 171-64.7, Hawaii Revised Statutes (HRS). The legislative approval requirement prevents HHFDC from promptly selling a repurchased dwelling unit to another first-time homebuyer at an affordable sales price.

HHFDC holds vacant land for housing development, as well as individual single family homes and condominium units that were previously sold to eligible homebuyers but acquired through purchase at foreclosure sale or through exercise of its buyback rights. To comply with section 171-64.7, HRS, the HHFDC must currently conduct a public community meeting, prepare an appraisal of the property for purposes of obtaining legislative approval to sell a home in fee simple, and continue to expend the carrying costs of owning an unoccupied residence, such as landscaping, utilities, association dues, and security expenses. These costs add up quickly, ranging from approximately \$785 per unit to \$924 per unit, depending on the county in which the property is located, and will continue to accrue until legislative approval to resell these units is granted. Additionally, approximately 40 hours of staff time per property has been required to comply with section 171-64.7, HRS requirements during the interim.

Passage of this bill would save HHFDC considerable administrative time and expenses in the management of its real estate portfolio, and allow HHFDC to focus on its mission of providing workforce and affordable housing.

Thank you for the opportunity to testify.



HB 2845
RELATING TO LANDS CONTROLLED BY THE STATE
House Committee on Finance

February 23, 2010

3:00 p.m.

Room: 308

The Office of Hawaiian Affairs **OPPOSES UNLESS AMENDED** HB 2845, which would exempt the fee simple resale of individual dwelling units acquired by the Hawai'i Housing Finance and Development Corporation pursuant to foreclosure or a buyback provision from legislative approval requirements.

This bill is in breach of the Settlement Agreement between OHA and the State of Hawai'i regarding the ceded lands litigation that resulted in Act 176, SLH 2009 (*Office of Hawaiian Affairs, et al. v. Housing and Community Development Corporation of Hawaii et al.*). During the 15 years of litigation and legislative testimony, OHA sought to protect the unrelinquished claims of the Native Hawaiian people to ceded lands. Yet HB 2845 would allow ceded lands to be sold.

If HB 2561, which excludes non-ceded lands from Act 176 (2009), becomes law, HB 2845 is no longer necessary.

If the committee intends to pass HB 2845, it should amend it so that it only applies to non-ceded lands.

Thank you for the opportunity to testify.