Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

    Your Committee on Ways and Means, to which was referred S.B.
No. 1244, S.D. 1, entitled:

    "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

    The purpose and intent of this measure is to help ensure that
an adequate supply of affordable housing units is maintained in
the State.

    Specifically, the measure:

    (1) Authorizes the Hawaii Community Development Authority to
         transfer a right to repurchase a reserved or workforce
         unit and transfer the right of repurchase to a qualified
         nonprofit housing trust;

    (2) Authorizes the counties to waive their right of first
         refusal to repurchase certain privately developed
         affordable housing units and transfer that right of
         repurchase to a qualified nonprofit housing trust;

    (3) Authorizes the Hawaii Housing Finance and Development
         Corporation to waive its option to repurchase certain
         real property and transfer the right of repurchase to a
         qualified nonprofit housing trust; and

(4) Amends the means of calculating the maximum price for the Hawaii Housing Finance and Development Corporation's first option to purchase real property.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawaii HomeOwnership Center; and Gentry Homes, Ltd.

Your Committee received written comments on this measure from the Hawaii Community Development Authority; and the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that for decades, there has been a persistent shortage of safe, decent, and sanitary housing, and the median price for a single family home on Oahu has risen to approximately $750,000. Your Committee further finds that recent studies show a need for sixty thousand housing units by the year 2020. Your Committee therefore believes that it is necessary to take steps to preserve existing affordable housing units for as long as possible.

Your Committee has amended this measure by:

(1) Clarifying that for an entity to qualify as a nonprofit housing trust, it, among other requirements, must be recognized by the Internal Revenue Service as a charitable or otherwise tax exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1244, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 2.

Respectfully submitted on
behalf of the members of the
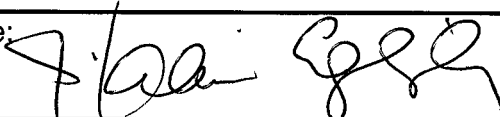Committee on Ways and Means,

_____
JILL N. TOKUDA, Chair

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1244, SD1	HOU/GVO, WAM	24 Feb 2017

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended 2312   ☒ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1

Recommendation:

☒ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

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*Only <u>one</u> measure per Record of Votes

Revised: 12/2/16