

Honolulu, Hawaii

APR 27 2018

RE: S.B. No. 2293
S.D. 2
H.D. 3
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2293, S.D. 2, H.D. 3, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Require the County of Maui to pursue available remedies to recoup any and all monies expended for the Front Street Apartments affordable housing project from the leasehold fee owners and owners of the improvements constructed thereon, or their successors in interest in the construction of the Front Street Apartments as an affordable housing project;
- (2) Appropriate out of the Hawaii Housing Finance and Development Corporation's rental assistance program an



unspecified amount for the Corporation to maintain affordable rents to the Front Street Apartments tenants by providing a three-year rent subsidy; provided that the leasehold fee and improvement owners, or their successors, provide dollar-for-dollar matching funds, and if no matching funds are provided, prohibiting the leasehold fee and improvement owners, or their successors, from doing business in the State; and

- (3) Appropriate an unspecified amount out of the Hawaii Housing Finance and Development Corporation revenues to expedite and complete the construction of Leialii affordable housing project in Lahaina, Maui, by 2021, provided that the County of Maui expedites the planning and permitting process for the Leialii affordable housing project.

Your Committee on Conference finds that the Front Street Apartments on Maui provide affordable housing to more than two hundred fifty low-income residents. These apartments were developed in 2001 as an affordable rental housing project with one hundred forty-two apartment units, using state financing and state tax credits, and were expected to remain affordable to low-income tenants for fifty years. However, the owners of the Front Street Apartments recently exercised an option to remove the property from affordability requirements that were tied to the development of the property, and this change will allow them to begin renting available apartments at market rates and likely raise rents for existing tenants within a few years. This measure provides a mechanism to assist in preserving the Front Street Apartments on Maui as an affordable rental housing project.

Your Committee on Conference has amended this measure by removing its contents and inserting language that:

- (1) Requires the Hawaii Housing Finance and Development Corporation to institute proceedings for the condemnation of the ground lease for the Front Street Apartments affordable housing project;
- (2) Appropriates \$250,000 for an appraisal and other preparations for instituting the condemnation proceedings, provided that the County of Maui provides dollar-for-dollar matching funds;



- (3) Appropriates \$30,000,000 out of the rental housing revolving fund to expedite and complete the construction of the Leialii affordable housing project in Lahaina, Maui, by 2021; and
- (4) Changes the effective date to July 1, 2018.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2293, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2293, S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



TOM BROWER
Co-Chair



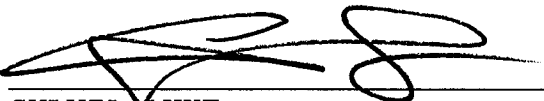
WILL ESPERO
Chair



AARON LING JOHANSON
Co-Chair



GIL RIVIERE
Co-Chair




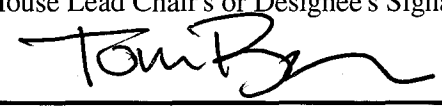
SYLVIA LUKE
Co-Chair



Hawai'i State Legislature

Record of Votes of a Conference Committee

CCR 151-18

Bill / Concurrent Resolution No.: SB 2293, SD 2, HD 3					Date/Time: 4/27/18 2:19 pm				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
ESPERO, Will, Chr.	✓				BROWER, Tom, Co-Chr.	✓			
RIVIERE, Gil, Co-Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
RUDERMAN, Russell E.	✓				LUKE, Sylvia, Co-Chr.	✓			
					HASHIMOTO, Troy N.	✓			
					NAKAMURA, Nadine K.	✓			
					MCDERMOTT, Bob	✓			
TOTAL	3				TOTAL	6			
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution: Original					Yellow Pink Goldenrod				
File with Conference Committee Report					House Clerk's Office Senate Clerk's Office Drafting Agency				