

Honolulu, Hawaii

MAY 21 2020

RE: H.B. No. 1929
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B.
No. 1929, H.D. 2, 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 make necessary amendments to Act 150, Session Laws of Hawaii 2018, and Act 98, Session Laws of Hawaii, 2019, to enable the preservation of Front Street Apartments as affordable rental housing and the development of Keawe Street Apartments, in Lahaina, Maui.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Maui Chamber of Commerce, and one individual. Your Committee received comments on this measure from Settle Meyer Law, LLC.

Your Committee finds that due to pending federal litigation filed by tenants of Front Street Apartments, the Hawaii Housing Finance and Development Corporation is not able to obtain an accurate appraisal of the fair market value of the ground lease to the property. Without an accurate appraisal, the Hawaii Housing Finance and Development Corporation could not proceed with renegotiation of a ground lease or condemnation of the ground lease by the deadline of December 31, 2019. Your Committee further finds that in February of 2020, the Keawe Street



Apartments affordable housing project satisfied the conditions necessary to obtain all county entitlements by the April 30, 2020, deadline set in Act 98, Session Laws of Hawaii 2019. Thus, Section 3 of this measure, which gives the Keawe Street project an extra two months to accomplish this is no longer needed.

Accordingly, your Committee has amended this measure by:

- (1) Extending the deadline required by Act 150, Session Laws of Hawaii 2018 as amended by Act 98, Session Laws of Hawaii 2019, from December 31, 2019 to December 31, 2021;
- (2) Deleting Section 3 of the measure; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1929, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



Record of Votes
Committee on Housing
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*Only one measure per Record of Votes