**DAVID Y. IGE**
GOVERNOR

**DENISE ISERI-MATSUBARA**
NTER M EXECUTIVE DIRECTOR

# STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
**DENISE ISERI-MATSUBARA**
Hawaii Housing Finance and Development Corporation
Before the

**HOUSE COMMITTEE ON HOUSING**
January 30, 2020 at 9:45 a.m.
State Capitol, Room 423

In consideration of
**H.B. 1929**
**RELATING TO AFFORDABLE HOUSING.**

HHFDC ***supports*** H.B. 1929, a vehicle to make necessary amendments to Act 150, SLH 2018, and Act 98, SLH 2019 to enable the preservation of Front Street Apartments as affordable rental housing, and the development of Keawe Street Apartments, in Lahaina, Maui.

The HHFDC has acquired the fee interest in Front Street Apartments from 3900, LLC for $14,930,000. However, due to pending federal litigation filed by tenants of Front Street Apartments, we are not able to obtain an accurate appraisal of the fair market value of the ground lease to the property. Without accurate appraisal, HHFDC could not proceed with renegotiation of a ground lease or condemnation of the ground lease by the deadline of December 31, 2019, as required by Act 150, SLH 2018 as amended by Act 2019.

The $37,000,000 appropriation out of the Rental Housing Revolving Fund for the construction of Keawe Street Apartments is subject to a condition that the project obtain all needed county entitlements by April 30, 2020. H.B. 1929 gives the project an extra two months to obtain the needed entitlements. HHFDC believes this is a reasonable extension of time.

Thank you for the opportunity to testify.

**COUNTY COUNCIL**
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 29, 2020

TO: The Honorable Tom Brower, Chair
House Committee on Housing

FROM: Alice L. Lee
Council Chair

SUBJECT: **HEARING OF JANUARY 30, 2020; TESTIMONY IN SUPPORT OF HB 1929, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to extend the deadlines for (a) the Hawaii Housing Finance and Development Corporation ("HHFDC") to acquire Front Street Apartments, and (b) the Leali`i affordable housing project to obtain land use approvals.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would help support the availability of much-needed affordable rental housing units in Maui County, particularly on the west side of Maui island.
2. The Front Street Apartments extension is required due to a pending lawsuit beyond HHFDC's control.
3. The Leali`i affordable housing project requires a modest extension of only two months.

For the foregoing reasons, I **support** this measure.

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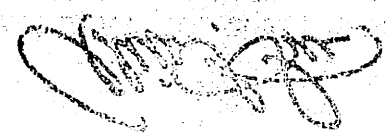

**HB-1929**
Submitted on: 1/29/2020 2:25:58 AM
Testimony for HSG on 1/30/2020 9:45:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| John Massa | Individual | Support | No |

Comments:

I am writing in support of SB2279PLease help us save The Front Street Apartments.

Many families live in this Complex who rely on it being an Affordable dwelling. Men, Women, children, elderly, disabled, dying, and Babies too! People who make up this community. Please help these people and vote this bill through. The Front Street Apartments were originally set up to give back to the community. To provide a home for work force housing and families with fixed incomes. What has changed in the past fifteen years I can not fathom. What ever has changed is a terrible tragedy and needs to be corrected. This is your opportunity and ours to correct this wrong doing. Please don't pass it by !!! Vote this bill through for the community and make things right!!!

MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING**
**HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423**
**THURSDAY, JANUARY 30, 2020 AT 9:45 A.M.**

To The Honorable Tom Brower, Chair;
The Honorable Scot Z. Matayoshi, Vice Chair; and
Members of the Committee on Housing,

**TESTIMONY IN SUPPORT OF HB1929 RELATING TO AFFORDABLE HOUSING**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce with approximately 650 members. I am writing share our support of HB1929.

Affordable housing is one of our top priorities as access to affordable housing is an ongoing problem on Maui and we support initiatives that spur more affordable housing and rentals being built or maintained. In the case of the Front Street Apartments, we support this bill for the state to acquire the Front Street Apartments and keep units that already exist as affordable housing affordable, especially to those who currently occupy the spaces. The current residents of the Front Street Apartments fall below the Area Median Income for Maui County and some are disabled and/or elderly. If the Front Street Apartments are not kept affordable, most of them will have no other place to live. This is an instance where we can do something now to help ensure these residents have affordable options available to them.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

95 Mahalani Street, Suite 22A, Wailuku, Hawaii 96793 808-244-0081 info@MauiChamber.com MauiChamber.com

**TESTIMONY OF FRONT STREET AFFORDABLE HOUSING PARTNERS**

LATE

HEARING DATE/TIME: Thursday, January 30, 2020
9:45am
Conference Room 423, State Capitol

TO: House Committee on Housing

**RE: HB 1929**

Dear Chair Brower, Vice-Chair Matayosi, and Committee Members:

**My name is William G. Meyer III**. I have been practicing law in Honolulu since 1979. I am counsel for Front Street Affordable Housing Partners ("FSA"), the leasehold owner and original developer of the Front Street Apartments housing project (the "Project") which is the subject of HB 1929 (the "Subject Property"). I recognize that Chair Brower, Vice-Chair Matayosi, and the Committee Members are familiar with the issues surrounding the Subject Property and the history of Act 150, Session Laws of Hawaii (2018) ("Act 150") and Act 098, Session Laws of Hawaii (2019) ("Act 098"), which HB 1929 seeks to address.

As this Committee considers the proposed legislation regarding my client, it is important for you to know that both during and after the 2018 and 2019 legislative sessions, FSA worked and continues to this day to cooperate with HHFDC's efforts to maintain the Project's affordability status. HHFDC acquired the fee interest in the Subject Property in late 2019 pursuant to Act 098, and since then, FSA and HHFDC have made progress towards negotiating an agreement that provides affordability and anti-displacement protections for the tenants. The parties have not reached a final agreement, but FSA intends to continue cooperating by negotiating in good faith with HHFDC in order to reach an arrangement that is mutually satisfactory to HHFDC, the County of Maui, and FSA. Accordingly, FSA supports the intent of HB 1929 to extend the December 31, 2019 deadline set forth in Act 098.

Respectfully Submitted,

**/S/ William G. Meyer, III**

On behalf of
Front Street Affordable Housing Partners

William G. Meyer III
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