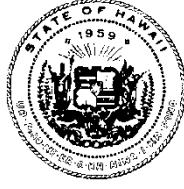


DAVID Y. IGE  
GOVERNOR



DENISE ISERI-MATSUBARA  
INTERIM 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

### SENATE COMMITTEE ON WAYS AND MEANS

February 20, 2020 at 10:35 a.m.  
State Capitol, Room 211

In consideration of  
**S.B. 2279**  
**RELATING TO AFFORDABLE HOUSING.**

The HHFDC **supports** S.B. 2279, 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 an 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. S.B. 2279 gives the project an extra two months to obtain the needed entitlements.

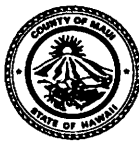
Thank you for the opportunity to provide written comments in support of this bill.

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 18, 2020

TO: The Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Alice L. Lee  
Council Chair

SUBJECT: **HEARING OF FEBRUARY 20, 2020; TESTIMONY IN SUPPORT OF SB 2279, 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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Testimony Before the 30th Legislature  
Ways and Means Committee February 20, 2020  
Supporting Extension of Deadline for Senate Bill 2279 for the  
Hawaii Housing Finance and Development Corporation to acquire Front Street Affordable  
Housing project on Maui  
By Barbara Henny

Good afternoon, Chair Donovan Dela Cruz, Vice Chair Gilbert SC Agaran and Committee members. My name is Barbara Henny and I am Co Chair of the Front Street Apartments Tenants Group representing some 250 tenants at Front Street Apartments.

Sincere thanks to the State Legislature, representative House committees and Gov. David Ige for allowing the passage of Act 150 and Act 98 stopping the eviction of the tenants last November, 2019. Our understanding is the state bought the land under Front Street Apartments in 2019 and is moving forward with negotiating or condemning the purchase of the building. The bill asks for a time extension, and we are supporting SB2279 for this reason. I also reference the Committee Referral (SSCR2403) from Chair Stanley Chang submitted on behalf of the Committee on Housing on February 7, 2020, wherein he reports as follows: “The purpose and intent of this measure (SB2279) is to aid the Hawaii Housing Finance and Development Corporation in ensuring the continued availability of affordable rental housing in Maui County at the Front Street Apartments.”

Also included is an extension of time for the construction of the Lealii affordable housing project, which as of this date has been extended to April 2020. A study done by HUD’s Office of Policy Development and Research said top priority should be placed on **retaining** low-income housing in high rent areas because such housing will likely cost more to replace the presence of such low-income housing promotes diversity. Front Street Apartments fits into the description. “The investment may be the most cost-effective way to encourage and maintain some amount of economic integration and diversity” (*HUD Study 2012 Pg. 80 Affordable Housing at the 15-year Mark, U.S. Department of Housing and Urban Development’s Office of Policy Development and Research, ABT Associates, August 2012*)

Please note our Front Street Apartment Tenants Group is not associated with a “pending lawsuit” involving a few tenants and referred to in Senate Bill 2279. The Front Street Apartment Tenants Group, which has held regular monthly meetings in the past involving scores of tenants, decided to appeal to state lawmakers — a route that has thus far been successful.

In order for a fair and accurate assessment of the property at Front Street Apartments, I would request an extension of the deadline to ensure continued consideration. We hope that providing additional time will help the state to complete the purchase of the buildings at Front Street Apartments and ensure future stability and the livelihood of the tenants.

Thank you for your time,

Barbara Henny  
808.667.9215

(808) 667-9215



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
THURSDAY, FEBRUARY 20, 2020 AT 10:35 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and  
Members of the Committee on Ways and Means,

**TESTIMONY IN SUPPORT OF SB2279 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 SB2279.

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.

**SB-2279**

Submitted on: 2/16/2020 1:58:25 PM

Testimony for WAM on 2/20/2020 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carmie Spellman	Individual	Support	No

## Comments:

Dear Honorable Legislators:

Thank you for taking the time to read my testimony. My name is Carmie Spellman. I have been a tenant for approximately a decade here at the Front Street Apartments. We need some closure on this issue and follow through with this statement as follows: "Extends the deadline for the Hawaii Housing Finance and Development Corporation to exercise its power of eminent domain to acquire the Front Street Apartments affordable housing project on Maui unless the ground lease is renegotiated or a new ground lease is issued." I support SB2279 But I need a place to live here and my life has been on hold . I am having major surgery soon and I will be gone for a lengthy period of time. I pray that my apartment will still be there for me once I get through this serious surgery. This stress of this situation for all tenants is untenable. Many people have died since we started this process of mediating the absolute chaos the developer created when they reniged on a 50 years contract. There is no doubt the stress of this situation hastened their death. Others extenants are living on the beach due to the drastic increase in rent last year. For me personally, I want some Quiet Enjoyment, and a promise to get this appraisal of the buildings or start the process for emenient domain here at the Front Street Apartments. Bifurcate this issue if necessary and do something expeditiously for Front Street Apartment dwellers that should all be Low Income. We have no alternatives for Low Income Housing here on the West Side and there is nowhere to go please pass this bill.

Respectfully,

Carmie Spellman

**SB-2279**

Submitted on: 2/19/2020 2:22:52 AM

Testimony for WAM on 2/20/2020 10:35:00 AM

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

## Comments:

I am writing in support of SB2279

Please 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!!!