

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 19, 2017 12:09 PM  
**To:** HSGtestimony  
**Cc:** annamaui2008@yahoo.com  
**Subject:** Submitted testimony for HR63 on Mar 21, 2017 10:40AM

**HR63**

Submitted on: 3/19/2017

Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Anna Barbeau	Front St. Affordable Apts. Committee	Support	No

Comments: Aloha. I Testify on behalf of 250-300 individuals who are Tenants @ Front St. AFFORDABLE Housing in Lahaina. This Amendment, HR 63, attached to SB 1266, which is already strongly supported by the public at large, community leaders, Govt. Officials, the Mayor of Maui and the despondant, stress laden but optimistic residents of FSA, need be passed so the Finance Committee, with advice/ideas from others may began the task of securing means in which to keep FSA AFFORDABLE for these deserving Tenants well into the future as is necessary. As this complex is so direly needed, at best, please keep it AFFORDABLE in perpetuity through complete acquisition. Mahalo, A. Barbeau/FSA Committee representing the Tenants therein.

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# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HRC 109 and HR63  
House committee on Housing  
Scheduled for Hearing Thursday, March 21, 2017, 10AM Conference Room 423

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*Hawai'i Appleseed Center for Law and Economic Justice Hawai'i Appleseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.*

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Thank you Chair Brower and members of the committee for an opportunity to testify in strong support for HRC 109 and HR 63. The resolutions would request that HHFDC explore all options available to explore the purchase of the property known as the Front Street Apartments or enter into an agreement with the owner to maintain the affordability requirements for many years to come. A final alternative would be to acquire the property through eminent domain proceedings.

The Front Street Apartments were built in 2001 with federal and state tax credits with the specific purpose of making half of the units available to tenants with incomes below 60% of Area Median Income (AMI) with the remaining half being allocated to tenants with less than 50% of AMI. The complex is comprised of 142 units and houses between 250 and 300 very low income tenants. A high percentage of the tenants are seniors or disabled persons who survive on low fixed incomes and affordability of the apartments are the only way they can face the challenges of living in the highest cost of living state in the nation.

Although the apartments were originally intended to be maintained as affordable for 50 years, in August of 2016 the complex owners were able to use a loophole in the IRS regulations and remove the affordability requirements so that half of the tenants who were living in the complex with incomes below 50% of AMI had their rents raised immediately to that being paid by the remaining half of the tenants earning 60% of AMI. In addition all units that become vacant are immediately raised to market place rents and as of August 2019, all 142 units will have rents raised to market rate. As these rent increases take effect, there will be less affordable housing available on Maui and virtually all of the current tenants will face evictions because of the inability to pay market rate for their apartments. With the scarcity of affordable units on Maui, most of the tenants will be faced with the real potential of becoming homeless.

It will not be the first time that the state has purchased an affordable housing project to keep it affordable. In 2006, the legislature passed a bill that allowed the state to buy Kakui Gardens affordable rental project on Oahu. The purchase of the Front Street apartments would replicate that very successful precedent.

*Hawaii Appleseed Center for Law and Economic  
Justice*

March 20, 2017

A recent report by the Department of Economic Development and Tourism determined Hawaii will need 65,000 more homes to house our residents by 2025. That estimation is similar to the projection by the Hawaii Housing Finance & Development Corporation's (HHFDC) that between 2015 and 2020 we have a housing shortage of 29,500 units. At the current range of \$150,000 to \$200,000 to build each unit of an affordable rental project, even if the purchase price was as high as \$10 million, each unit would cost the state only approximately \$70,000 per unit.

Thank you for an opportunity to testify in strong opposition to HRC 109 and HR 63.

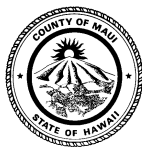
Aloha,  
Victor Geminiani  
Hawaii Appleseed center for Law and Economic Justice

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

March 21, 2017

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

FROM: Mike White  
Council Chair

Handwritten signature of Mike White in black ink.

SUBJECT: **HEARING OF MARCH 21, 2017; TESTIMONY IN SUPPORT OF HR 63, OPPOSING THE CONVERSION OF THE FRONT STREET APARTMENTS IN LAHAINA, MAUI, TO MARKET-RATE HOUSING AND URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO EXPLORE WAYS TO PRESERVE THE FRONT STREET APARTMENTS AS AFFORDABLE HOUSING**

Thank you for the opportunity to testify in support of this important measure. The purpose of this resolution is to urge the legislature to oppose the conversion of the units of the Front Street Apartments on Maui to market rate, and urge the Hawaii Housing Finance and Development Corporation to explore ways to preserve its affordability.

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 resolution for the following reasons:

1. This resolution supports Senate Bill 1266, SD 2, which would initiate negotiations by the state to keep the units of the Front Street Apartments on Maui affordable, or to acquire the property via HHFDC. This bill is an opportunity for the legislature to directly impact the lives of low-income residents in West Maui.
2. Current residents of the complex include seniors on fixed incomes, people with disabilities receiving support, and low-income families with children. Should the Front Street Apartments be allowed to convert to market-rate rentals, more than 250 people are at risk of losing their home.
3. The loss of affordable units will have an unfortunate ripple effect on the demand of affordable housing programs and service providers to meet the needs of displaced residents. This measure needs the legislature's support before it is too late.

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

*ocs:proj:legis:17legis:17testimony:hr63\_mkz*

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 19, 2017 10:00 PM  
**To:** HSGtestimony  
**Cc:** soseasick@yahoo.com  
**Subject:** Submitted testimony for HR63 on Mar 21, 2017 10:40AM

**HR63**

Submitted on: 3/19/2017

Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Massa	Individual	Support	No

Comments: Many Families live in this Complex who rely on it being an Affordable dwelling. Woman and children, elderly, disabled, dying, Babies too. People who make this community. Please help these people and vote this bill through. I live at the Front Street Apartments. I have been on Maui for 26 years and have spent most of that time either living in very low standard living rentals or homeless due to lack of rentals. The situations I have endured during my stay have been atrocious. Without any alternatives I have put up with and endured the circumstances. Striving to better my situation and repair the existing rentals I occupied only to be evicted time after time so that the owner could benefit from my improvements. Either by selling the property or renting it out for an exorbitant amount. I received a notice on 11/30/2016 concerning the affordable housing status of the Front Street Apartments. I am aware of the situation from rumors but have also heard rumors of other tenants dismissing this information as here say or false rumors. I have been told by a neighbor who makes cabinets for the complex that a one bedroom apartment here at the Front Street Apartments for new tenants are renting for \$1500.00 a month and the owner wants \$1600.00 from new applicants. Sounds exorbitant to me!!! What will happen to the rest of the complex in two years? What we will probably see is a big increase in occupancy as tenants sublease their apartments to make rent. Renting out floor space, couches, hide a beds, dividing rooms, and even bunk beds. Doubling the septic waste and overloading the parking facility and infrastructure of Lahaina. I myself can not rationalize paying more than half of my income towards rent. That formula for living is mathematically infeasible. That is an unhealthy formula for living standards. As the Front Street Apartments gear up to cater to tenants with an income of \$4800.00 or more a month. They will leave their working class loyal renting patrons of the past to either over crowding or homeless situations. Although the apartment complex is not sub standard at present time. The situation will become that way and create a Slum Lord situation by definition. I myself would very much like to avoid this situation by all cost. Even if it means leaving my home, unfortunately!!! The Front Street Apartments were originally set up to give back to the community. What has changed in the past fifteen years I can not fathom. But what ever has changed is a terrible tragedy and needs to be corrected. Sincerely, John Massa

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 19, 2017 5:20 PM  
**To:** HSGtestimony  
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**HR63**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Henny	Individual	Support	No

Comments: As a tenant of Front Street Apartments I am supporting whatever can be done to keep our homes affordable under the provisions we contracted to when initially moving in under intense vetting and scrutiny, As a member of a diverse community, I am concerned for my future and of course for others who have no other place to live. Please be mindful of those who have worked hard all their lives but by unfortunate circumstance are left alone and without support. Thank you

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 19, 2017 4:19 PM  
**To:** HSGtestimony  
**Cc:** fromwayne@gmail.com  
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**HR63**

Submitted on: 3/19/2017

Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
E. Wayne Johnson	Individual	Support	No

Comments:

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**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 21, 2017 9:35 AM  
**To:** HSGtestimony  
**Cc:** yukilei.sugimura@mauicounty.us  
**Subject:** \*Submitted testimony for HR63 on Mar 21, 2017 10:40AM\*

**HR63**

Submitted on: 3/21/2017

Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Councilmember Yuki Lei Sugimura	Individual	Support	No

Comments:

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