

STAND. COM. REP. NO.

1227

Honolulu, Hawaii

March 23, 2017

RE: S.B. No. 1266
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 1266, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to preserve the Front Street Apartments (Apartments) on Maui as an affordable rental housing project.

Specifically, this measure:

- (1) Directs the Hawaii Housing Finance and Development Corporation (HHFDC) or other appropriate state entity to initiate negotiations to extend affordable rents at the Apartments or acquire the Apartments, subject to certain conditions;
- (2) Specifies that if the parties are unable to agree to an extension of affordable rents or acquire the Apartments, HHFDC or the appropriate state entity can exercise eminent domain to acquire the Apartments; and
- (3) Appropriates funds for negotiating with the owners of the Apartments' real property and improvements to extend

SB1266 HD1 HSCR HSG HMS 2017-3062



the period of affordable rents to at least until the year 2027, acquire the real property and improvements, or commence the condemnation process.

Hawaii Appleseed Center for Law & Economic Justice; Maui County Council Chair; Maui County Council Member representing East Maui; Maui Chamber of Commerce; and numerous individuals testified in support of this measure. Front Street Affordable Housing Partners testified in opposition to this measure. HHFDC, Mayor of the County of Maui, and a few individuals provided comments on this measure.

Your Committee recognizes the options provided in this measure regarding the affordability of rental housing at the Apartments. Your Committee also appreciates the comments and concerns raised by various stakeholders and supports further deliberation to resolve these concerns in an equitable manner.

Upon careful consideration, your Committee has amended this measure by:

- (1) Extending the period of affordable rents at the Apartments to at least until the year 2032; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 1266, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1266, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



TOM BROWER, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: SB 1266, SD 2	Committee Referral: HSG, FIN	Date: 3/16/2017		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. NAKAMURA, Nadine K. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HASHEM, Mark J.	✓			
5. QUINLAN, Sean	✓			
6. SAN BUENAVENTURA, Joy A.	✓			
7. McDERMOTT, Bob				✓
TOTAL (7)	6			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <p style="text-align: center; margin-left: 100px;">committee acronym(s)</p>				
Vice Chair's or designee's signature: <u>Nadine K. Nakamura</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				