

Honolulu, Hawaii

FEB 15 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 1266 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 direct the Hawaii Housing Finance and Development Corporation to initiate negotiations to maintain the status of the units of the Front Street Apartments on the island of Maui as affordable housing, or to acquire the Front Street Apartments Property.

Your Committee received testimony in support of this measure from the West Maui Taxpayers Association, Office of the Mayor of the County of Maui, City Council of the County of Maui, and more than sixty-five individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Front Street Apartments on the island of Maui provide affordable housing to more than two hundred fifty low-income residents. Your Committee further finds that there is a severe shortage of affordable housing on the island of Maui, and removing the Front Street Apartments from affordability requirements will cause severe hardship to the residents of the property. This measure will enable the State to preserve the Front Street Apartments as much-needed affordable housing.

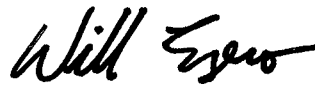
Your Committee has amended this measure by:



- (1) Deleting the reference to retaining in perpetuity certain numbers of rental units at affordable rents to households of specified maximum incomes, as the Hawaii Housing Finance and Development Corporation testified that affordable housing projects cannot be financed with this condition imposed;
- (2) Correcting language to conform with existing requirements of the Hawaii Revised Statutes regarding legislative disapproval for condemnation of property; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1266, 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,



WILL ESPERO, Chair



