

SB 2293

- Measure Title:** RELATING TO AFFORDABLE HOUSING.
- Report Title:** Hawaii Housing Finance and Development Corporation; Affordable Housing; Maui; Front Street Apartments; Appropriation (\$)
- Description:** Directs the Hawaii Housing Finance and Development Corporation, or the appropriate state entity, to initiate negotiations to keep the units of the Front street apartments on the island of Maui affordable or to acquire the Front street apartments property unless certain conditions are met. Appropriates funds.
- Companion:**
- Package:** None
- Current Referral:** HOU, WAM
- Introducer(s):** BAKER, ENGLISH, INOUYE, KEITH-AGARAN, K. RHOADS, TOKUDA, S. Chang, Gabbard, Galuteria, Harimoto, Ihara, Nishihara, Ruderman

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

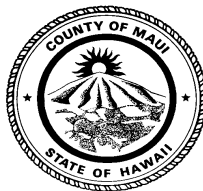
January 30, 2018 at 2:45 p.m.
State Capitol, Room 225

In consideration of
S.B. 2293
RELATING TO AFFORDABLE HOUSING.

The HHFDC *supports the intent* of S.B. 2293, which directs the HHFDC to initiate negotiations to preserve Front Street Apartments in Lahaina, Maui, as affordable rental housing.

Thank you for the opportunity to testify.

ALAN M. ARAKAWA
MAYOR



200 South High Street
Wailuku, Maui, Hawai'i 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
E-mail: mayors.office@mauicounty.gov

OFFICE OF THE MAYOR
Ke`ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

January 30, 2018

TESTIMONY OF ALAN M ARAKAWA
MAYOR
COUNTY OF MAUI

BEFORE THE SENATE COMMITTEE ON HOUSING

Tuesday, January 30, 2018, 2:45 p.m.
Conference Room 225

SB2293 Relating to Affordable Housing

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
Honorable Members of the Senate Committee on Housing

Thank you for this opportunity to testify in **SUPPORT OF SB2293.**

The purpose of this bill is to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) or any entity of the State to initiate negotiations to keep the units of the Front Street Apartments on the island of Maui affordable or to acquire the Front Street Apartments property.

On behalf of the County of Maui, I support this bill for the following reasons:

- The current residents of the apartments are comprised of below 60% & below 50% of the Area Median Income for Maui County. Some are disabled and/or elderly. They represent our most vulnerable population.
- Maui County has a dire need for additional affordable housing. The most recent Hawaii Housing Planning Study indicates a need for 12,000 housing units on Maui for 2015-2025. There are very little affordable rental options in Maui County. If the current residents were to lose their units, there are virtually no other affordable rental units for them to move to. Many could become homeless.
- Maui County has a limited number of shelters which are typically at full capacity. There is no adequate shelter space to accommodate displaced residents of the Front Street Apartment project.
- The developer entered into a 201G agreement with the county and received several exemptions based on the representation that the homes would remain in the affordable category for 51 years

I strongly urge you to pass SB2293.

Sincerely,

Alan M. Arakawa
Mayor, County of Maui

Council Chair
Mike White

Vice-Chair
Robert Carroll

Presiding Officer Pro Tempore
Stacy Crivello


Councilmembers
Alika Atay
Elle Cochran
Don S. Guzman
Riki Hokama
Kelly T. King
Yuki Lei K. Sugimura



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

January 29, 2018

TO: Honorable Will Espero, Chair
Senate Committee on Housing

FROM: Don S. Guzman 
Councilmember, Kahului District

DATE: Tuesday, January 30, 2018 at 2:45 p.m.

SUBJECT: **TESTIMONY IN SUPPORT OF SB 2293
RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to preserve the Front Street Apartments on the island of Maui as an affordable rental housing project. The measure appropriates funds.

I support this measure for the following reasons:

1. There is a critical shortage of affordable rentals in Maui County. The Front Street Apartments provide affordable housing to more than 250 low-income residents; and
2. Many of the tenants of the Front Street Apartments are low-income working families, elderly, permanently disabled, or retired individuals on fixed incomes. Removing affordability requirements would represent a severe hardship and could leave many of them homeless, as tenants' options for finding alternate housing are extremely limited; and
3. The Front Street Apartments provide a much-needed safety net for the most economically vulnerable in our community and should remain affordable.

For the foregoing reasons, I support this measure.

Council Chair
Mike White

Vice-Chair
Robert Carroll

Presiding Officer Pro Tempore
Stacy Crivello

Councilmembers
Alika Atay
Elle Cochran
Don S. Guzman
Riki Hokama
Kelly T. King
Yuki Lei K. Sugimura



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

January 29, 2018

TO: Honorable Will Espero, Chair
Senate Committee on Housing

FROM: Stacy Helm Crivello
Councilmember

A handwritten signature in cursive script, appearing to read "Stacy Helm Crivello", is written over the printed name and title.

DATE: Tuesday, January 30, 2018

SUBJECT: **SUPPORT OF SB 2293, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to direct the Hawaii Housing Finance and Development Corporation, or the appropriate state entity, to initiate negotiations to keep the units of the Front Street Apartments on the island of Maui affordable or to acquire the Front Street Apartments property unless certain conditions are met. It also appropriates funds.

I **support** this measure for the following reasons:

1. There is a critical shortage of affordable rentals and properties for sale in Maui County. The Front Street Apartments consisting of 142 units housing 250 residents was developed under the Low Income Housing Tax Credit Program for households earning less than 60% of the area median income.
2. The Front Street Apartments were expected to remain affordable to low income tenants for a period of 50 years. After fulfilling their 15 year minimum requirement to keep the property affordable, the owners exercised their option to remove the property from affordability requirements which after a 3 year grace period allows them to charge market rate rents making it unaffordable for their current tenants.
3. Act 288, Session Laws of Hawaii 2006 regarding state intervention to preserve affordable rents at Kukui Gardens affordable rental housing project set an important precedence.

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

2018SB2293Support



January 26, 2018

Hawaii State Senate
Committee on Housing
Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Hearing: January 30, 2018
Time: 2:45 PM, Room: 225
Subject: SB 2293 Regarding Front Street Apartments

TESTIMONY IN SUPPORT

Chair Espero, Vice Chair Harimoto and members of the Committee:

I am Kevin Carney, Vice President of EAH Housing. EAH is a 50 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. We are one of the largest non-profit affordable rental housing developers in the western United States. We have developed over 100 affordable rental properties, manage over 100 rental properties and we serve over 20,000 residents in communities in Northern California and Hawaii. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

EAH fully supports the intent of preserving Front Street Apartments as affordable rental housing. EAH began operations in Hawaii in 1996 with the urging of HUD because of our preservation work in Northern California. At that time we preserved two properties on Oahu, one in Mililani and one in downtown Honolulu, a total of 499 units that had reached the end of their affordability periods. We accomplished this with the assistance of Senator Inouye in securing a large grant from HUD to acquire the properties. SB 2293 mentions Act 288 of 2006 and the preservation of Kukui Gardens in Honolulu as a precedent. EAH advocated strongly for preserving Kukui Gardens and worked closely with HHFDC to acquire in leasehold, 10 acres, 20 buildings, containing 389 of the 857 units via the Low Income Housing Tax Credit Program. We closed on that purchase in December 2007 and recently celebrated our 10th anniversary of preserving its affordability. In 2008 we worked with A&B on Maui to preserve the Kahului Town Terrace, a 72 unit family project also serving those with incomes below 60% AMI. EAH continues to manage all of these projects today.

I mention this to advise the Committee of our expertise in low income rental preservation and in serving the low income rental community and to express our interest in working with the State and the County of Maui in keeping Front Street Apartments an affordable low income rental community. No one denies the demand for rental housing. Preservation is a much more economical option than trying to replace these units, particularly given their excellent location in Lahaina.

Mission oriented non-profits like EAH are long-term caretakers. In our 50 year history we have not sold a property. Governmental entities are encouraged to support nonprofit ownership of affordable housing where long-term affordability is never in question.

We encourage the legislature's strong support of SB 2293. Thank you for allowing us to share our thoughts on this issue.

Sincerely,

Kevin R. Carney, (PB), NAHP-E, RB-16444
Vice President, Hawaii
EAH Housing, RB-16985

SB-2293

Submitted on: 1/26/2018 10:53:25 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES**

DEMOCRATIC PARTY OF HAWAII

TO THE COMMITTEE ON HOUSING

THE HAWAII STATE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Tuesday, January 30, 2018

2:45 p.m.

Hawaii State Capitol, Conference Room 225

RE: Testimony in Support of SB 2293, RELATING TO AFFORDING HOUSING

To the Honorable Will Espero, Chair; the Honorable Breene Harimoto, Vice-Chair and Members of the Committee on Housing:

Good afternoon, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on Senate Bill No. 2293, relating to the Front Street Apartment Property, Maui County, State of Hawaii. The OCC Legislative Priorities Committee is in favor of Senate Bill No. 2293 and support its passage.

Senate Bill No. 2293, is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), as it is designed to keep the units at the Front Street Apartments, Island of Maui, State of Hawaii, affordable. Specifically, the DPH Platform states, "Housing is a basic human need and we believe that adequate, accessible, affordable, and safe housing should be available to all residents on Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent. . . . We believe in the concept of "Housing First" to develop affordable, state housing and support services to break the cycle of homelessness for people with the fewest housing options." (Platform of DPH, P. 7, Lines 340-344, 352-353 (2016)).

Given that Senate Bill No. 2293 is designed to preserve the affordability component of the Front Street Apartment to keep the cost of rent from increasing for those who currently reside at these Apartments, and thereby reducing the risk of homelessness, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889

SB-2293

Submitted on: 1/28/2018 10:04:42 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	No

Comments:

SB-2293

Submitted on: 1/28/2018 6:21:46 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

SB-2293

Submitted on: 1/26/2018 12:44:48 AM

Testimony for HOU on 1/30/2018 2:45:00 PM

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

Comments:

Dear Sir, I live at the front street apartments. We have had two previous bills with the same attempt to save the Front Street Apartment affordable housing complex fail in legislation. In the process many people submitted their testimony concerning the intent to save the Housing Status. In an attempt to keep the tenants informed leaflets were passed out regarding the need to leave testimonies for these previous bills. In the process of passing out these leaflets some tenants were threatened with eviction for doing so. Since our right to assemble has been threatened with eviction and the threat of an early homeless situation at risk many tenants are keeping a low key and trying not to be singles out. Due to the current situation at hand I am taking it upon myself to submit those past testimonies in an attempt to show and stress the need for such a housing facility. Please take these past Testimonies under consideration.

The files will be sent in segments due to their file size and limitation to send. Thank you for your consideration and please keep Front Street Apartments affordable!!!

SB-2293

Submitted on: 1/26/2018 8:44:40 AM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
chi guyer	chi guyer	Support	No

Comments:

aloha,

please save the affordability status of front street apartment complex in lahaina on maui wherein there are 142 affordable units which house over 250 families with school age children, veterans, seniors, and working adults. the owners of this complex are opting out of the affordable status as of august 2019 as they feel they have a legal righth to change the status to "market rate rents" which will double the rent for each unit. this will place all current residents out onto the streets of lahaina and maui as there are no viable housing alternatives for these folks who cannot afford this tremendous increase. so important to save the "affordable housing" that currently exists. mahalo for listening, chi pilialoha guyer, 74 year old senior tenant.

SB-2293

Submitted on: 1/28/2018 5:03:07 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jami Power		Support	No

Comments:

Related to Affordable housing, I am strongly in favor of keeping the units at Front Street Apartments on the island of Maui as affordable. Many people will be displaced without this place to live. The cost of living is already creating a strain on much of the population and our jobs do not reflect these increases. Please enter into negotiations to keep our rental units affordable, or appropriate funds to acquire said property. Thank you very much.

Jami Power

SB-2293

Submitted on: 1/28/2018 5:16:36 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Peter Power		Support	No

Comments:

To Whom it may concern, please acquire the funds to purchase Front Street Apartments on Maui. Front Street Apartments needs to stay affordable for working class families such as mine. I take home \$2800.00 a month, and an increase of rent to \$2400.00 a month will certainly be unaffordable for our family. Thank you for your consideration on this matter.

Sincerely, Peter Sean Power

SB-2293

Submitted on: 1/29/2018 9:44:51 AM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Tran		Support	No

Comments:

SB-2293

Submitted on: 1/29/2018 9:49:17 AM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tuyen K. Nguyen		Support	No

Comments:

SB-2293

Submitted on: 1/29/2018 10:09:42 AM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John Witeck		Support	No

Comments:

Our island communities are in dire need of affordable housing. The situation on Front Street on Maui is one of many examples and an important one. Please pass this bill to prevent the loss of these units and safeguard the housing of the tenants. If necessary, the state should buy the property and operate it as affordable housing and do the same in similar instances. Hawaii has the highest rate of homelessness in the United States - and allowing the loss of the Front Street units and the eviction of their tenants will only aggravate the already horrendous situation.

Mahalo for considering my and my wife Lucy's testimony. Aloha!

From: george kerr [<mailto:gkerr3@yahoo.com>]
Sent: Monday, January 29, 2018 10:53 AM
To: Marlene Uesugi <uesugi@capitol.hawaii.gov>
Subject: Re: Testimony - SB 2293

Subject: Re: Testimony - SB 2293
In Support

My testimony would be quite simple.....I have lived in the Front Street Apt complex for 17 years. The original agreement was for "affordable housing" to be offered to those that needed same. That deal evidently is being pushed

aside, which is hard to believe. There are no rentals on the West side of Maui, so people would be left homeless with the new rent increases. My one bedroom was \$600 when I moved in, it now rents for \$980 monthly. This increase alone has forced me to seek another part time job, just to make ends meet .The proposed increases would force me out of my unit, and ultimately force me to leave Maui, as there are no rentals on the west side, and without a car, I would be forced to leave the island.....along with most of the other residents of the Front Street tenants. let's try to get these people to do the right thing !!!!

George Kerr

SB-2293

Submitted on: 1/29/2018 12:52:32 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Clapper	Front Street Apartment resident	Support	Yes

Comments:

Aloha and thank you for your time and energy on this bill. My family has lived at the Front Street Apartments for over 10 years and are very worried about losing our home. We have grown up with other families there and it is a real safe and affordable housing community for many hardworking folks who are raising children. It is also a safe and affordable home to many elderly and some handicapped people. Please save our homes and let us continue to have a roof over our heads. please save the Front Street Apartments!

Mahalo,

Elizabeth Clapper

SB-2293

Submitted on: 1/29/2018 1:52:28 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mariana Landeros		Support	No

Comments:

Aloha! I just want to be brief in regards of this matter. I'm a single mom with a kid almost out of high school, it concerns me the fact that

I'm not gonna be able to afford to help my kid go to collage. Rents are incredibly high in Hawaii and I just couldn't afford anything else but to pay rent anywhere. Please help to keep Front St. Aparments affordable there are many families counting in this place just to make ends meet.

SB-2293

Submitted on: 1/26/2018 11:10:11 PM

Testimony for HOU on 1/30/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tamara Paltin		Comments	No

Comments:

Aloha Senators,

I am not sure if I should mark support or oppose for this bill regarding the Front St apartments. I support keeping the Front St apartments affordable especially they have gotten so many tax breaks and that was what was promised when this "affordable housing" project was developed right up until the owners found a "loophole." I support appropriating funds to address this issue. What I oppose is that the funds are for negotiation. Negotiation? We are in an affordable housing crisis, the promises made are not being honored what we need is to begin the eminent domain process and use the money that was going toward "negotiations" as this bill is written and put that instead towards the "fair market value" required by the eminent domain process. Please reword this bill to reflect this and you will have my full support and efforts to rally many more additional supporters. Together we can do this, together we can save the Front street apartments and make a big difference for so many of our most vulnerable community members. Wasn't that the reason you ran for office? To make a positive difference? For accountability to the promises made? Here's your opportunity, lets work together!

Mahalo

Tamara Paltin 808-870-0052

From: [kathryn snyder](#)
To: [HOU Testimony](#)
Subject: SB2293
Date: Friday, January 26, 2018 10:21:29 AM

I would like to submit my testimony on bill SB2293.

My name is Kathryn Snyder and I live at Front Street Apartments. I have lived here for the past 12 years and expected to live here until I die. I am 82 years old, I retired to Maui for 23 years ago and live on the same income. I do not want to become homeless. This is very stressful not knowing what is going to happen. Please help. Thank you.