

STAND. COM. REP. NO.

1441

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 543
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 543, H.D. 1, 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:

- (1) Require the Hawaii Housing Finance and Development Corporation to initiate negotiations or exercise its power of eminent domain to acquire the Front Street Apartments affordable housing project on Maui; and
- (2) Extend the deadline to complete the Leialii affordable housing project on Maui.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Maui, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, ILWU Local 142, Maui Chamber of Commerce, two members of the Maui County Council, and twenty-one individuals. Your Committee received comments on this measure from the LahainaTown Action Committee, Front Street Affordable Housing Partners, and one member of the Maui County Council.



Your Committee finds that recent analyses on Maui's housing situation reveal that approximately 12,448 units are needed to address housing needs by 2025. Of those units, over 75 percent are required for low-income housing purposes. Your Committee further finds that the owners of the Front Street Apartments are opting to remove the project from the affordability requirements, allowing the owners to rent available units at market rates and raise rents for existing tenants by October 2019. Your Committee believes that losing the affordability of the Front Street Apartments will not only reduce the amount of affordable housing in Maui, but also displace many long-time residents.

Your Committee also finds that Act 150, Session Laws of Hawaii 2018 (Act 150), appropriated funds for the construction of another affordable housing project on Maui, the Leialii affordable housing project; however, while development activities and expenditures have commenced, the construction may not be completed by the time provided by Act 150. This measure will preserve necessary affordable housing units on Maui by requiring the State to acquire the Front Street Apartments and extending the deadline to complete the Leialii affordable housing project.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2075, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments 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 H.B. No. 543, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 543, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



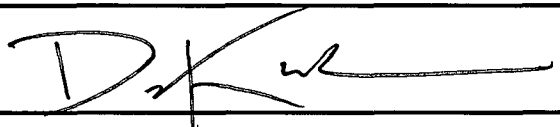
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

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|--|--|---------------------------|----------|----------|
| Bill / Resolution No.:* HB 543, HDI | Committee Referral: HOU, JDC/WAM | Date: 3/19/2019 | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHANG, Stanley (C) | ✓ | | | |
| KANUHA, Dru Mamo (VC) | ✓ | | | |
| MORIWAKI, Sharon Y. | ✓ | | | |
| THIELEN, Laura H. | ✓ | | | |
| FEVELLA, Kurt | | | | ✓ |
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| TOTAL | 4 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes