



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

September 15, 2020

GOV. MSG. NO. 1139

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on September 15, 2020, the following bill was signed into law:

HB1929 HD2 SD2

RELATING TO AFFORDABLE HOUSING.
Act 034 (20)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is a severe
2 shortage of affordable rental housing in the county of Maui,
3 particularly in the western part of the island of Maui. To help
4 address this issue, the legislature passed Act 150, Session Laws
5 of Hawaii 2018 (Act 150), to appropriate funds in support of the
6 Front Street Apartments in Lahaina, Maui. By passing Act 98,
7 Session Laws of Hawaii 2019 (Act 98), the legislature also
8 sought to ensure the continued availability of affordable rental
9 housing in Maui county by preserving the affordability of the
10 Front Street Apartments in Lahaina, Maui.

11 The legislature further finds that since the passage of
12 both Act 150 and Act 98, the Hawaii housing finance and
13 development corporation has acquired the leased fee interest in
14 the Front Street Apartments project as required in sections 2
15 and 4 of Act 98.

16 Under Act 150, as amended by Act 98, the Hawaii housing
17 finance and development corporation must initiate condemnation



1 proceedings unless, by December 31, 2019, it renegotiates the
2 ground lease for the Front Street Apartments project or issues a
3 new ground lease on terms acceptable to the Hawaii housing
4 finance and development corporation. However, a pending lawsuit
5 filed in federal court on behalf of the tenants of Front Street
6 Apartments project has made it virtually impossible to obtain an
7 accurate appraisal of the value of the ground lease. The
8 legislature finds that, without an accurate appraisal, neither
9 condemnation by the Hawaii housing finance and development
10 corporation nor a negotiated ground lease agreement are
11 possible. The state constitution requires payment of fair
12 market value under the condemnation process. Similarly, a
13 renegotiated ground lease also requires an accurate appraisal to
14 assess the reasonableness of a lessee's proposal. Thus, an
15 extension of the December 31, 2019, deadline is necessary.

16 The purpose of this Act is to extend the aforementioned
17 deadline and help ensure the continued availability of
18 affordable rental housing in Maui county at the Front Street
19 Apartments in Lahaina.



1 SECTION 2. Act 150, Session Laws of Hawaii 2018, as
2 amended by Act 98, Session Laws of Hawaii 2019, is amended by
3 amending section 1 to read as follows:

4 "SECTION 1. The Hawaii housing finance and development
5 corporation shall institute proceedings for the condemnation of
6 the ground lease for the Front Street Apartments affordable
7 housing project pursuant to chapter 101, Hawaii Revised
8 Statutes, unless the corporation has renegotiated the ground
9 lease or issued a new ground lease on terms acceptable to the
10 corporation by December 31, [~~2019.~~] 2021."

11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval
14 and shall apply retroactively to December 30, 2019.

APPROVED this 15 day of SEP 2020



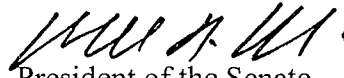
GOVERNOR OF THE STATE OF HAWAII




THE SENATE OF THE STATE OF HAWAI'I

Date: July 6, 2020
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2020.


President of the Senate


Clerk of the Senate

HB No. 1929, HD 2, SD 2

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: July 10, 2020
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives