

STAND. COM. REP. NO.

2403

Honolulu, Hawaii

FEB 07 2020

RE: S.B. No. 2279

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2279 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 aid the Hawaii Housing Finance and Development Corporation in ensuring the continued availability of affordable rental housing in Maui County at the Front Street Apartments and Lealii affordable housing projects in Lahaina, Maui, by extending the deadline by which the Hawaii Housing Finance and Development Corporation has to negotiate a new ground lease and by extending the time by which the Hawaii Housing Finance and Development Corporation has to obtain the necessary land use entitlements.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, one member of the Maui County Council, and four individuals.

Your Committee finds that the Legislature passed Act 150, Session Laws of Hawaii 2018 (Act 150) and Act 98, Session Laws of Hawaii 2019 (Act 98) in order to help the Hawaii Housing Finance and Development Corporation preserve the affordability of the Front Street Apartments in Lahaina, Maui and to expedite and complete the Lealii affordable housing project in Lahaina, Maui. Your Committee further finds that Act 150 and Act 98 required the Hawaii Housing Finance and Development Corporation to either



renegotiate a new ground lease or institute condemnation of the ground lease for the Front Street Apartments by December 31, 2019. Due to a federal litigation regarding the Front Street Apartments, the Hawaii Housing Finance and Development Corporation has been unable to obtain an accurate appraisal of the value of the ground lease, preventing it from either negotiating a new ground lease or condemning the ground lease.

Your Committee further finds that moneys appropriated to Hawaii Housing Finance and Development Corporation for the construction of the Lealii affordable housing project are subject to the Hawaii Housing Finance and Development Corporation obtaining necessary Maui County land use entitlements by April 30, 2020. However, due to application wait times, the Hawaii Housing Finance and Development Corporation may not receive the land use entitlements by April 30, 2020. As such, this measure extends the time the Hawaii Housing Finance and Development Corporation has to obtain a fair market value of the Front Street Apartments ground lease and to obtain the land use entitlements for the Lealii affordable housing project.

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. 2279 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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


STANLEY CHANG, Chair



