

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 20, 2020 at 1:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 1929, H.D. 2
RELATING TO AFFORDABLE HOUSING.

HHFDC supports H.B. 1929, H.D. 2, a vehicle to make necessary amendments to Act 150, SLH 2018, and Act 98, SLH 2019 to enable the preservation of Front Street Apartments as affordable rental housing, and the development of Keawe Street Apartments, in Lahaina, Maui.

The HHFDC has acquired the fee interest in Front Street Apartments from 3900, LLC for \$14,930,000. However, due to pending federal litigation filed by tenants of Front Street Apartments, we are not able to obtain an accurate appraisal of the fair market value of the ground lease to the property. Without an accurate appraisal, HHFDC could not proceed with renegotiation of a ground lease or condemnation of the ground lease by the deadline of December 31, 2019, as required by Act 150, SLH 2018 as amended by Act 98, SLH 2019.

The \$37,000,000 appropriation out of the Rental Housing Revolving Fund for the construction of Keawe Street Apartments is subject to a condition that the project obtain all needed county entitlements by April 30, 2020. H.B. 1929, H.D. 2, gives the project an extra two months to obtain the needed entitlements.

Thank you for the opportunity to testify.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, FEBRUARY 20, 2020 AT 1:00 P.M.**

To The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the Committee on Finance,

TESTIMONY IN SUPPORT OF HB1929 RELATING TO AFFORDABLE HOUSING

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce with approximately 650 members. I am writing share our support of HB1929.

Affordable housing is one of our top priorities as access to affordable housing is an ongoing problem on Maui and we support initiatives that spur more affordable housing and rentals being built or maintained. In the case of the Front Street Apartments, we support this bill for the state to acquire the Front Street Apartments and keep units that already exist as affordable housing affordable, especially to those who currently occupy the spaces. The current residents of the Front Street Apartments fall below the Area Median Income for Maui County and some are disabled and/or elderly. If the Front Street Apartments are not kept affordable, most of them will have no other place to live. This is an instance where we can do something now to help ensure these residents have affordable options available to them.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.