

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  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

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

### SENATE COMMITTEE ON HOUSING

March 12, 2020 at 1:15 p.m.  
State Capitol, Room 225

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, and offers amendments for the Committee's consideration.

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. Accordingly, we request that the deadline be pushed back to December 31, 2021, to allow time for the litigation to be settled.

In February 2020, the Keawe Street Apartments affordable housing project satisfied the condition to obtain all needed county entitlements by the deadline set in Act 98, SLH 2019 of April 30, 2020. Therefore, Section 3 of the H.D. 2, which would have given the project an extra two months to do this, is no longer needed. We therefore request that Section 3 (page 3, line 19 through page 4 line 11) of the H.D. 2 be deleted.

Thank you for the opportunity to testify.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
THURSDAY, MARCH 12, 2020 AT 1:15 P.M.**

To The Honorable Stanley Chang, Chair;  
The Honorable Dru Mamo Kanuha, Vice Chair; and  
Members of the Committee on Housing,

**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*

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.

**TESTIMONY OF FRONT STREET AFFORDABLE HOUSING PARTNERS**

HEARING DATE/TIME:       Thursday, March 12, 2020  
                                  1:15pm  
                                  Conference Room 225, State Capitol

TO:     Senate Committee on Housing

**RE:    HB 1929**

Dear Chair Chang, Vice-Chair Kanuha, and Committee Members:

**My name is William G. Meyer III.** I have been practicing law in Honolulu since 1979. I am counsel for Front Street Affordable Housing Partners (“**FSA**”), the leasehold owner and original developer of the Front Street Apartments housing project (the “**Project**”) which is the subject of HB 1929 (the “**Subject Property**”). I recognize that the Committee Members are familiar with the issues surrounding the Subject Property and the history of Act 150, Session Laws of Hawaii (2018) (“**Act 150**”) and Act 098, Session Laws of Hawaii (2019) (“**Act 098**”), which HB 1929 seeks to address.

As this Committee considers the proposed legislation regarding my client, it is important for you to know that both during and after the 2018 and 2019 legislative sessions, FSA worked and continues to this day to cooperate with HHFDC’s efforts to maintain the Project’s affordability status. HHFDC acquired the fee interest in the Subject Property in late 2019 pursuant to Act 098, and since then, FSA and HHFDC have made progress towards negotiating an agreement that provides affordability and anti-displacement protections for the tenants. The parties have not reached a final agreement, but FSA intends to continue cooperating by negotiating in good faith with HHFDC in order to reach an arrangement that is mutually satisfactory to HHFDC, the County of Maui, and FSA. Accordingly, FSA supports the intent of HB 1929 to extend the December 31, 2019 deadline set forth in Act 098.

Respectfully Submitted,

**/S/ William G. Meyer, III**

On behalf of  
Front Street Affordable Housing Partners

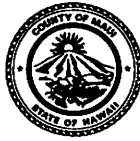
William G. Meyer III  
Settle Meyer Law, LLLC  
900 Fort Street Mall, Suite 1800  
Honolulu, HI 96813  
(808) 540-2400  
wmeyer@settlemyerlaw.com

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**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)



March 11, 2020

TO: The Honorable Stanley Chang, Chair  
Senate Committee on Housing

FROM: Alice L. Lee   
Council Chair

SUBJECT: **HEARING OF MARCH 12, 2020; TESTIMONY IN SUPPORT OF HB 1929  
HD2, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to extend the deadlines for (a) the Hawaii Housing Finance and Development Corporation ("HHFDC") to acquire Front Street Apartments, and (b) the Leali'i affordable housing project to obtain land use approvals.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would help support the availability of much-needed affordable rental housing units in Maui County, particularly on the west side of Maui island.
2. The Front Street Apartments extension is required due to a pending lawsuit beyond HHFDC's control.
3. The Leali'i affordable housing project requires a modest extension of only two months.

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

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