

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**

January 28, 2020 at 1:30 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 2279**  
**RELATING TO AFFORDABLE HOUSING.**

The HHFDC supports S.B. 2279, 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 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 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. S.B. 2279 gives the project an extra two months to obtain the needed entitlements. HHFDC believes this is a reasonable extension of time.

Thank you for the opportunity to testify.

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
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Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

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

January 27, 2020

**LATE**

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

FROM: Alice L. Lee  
Council Chair

SUBJECT: **HEARING OF JANUARY 28, 2020; TESTIMONY IN SUPPORT OF SB 2279, 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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Testimony Before the state Senate Committee on Housing, Jan. 28, 2020,

Supporting Extension of Negotiations in Senate Bill 2279

For the state condemnation and purchase of Front Street Apartments

By Barbara Henny,

Co-chair of the Front Street Apartment Tenants Group

Good afternoon, Senate Housing Chair Stanley Chang and Vice Chair Dru Kanuha. My name is Barbara Henny, and I'm the co-chair of the Front Street Apartment Tenants Group, the association representing some 250 tenants at Front Street Apartments.

We want to deeply thank the state Legislature and Gov. David Ige for its passage Act 150 and Act 98 stopping the eviction of the tenants last November, 2019. Our understanding is the state bought the land under Front Street Apartments in 2019 and is moving forward with negotiating or condemning the purchase of the building. The bill asks for a time extension, and we are supporting SB2279 for this reason.

I was unable to gather much testimony for this meeting. I was returning from a family trip and heard about this SB2279 last week. The tenants who live on Maui and their supporters have come far in their efforts to keep Front Street Apartments affordable for the working poor, retirees, and the disabled. With donations from supporters, we've had to spend thousands of dollars in air fares to testify on several occasions before the Legislature, and we're honored to receive such support.

It's important to note the broad support Front Street Apartments has received from groups representing tens of thousands of Hawaii residents, including the ILWU, AFL-CIO Unite Here!, the Maui Chamber of Commerce, the Democratic Party of Oahu, the Maui County Council, Maui County Mayor Michael Victorino, the West Maui Taxpayers Association, the Lahaina Town Action Committee, Faith Action In Community Equity, Ota Camp Makibaka Association in Waipahu, the Waiahole-Waikane Community Association in Windward Oahu, retired state Sen. Robert Nakata, the Rev. Kekapa Lee of the First Chinese Congregational Church of Honolulu, first UH Ethnic Studies chair Lawrence Kamakawiwoole, Temple Emanu-El in Nuuanu, the Nuuanu Congregational Church, St. Mary's Episcopal Church in Moiliili, the First Unitarian Church of Honolulu, St. Elizabeth's Episcopal Church in Kalihi, and several churches on Maui, including Maria Lanakila Church in Lahaina.

Please note our Front Street Apartment Tenants Group is not associated with a "pending lawsuit" involving a few tenants and referred to in Senate Bill 2279. The Front Street Apartment Tenants Group, which has held regular monthly meetings in the past involving scores of tenants, decided to appeal to state lawmakers — a route that has been successful.

We hope that providing additional time will help the state to complete the purchase of the buildings at Front Street Apartments.

Thank you for your time,

Barbara Henny

(808) 667-9215

**SB-2279**

Submitted on: 1/25/2020 8:42:48 AM

Testimony for HOU on 1/28/2020 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
chi guyer	Individual	Support	No

Comments:

aloha,

please support bill SB2279 to support front street apartments to continue to allow original occupants to maintain their homes at FSA.

gratefully and hopefully supported, chi pilialoha guyer, resident FSA, senior.

**SB-2279**

Submitted on: 1/26/2020 1:50:46 PM

Testimony for HOU on 1/28/2020 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Massa	Individual	Support	No

Comments:

I am writing in support of SB2279

Please help us save The Front Street Apartments.

Many families live in this Complex who rely on it being an Affordable dwelling. Men, Women, children, elderly, disabled, dying, and Babies too! People who make up this community. Please help these people and vote this bill through. The Front Street Apartments were originally set up to give back to the community. To provide a home for work force housing and families with fixed incomes. What has changed in the past fifteen years I can not fathom. What ever has changed is a terrible tragedy and needs to be corrected. This is your opportunity and ours to correct this wrong doing. Please don't pass it by !!! Vote this bill through for the community and make things right!!!

**SB-2279**

Submitted on: 1/27/2020 11:24:26 AM

Testimony for HOU on 1/28/2020 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Carmie Spellman	Individual	Support	No

Comments:

Dear Honorable Legislators:

Mahalo Nui Loa for taking the time to read my testimony. Say Yes to pass SB 2279. My Name is Carmie Spellman. For a decade I have lived at the Front Street Apartments. I am an elderly female disabled Chinese Hawaiian of mixed nationality. Living here has been tenuous and highly stressful ever since the avaricious developers manipulated the US Treasury to void our contract for 50 years of Low Income Housing at Front Street Apartments (FSA) to go market. I did my due diligence prior to moving in here and knew there was a 50 years Low Income Contract.

Once that insouciant national US Treasury scheme failed and was aborted nationwide then the developers went after our County of Maui HUD. Last year, these immoral developers asked the County of Maui to allow a 50% HUD payment increase beginning 9/1/2019.

My rent raise is usurious being slightly shy of the market price. This tactic echoes precisely what the Machiavellian Developers' caused Nationwide when setting precedent breaking our 50 year contract by lobbying the US Treasury. Of interest, HUD management Maui County told me FSA rent increase request was the only one in Maui County

Subsequently, I cannot eat healthy food because of the extreme usurious increase. I cannot use my air conditioning due the abhorrent cost of electricity that continues to escalate along with my rent and food. Lahaina once known as Lele, which means "relentless sun" in Hawaiian, is a historic town that has been transformed into Maui's hotspot with multiple short-term rentals and development. It is on the National Register of Historical Places. Soon only Millionaires and Rich Tourist will be able to live in Lahaina.

I live on the second floor where the Trade Winds are now Blocked by the Kahoma Village project next door, and still eating dirt into perpetuity for the past 8 years. I have Asthma and COPD plus legally disabled. Harassment and threats from management/developers using *Constructive Eviction tactics has made my life a living*

*hell.* I have been assaulted 3 times here and nothing has been done to assist me in fact there has been legal retaliation against me.

Due to negligence by FSA, I fell down the stairs here at FSA and am permanently, physically disabled. Recently, I was assaulted by the manager's daughter in law and then he turned it around on me and had the attorneys send me a 10 day letter of notice to evict. I have NO Quiet Enjoyment and live in constant fear. Now I am waiting for my surgery in Oahu.

Market priced renters have better rights than we do. That is blatant discrimination. The disparity between Market Priced Renters versus Low Income Renters is untenable and obvious. Every day, I see market priced tenants driving by my apartment in their Mercedes, Lexus, Boxster Spider Porsche's and other expensive autos.

FSA must remain Low Income Housing into perpetuity! Please, I implore you to stop these greedy developers from destroying us and booting us out. We need Low Income Housing everywhere but most urgent here at the FSA!

Due to the unscrupulous and constant constructive eviction tactics If you do not pass SB 2279, I will be homeless. I have limited financial resources and knew this would be my last home. I can barely walk and my life has become a living hell but I will not give up and I implore you to please help all of us Low Income dwellers we have limited options.

If you do not pass SB 2279 the remaining legally Low Income renters will be among the ever growing homelessness in America with nowhere to go. Mahalo Nui Loa!

Respectfully,

CSpellman, FSA Tenant