

Honolulu, Hawaii

FEB 08 , 2022

RE: H.B. No. 1917

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1917 entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this measure is to indefinitely extend the deadline for the Hawaii Housing Finance and Development Corporation to renegotiate an existing, or issue a new, ground lease for the Front Street Apartments affordable housing project in Lahaina, Maui, before the requirement to initiate condemnation proceedings is triggered.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Chair of the Maui County Council.

Your Committee finds that there is a severe shortage of affordable rental housing in the County of Maui, particularly in the western part of the island. To address this shortage, the Legislature passed acts in 2018 and 2019 to support the Front Street Apartments in Lahaina, Maui, and preserve their affordability. The Hawaii Housing Finance and Development Corporation (HHFDC) has since acquired the leased fee interest in the Front Street Apartments and was required by the Legislature to initiate condemnation proceedings unless it renegotiated the ground lease for the Front Street Apartments project or issued a



new ground lease on terms acceptable to HHFDC by December 31, 2021. However, due to a federal lawsuit, it was virtually impossible to obtain an accurate appraisal of the value of the ground lease for purposes of condemnation or negotiating a ground lease agreement. Therefore, the retroactive extension of the December 31, 2021, deadline is necessary.

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 H.B. No. 1917 and recommends that it pass Second Reading and be referred to your Committee on Judiciary & Hawaiian Affairs.

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


NADINE K. NAKAMURA, Chair



