

Honolulu, Hawaii

MAR 24 2022

RE: H.B. No. 1917
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1917, H.D. 1, 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 indefinitely extend the deadline for the Hawaii Housing Finance and Development Corporation to renegotiate or issue a new ground lease for the Front Street Apartments affordable housing project before the Corporation's requirement to initiate condemnation proceedings is triggered.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 amends this measure by:

- (1) Removing the indefinite extension of the ground lease on the Front Street Apartments; and
- (2) Inserting an appropriation of private activity bonds and funds from the Rental Housing Revolving Fund to the Hawaii Housing Finance and Development Corporation for the purpose of allowing an eligible developer to acquire and rehabilitate the Front Street Apartments affordable housing project in Maui County.



Your Committee received testimony in support of the proposed S.D. 1 from two members of the Maui County Council, Affordable Housing and Economic Development Foundation, Hawaii Appleseed Center for Law & Economic Justice, Ahe Group, and one individual. Your Committee received testimony in opposition to the proposed S.D. 1 from the Hawaii Housing Finance and Development Corporation. Your Committee received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committee finds that there is a severe shortage of affordable rental housing in the County of Maui. To address the shortage, the Legislature passed Act 150, Session Laws of Hawaii 2018 (Act 150), which appropriated funds to support the Front Street Apartments in Maui County. However, the Hawaii Housing Finance and Development Corporation was unable to renegotiate its lease for the Front Street Apartments before the 2021 deadline set by Act 150, thereby triggering a requirement for the Corporation to initiate condemnation proceedings. Your Committee further finds that a long-term solution for the Front Street apartments is necessary. Additionally, your Committee notes a need for the Hawaii Housing Finance and Development Corporation to work with the Department of the Attorney General and Department of Budget and Finance to find consensus language on this measure.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by changing the ground lease to be an amount determined by the Hawaii Housing Finance and Development Corporation Board of Directors.

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, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1917, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



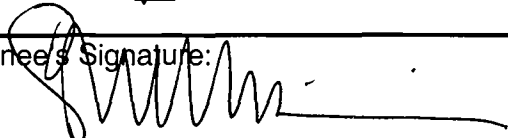
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

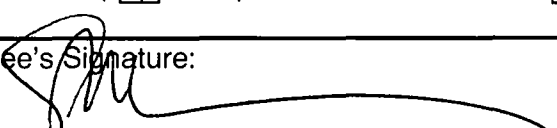
Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1917, HD1	HOU, JDC/WAM	3-22-22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	X			
KANUHA, Dru Mamo (VC)				X
MORIWAKI, Sharon Y.	X			
RHOADS, Karl	X			
FEVELLA, Kurt	X			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirty-First Legislature
State of Hawai'i

**Record of Votes
Committee on Housing
HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1917, HD1	HOU, JDC/WAM	3/22-22		
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>Pass w/Amendments</u>				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	X			
KANUHA, Dru Mamo (VC)				X
MORIWAKI, Sharon Y.	X			
RHOADS, Karl				X
FEVELLA, Kurt	X			
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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