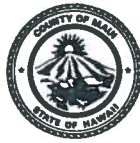


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March 15, 2019

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

FROM: Kelly T. King
Council Chair

Handwritten signature of Kelly T. King in black ink.

SUBJECT: **HEARING OF MARCH 19, 2019; TESTIMONY IN SUPPORT OF HB 543, HD1, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The primary purpose of this measure is to direct the Hawaii Housing Finance and Development Corporation to initiate negotiations or exercise its power of eminent domain to acquire the Front Street Apartments and ensure the continued availability of affordable rental housing on Maui.

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. The Front Street Apartments project was developed using state financing and state tax credits with the intent that the apartments would remain affordable for 50 years. This year, the owners of Front Street Apartments will be able to remove the affordability requirements imposed on the property, aggravating the affordable housing shortage these apartments were aimed to help solve.
2. Without the affordability requirement, the owners will be able to raise the rents at Front Street Apartments, potentially displacing many of the current residents.
3. The State set a precedent of supporting affordable housing in this way through Act 288, Session Laws of Hawaii 2006, to preserve the affordability of the Kukui Gardens affordable housing project on Oahu.

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