



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

RANDALL TANAKA
DEPUTY DIRECTOR

DTS No. 201912120849ES

December 16, 2019

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the report to the Legislature required by Section 3 of Act 98, Session Laws of Hawaii 2019. Act 98 required the Hawaii Housing Finance and Development Corporation to report on its efforts to acquire the leased fee interest in the Front Street Apartments project. In accordance with Section 93-16, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

With aloha,


Mike McCartney

Enclosure

c: Legislative Reference Bureau

Report to the 2020 Hawaii State Legislature:

Pursuant to Act 98, Session Laws of Hawaii 2019 Relating
to the Status of Front Street Apartments, Lahaina, Maui.

Prepared by:
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development & Tourism



December 2019

Section 3 of Act 98, Session Laws of Hawai'i 2019, requires the Hawaii Housing Finance and Development Corporation (HHFDC) to "submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2020 regarding its efforts to acquire the leased fee interest in the Front Street Apartments project." This report is intended to satisfy this requirement.

Pursuant to Act 98, HHFDC entered into negotiations with 3900, LLC to acquire the leased fee interest in the parcel designated as Tax Map Key Number (2) 4-5-003-013, upon which Front Street Apartments is located. On October 3, 2019, HHFDC purchased the leased fee interest in this parcel from 3900, LLC at the appraised value of \$14,930,000.