
A BILL FOR AN ACT

RELATING TO LAND ACQUISITION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In its final report dated January 2006, the
2 joint legislative housing and homeless task force (task force)
3 expressed concern that the inventory of affordable housing
4 rental units may be reduced. Affordable rental housing projects
5 built in part with government subsidies have been offered for
6 sale at market prices as a result of the expiration of income
7 and conveyance restrictions encumbered on the property. The
8 task force is committed to ensuring that such units remain
9 affordable to persons at certain income levels.

10 In recent months, media reports have announced several
11 affordable housing projects that may be offered for sale, such
12 as the Kukui Gardens affordable rental housing project. Kukui
13 Gardens was built in part with federal funds and its
14 affordability restrictions will expire in five years.

15 The purpose of this Act is to preserve Kukui Gardens as an
16 affordable housing project.

17 SECTION 2. The Hawaii housing finance and development
18 administration shall immediately initiate negotiations with



1 Kukui Gardens Corp. to acquire the Kukui Gardens property, and
2 may partner with private developers for acquisition of the
3 property; provided that one hundred per cent of the housing
4 units on the property shall be retained in perpetuity as
5 affordable housing for households at or below one hundred twenty
6 per cent of the median family income as determined by the United
7 States Department of Housing and Urban Development.

8 The Hawaii housing finance and development administration
9 shall submit a report to the legislature no later than twenty
10 days prior to the convening of the regular session of 2007
11 regarding its efforts to acquire Kukui Gardens and its
12 recommendations for financing the purchase of the property.

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2006-2007 for land
16 acquisition of Kukui Gardens, tax map key 1-7-26:7, owned by
17 Kukui Gardens Corporation; provided that if an agreement to
18 acquire the property is not reached by June 30, 2007, the Hawaii
19 housing finance and development administration shall exercise
20 its power of eminent domain to acquire the property.



1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development administration for the purposes
3 of this Act.

4 SECTION 4. This Act shall take effect on July 1, 2006.



Report Title:

Kukui Gardens Acquisition

Description:

Appropriates funds to acquire the property currently known as Kukui Gardens from Kukui Gardens Corp. Authorizes eminent domain proceedings should the acquisition be unsuccessful.

(HB2239 HD1)

