
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 expressed
3 concern that the inventory of affordable housing rental units
4 may be reduced. Affordable rental housing projects built in
5 part with government subsidies have been offered for sale at
6 market prices as a result of the expiration of income and
7 conveyance restrictions encumbering the property. The task
8 force is committed to ensuring that such units remain affordable
9 to persons at certain income levels.

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



- 1 (1) Kukui Gardens is a unique affordable housing resource
2 on twenty-two acres in central Honolulu that provides
3 eight hundred fifty-seven units of low-income housing
4 for two thousand five hundred working residents and
5 senior citizens;
- 6 (2) Kukui Gardens supports the character of the
7 neighborhood by being the primary source of workforce
8 housing for all of historic Chinatown;
- 9 (3) The eight hundred fifty-seven affordable rental units
10 in Kukui Gardens are irreplaceable in the current
11 Honolulu housing market;
- 12 (4) Kukui Gardens is currently for sale, and therefore at
13 risk of becoming a market rate rental project or
14 condominium after 2011, when the project's affordable
15 housing commitment period with the United States
16 Department of Housing and Urban Development expires;
17 and
- 18 (5) The residents, surrounding community, and the island
19 of Oahu would benefit from the active intervention of
20 the State in this transaction to ensure that there is
21 no negative impact on current and future residents.



1 The legislature therefore declares that it is in the public
2 interest and is required for public use to acquire Kukui Gardens
3 as an affordable housing project by exercise of the power of
4 eminent domain. The legislature further declares that it is
5 necessary to provide for the public financing of the acquisition
6 of Kukui Gardens by condemnation through the expenditure of
7 general funds and any available revenue bond proceeds and
8 private funds at the disposal of the State.

9 SECTION 3. The Hawaii housing finance and development
10 administration shall immediately initiate negotiations with
11 Kukui Gardens Corporation to acquire the property known as Kukui
12 Gardens, and may partner with private developers for acquisition
13 of the property; provided that one hundred per cent of the
14 housing units on the property shall be retained in perpetuity as
15 affordable housing for households at or below one hundred twenty
16 per cent of the median family income as determined by the United
17 States Department of Housing and Urban Development.

18 The Hawaii housing finance and development administration
19 shall submit a report to the legislature not later than twenty
20 days prior to the convening of the regular session of 2007
21 regarding its efforts to acquire Kukui Gardens and its
22 recommendations for financing the purchase of the property.



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$1, or so much
3 thereof as may be necessary for fiscal year 2006-2007, for
4 acquisition of the land and improvements of the Kukui Gardens
5 property, tax map key (I) 1-7-26: 07, owned by Kukui Gardens
6 Corporation; provided that if an agreement to acquire the
7 property is not reached within a reasonable time as determined
8 by the Hawaii housing finance and development administration, it
9 shall exercise its power of eminent domain to acquire the
10 property. For the purposes of this Act, and notwithstanding any
11 provision of section 201G-16, Hawaii Revised Statutes, to the
12 contrary, condemnation of the Kukui Gardens property shall not
13 be subject to legislative disapproval.

14 The sum appropriated shall be expended by the Hawaii
15 housing finance and development administration for the purposes
16 of this Act.

17 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Kukui Gardens Acquisition

Description:

Appropriates funds to acquire the Kukui Gardens property from Kukui Gardens Corporation. Authorizes eminent domain proceedings should the acquisition be unsuccessful. (SD2)

