

Honolulu, Hawaii
Feb 17, 2006

RE: H.B. No. 2994
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2994 entitled:

"A BILL FOR AN ACT RELATING TO LAND ACQUISITION,"

begs leave to report as follows:

The purpose of this bill is to preserve affordable rental housing units by:

- (1) Requiring the Hawaii Housing Finance and Development Administration (HHFDA) to initiate negotiations with Kamehameha Schools to acquire the Kulana Nani property in Kaneohe, Oahu;
- (2) Requiring that at least 50 percent of the units be retained in perpetuity as affordable housing for households at or below 140 percent of the median family income;
- (3) Appropriating funds for the acquisition of this property; and
- (4) Requiring HHFDA to exercise its power of eminent domain if an agreement to acquire the property cannot be reached by June 30, 2007.



EAH, the City and County of Honolulu Department of Community Services, the president of the Kulana Nani Resident Association, and several concerned individuals supported the intent of this bill. The Housing and Community Development Corporation of Hawaii and Kamehameha Schools offered comments.

Your Committee is concerned about the preservation of current affordable rental housing units, as several projects on Oahu have recently been placed on the market. Many members of the public expressed concerns that there is no place for many of these residents to go that are as affordable, and there is a fear that homelessness may increase if these projects are not retained as affordable rental units.

Your Committee also heard compelling testimony that 100 percent of the units should be retained as affordable, and that the current income requirements are lower than 140 percent of the median family income. Members of the Committee also expressed concern that a percentage of units in Kulana Nani should be allocated toward households using Section 8 vouchers.

Accordingly, your Committee has amended this bill by:

- (1) Requiring that 100 percent of the units be retained in perpetuity as affordable units to households at or below the current income restrictions;
- (2) Appropriating \$6,800,000 for land acquisition of the Kulana Nani property; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

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. 2994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2994, H.D. 1, and be referred to the Committee on Finance.



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

Michael P. Kalilina
MICHAEL P. KAHIKINA, Chair



