

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 667
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 667, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO KUKUI GARDENS RENTAL HOUSING COMPLEX,"

begs leave to report as follows:

The purpose of this measure is to preserve existing affordable housing at the Kukui Garden rental housing complex.

Specifically, this measure:

- (1) Increases the bond ceiling as a possible financing solution to acquire the Kukui Gardens rental housing complex;
- (2) Appropriates funds to finance condemnation proceedings; and
- (3) Appropriates funds for the purchase of a property interest in either all or a portion of Kukui Gardens.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; EAH, Inc.; Housing Hawaii; Faith Action for Community Equity; the Kukui Gardens Association; and three individuals.



Your Committee finds that the Kukui Gardens rental housing complex has served the community for several decades and has provided affordable housing at reasonable rates for many local residents. As the affordable housing crisis continues to grow in the State, it is important that the Kukui Gardens rental housing complex remains affordable. However, the master lease that controls the Kukui Gardens rental housing complex is set to expire in a few years and the tenants are at risk of losing their rental homes or being pushed out into the streets if prices at the complex do not remain affordable. The intent of this measure is to provide a method by which the State can ensure that the Kukui Garden rental housing complex remains affordable for years to come.

Your Committee has amended this measure by:

- (1) Removing the increase in the bond ceiling as a possible financing solution to acquire the Kukui Gardens rental housing complex provided in Act 185, Session Laws of Hawaii 2004;
- (2) Removing language with regard to condemnation of Kukui Gardens;
- (3) Authorizing the issuance of general obligation bonds for the State to acquire a property interest in Kukui Gardens; and
- (4) Appropriating funds to acquire a property interest in Kukui Gardens.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,


BRIAN T. TANIGUCHI, Chair



