MAR 13 2006

S.R. NO. **31** 

## SENATE RESOLUTION

URGING THE OWNERS OF KUKUI GARDENS TO SELL THE PROJECT TO A QUALIFIED AFFORDABLE HOUSING NON-PROFIT ORGANIZATION.

WHEREAS, Hawaii's ethnic and income diversity is as important to its essential character as its oceans, beaches, and other natural resources; and

WHEREAS, Kukui Gardens is a unique affordable housing resource on twenty-two acres in central Honolulu that provides 857 units of low-income housing for 2,500 working residents and senior citizens; and

WHEREAS, Kukui Gardens was developed with financing from the United States Department of Housing and Urban Development that requires affordable rentals to be maintained until 2011; and

WHEREAS, Kukui Gardens supports the character of the neighborhood by being the primary source of workforce housing for all of historic Chinatown; and

WHEREAS, Kukui Gardens is irreplaceable in the current Honolulu housing market; and

WHEREAS, Kukui Gardens is currently for sale, and therefore at risk of becoming a market rate rental project after 2011; and

WHEREAS, Kukui Gardens may even be at risk of eventually being torn down and converted to condominiums; and

WHEREAS, the possible sale of Kukui Gardens is too important a transaction to be conducted without full and complete public disclosure; and

WHEREAS, the residents of Kukui Gardens deserve to be a party to every aspect of the transaction because they are the people whose future is most at risk if the sale is not handled equitably; and

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WHEREAS, the residents, surrounding community, and Oahu as a whole would benefit from the active intervention of the State in this transaction to ensure that there is no negative impact on current and future residents; and

WHEREAS, the goal of the current owner, Kukui Gardens Corporation, is to increase resources available to the Clarence T. C. Ching Foundation, which provides philanthropic resources to community educational and medical organizations; and

WHEREAS, the purpose of the Clarence T. C. Ching Foundation is in no way contradictory to the preservation of Kukui Gardens as a unique affordable housing resource; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006, that the Kukui Gardens Corporation is urged to sell to a qualified affordable housing non-profit organization that will make a reasonable offer to purchase the property; and

BE IT FURTHER RESOLVED that a reasonable offer to purchase Kukui Gardens will preserve the complex for future affordable housing, allow the existing tenants to remain in their housing, and preserve the character of the historic Chinatown neighborhood; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Chairperson of the Board of Directors of the Kukui Gardens Corporation, the Trustees of the Clarence T. C. Ching Foundation, the President of the Kukui Gardens Community Association, and to the President of Faith Action for Community Equity.

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