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## 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 is  
4 at risk of being reduced. Affordable rental housing projects  
5 built in part with government subsidies have been offered for  
6 sale at market prices in anticipation of the expiration of  
7 income and regulatory restrictions encumbering the property.  
8 The task force is committed to ensuring that these units remain  
9 affordable to persons at lower 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 Kulana Nani apartments in Kaneohe, Oahu, that offer  
13 affordable rental housing.

14           The purpose of this Act is to preserve Kulana Nani as an  
15 affordable rental housing project.

16           SECTION 2. The legislature finds that:



1 (1) Kulana Nani is a unique affordable housing resource in  
2 Kaneohe, Oahu, that provides low-income housing for  
3 working residents, senior citizens, and the disabled;

4 (2) Kulana Nani supports the character of the neighborhood  
5 by being a primary source of workforce housing for  
6 Kaneohe;

7 (3) The affordable rental units in Kulana Nani are  
8 irreplaceable in the current housing market; and

9 (4) The residents, surrounding community, and Oahu as a  
10 whole would benefit from the active intervention of  
11 the State in this transaction to ensure that there is  
12 no negative impact on current and future residents.

13 The legislature therefore declares that it is in the public  
14 interest and is required for public use to acquire the land  
15 under Kulana Nani by exercise of the power of eminent domain.

16 The legislature further declares that it is necessary to provide  
17 for the public financing of the acquisition of the Kulana Nani  
18 property by condemnation through the expenditure of general  
19 funds and any available revenue bond proceeds and private funds  
20 at the disposal of the State.

21 SECTION 3. The Hawaii housing finance and development  
22 corporation shall immediately initiate negotiations with



1 Kamehameha Schools to ensure state acquisition of the Kulana  
2 Nani property, and may partner with a private developer for  
3 acquisition of the property; provided that one hundred per cent  
4 of the housing units on the property shall be retained in  
5 perpetuity as affordable housing for households at or below the  
6 income restrictions for rental housing units on the property as  
7 of the effective date of this Act; provided further that if an  
8 agreement to acquire the property is not reached within a  
9 reasonable time, the Hawaii housing finance and development  
10 corporation shall exercise its power of eminent domain to  
11 acquire the property. For the purposes of this Act, and  
12 notwithstanding any provision of section 201H-13, Hawaii Revised  
13 Statutes, to the contrary, condemnation of the Kulana Nani  
14 property shall not be subject to legislative disapproval.

15 The Hawaii housing finance and development corporation  
16 shall submit a report to the legislature no later than twenty  
17 days prior to the convening of the regular session of 2008  
18 regarding its efforts to ensure acquisition of the Kulana Nani  
19 property and its recommendations for financing the purchase of  
20 the property.

21 SECTION 4. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$ , or so



1 much thereof as may be necessary for fiscal year 2007-2008, for  
 2 land acquisition of the Kulana Nani property, tax map key  
 3 (I) 4-6-31:15, owned by Kamehameha Schools.

4 The sum appropriated shall be expended by the Hawaii  
 5 housing finance and development corporation for the purposes of  
 6 this Act.

7 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

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JAN 24 2007



**Report Title:**

Eminent Domain; Land Acquisition; Kulana Nani

**Description:**

Appropriates unspecified amount to acquire Kulana Nani apartments from Kamehameha Schools by eminent domain should negotiations be unsuccessful.

