
A BILL FOR AN ACT

RELATING TO KUKUI GARDENS RENTAL HOUSING COMPLEX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Kukui Gardens
2 rental housing complex has served the community for several
3 decades and has provided affordable housing at reasonable rates
4 for many local residents. The master lease that controls the
5 complex, however, is due to expire in a few years, placing the
6 tenants of the complex's eight hundred fifty-seven units in
7 jeopardy. Considering the tight rental market in Honolulu and
8 the growing homeless problem, it is incumbent upon the
9 legislature to ensure that Kukui Gardens remains affordable for
10 many years to come.

11 The purpose of this Act is to preserve affordable housing
12 by:

13 (1) Increasing the Hawaii housing finance and development
14 corporation's revenue bond authority from \$300,000,000
15 to \$400,000,000 in anticipation of revenue bonds being
16 used as part of a financing package for Kukui Gardens;
17 and



1 (2) Authorizing the issuance of general obligation bonds
2 for the purchase of a portion of real property at
3 Kukui Gardens.

4 SECTION 2. Act 291, Session Laws of Hawaii 1980, as
5 amended by Act 304, Session Laws of Hawaii 1996, as amended by
6 Act 185, Session Laws of Hawaii 2004, is amended by amending
7 section 11 to read as follows:

8 "SECTION 11. **Issuance of revenue bond; amount authorized.**

9 Revenue bonds may be issued by the [~~housing and community~~
10 ~~development corporation of~~] Hawaii housing finance and
11 development corporation pursuant to part III, chapter 39 and
12 subpart [~~B~~] A of part III of chapter [~~201G,~~] 201H, Hawaii
13 Revised Statutes, in an aggregate principal amount not to exceed
14 [~~\$300,000,000,~~] \$400,000,000, at such times and in such amounts
15 as the [~~housing and community development corporation of~~] Hawaii
16 housing finance and development corporation deems advisable for
17 the purpose of undertaking and maintaining any of the housing
18 loan programs under subpart [~~B~~] A of part III of chapter [~~201G,~~]
19 201H, Hawaii Revised Statutes, relating to the funding or
20 purchasing of eligible project loans."

21 SECTION 3. The director of finance is authorized to issue
22 general obligation bonds in the sum of \$25,000,000 or so much



1 thereof as may be necessary and the same sum or so much thereof
2 as may be necessary is appropriated for fiscal year 2007-2008
3 for the acquisition and financing of a portion of the land and
4 improvements of the Kukui Gardens property, tax map key (1) 1-7-
5 26:07; provided that the Hawaii housing finance and development
6 corporation may enter into a long-term, below market, ground
7 lease of the land, and deed the improvements to a private
8 nonprofit housing organization for the purposes of operating,
9 managing, and maintaining the existing rental units and to
10 potentially develop additional affordable rentals on the site.

11 The sum appropriated shall be expended by the Hawaii
12 housing finance and development corporation for the purposes of
13 this Act.

14 SECTION 4. This Act shall take effect on July 1, 2007.



H.B. NO. 667
H.D. 1
S.D. 2
C.D. 1

Report Title:

Kukui Gardens; General Obligation Bonds

Description:

Authorizes the issuance of general obligation bonds for the acquisition and financing of a portion of the land and improvements of Kukui Gardens. Raises revenue bond ceiling for the Hawaii Housing Finance and Development Corporation (HHFDC). (HB667 CD1)

