
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 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;



1 (2) Authorizing the issuance of general obligation bonds
2 for the purchase of real property at Kukui Gardens;
3 and

4 (3) Appropriating funds for the purchase of a property
5 interest in real property at Kukui Gardens.

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

10 "SECTION 11. Issuance of revenue bond; amount authorized.

11 Revenue bonds may be issued by the [~~housing and community~~
12 ~~development corporation of~~] Hawaii housing finance and
13 development corporation pursuant to part III, chapter 39 and
14 subpart [B] A of part III of chapter [~~201G7~~] 201H, Hawaii
15 Revised Statutes, in an aggregate principal amount not to exceed
16 [~~\$300,000,0007~~] \$400,000,000, at such times and in such amounts
17 as the [~~housing and community development corporation of~~]
18 Hawaii housing finance and development corporation deems
19 advisable for the purpose of undertaking and maintaining any of
20 the housing loan programs under subpart [B] A of part III of
21 chapter [~~201G7~~] 201H, Hawaii Revised Statutes, relating to the
22 funding or purchasing of eligible project loans."



1 SECTION 3. The director of finance is authorized to issue
 2 general obligation bonds in the sum of \$ or so much
 3 thereof as may be necessary and the same sum or so much thereof
 4 as may be necessary is appropriated for fiscal year 2007-2008 to
 5 acquire an interest in the land and improvements of the Kukui
 6 Gardens property, tax map key (I) 1-7-26:07.

7 The sum appropriated shall be expended by the Hawaii
 8 housing finance and development corporation for the purposes of
 9 this Act.

10 SECTION 4. There is appropriated out of the general
 11 revenues of the State of Hawaii the sum of \$ or so
 12 much thereof as may be necessary for fiscal year 2007-2008 to
 13 acquire an interest in the land and improvements of the Kukui
 14 Gardens property, tax map key (I) 1-7-26:07; provided that the
 15 corporation may contract with a private nonprofit management and
 16 development organization to operate the existing facility and to
 17 develop additional affordable rentals on the site.

18 The sum appropriated shall be expended by the Hawaii
 19 housing finance and development corporation for the purposes of
 20 this Act.

21 SECTION 5. This Act shall take effect on July 1, 2020.

Report Title:
Kukui Gardens

Description:

Appropriates funds to purchase a property interest to acquire the Kukui Gardens rental housing complex. Authorizes the issuance of general obligation bonds. Raises revenue bond ceiling for Hawaii housing finance and development corporation (HHFDC). Allows HHFDC to contract with a private nonprofit organization to operate existing Kukui Gardens and develop additional affordable rentals onsite. (SD2)

