
HOUSE CONCURRENT RESOLUTION

RELATING TO A STUDY FOR CREATING CONTRIBUTORY AFFORDABLE HOUSING SOLUTIONS THROUGH MANDATED STATE SPECIAL ASSESSMENTS AGAINST REAL PROPERTY AND IMPROVEMENTS THAT ACCRUE TO COMMERCIAL AND INDUSTRIAL LESSORS THROUGH THE EXERCISE OF FULL-TERM EXPIRATORY REVERSION CLAUSES IN GROUND LEASE CONTRACTS ENTERED INTO AFTER DECEMBER 31, 1963.

1 WHEREAS, the Legislature finds that the State of Hawaii is
2 suffering from a gross shortage in the supply of affordable
3 housing for its residents; and
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5 WHEREAS, the Legislature finds that increasing the supply
6 of affordable housing for residents of the State of Hawaii will
7 contribute to the long-term economic welfare and social
8 stability of Hawaii; and
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10 WHEREAS, the Legislature finds that, historically,
11 government participation is necessary in helping to marshall the
12 resources required to expand affordable housing opportunities;
13 and
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15 WHEREAS, the Legislature finds that, currently and for the
16 foreseeable future, the government is not and will not be in the
17 position to appropriately contribute to the marshalling of the
18 resources required to adequately expand affordable housing
19 opportunities, unless new and innovative approaches are
20 considered; and
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22 WHEREAS, the Legislature finds that the financial burden of
23 helping to assure that Hawaii's affordable housing opportunities
24 are expanded should be broadly shared among all entities that
25 benefit from the general expanding economic conditions in the
26 State; and
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28 WHEREAS, the Legislature finds that significant questions
29 continue to be raised regarding the possibility that negative



1 impacts are being visited upon the State's ability to properly
 2 participate in the marshalling of the resources required to help
 3 expand affordable housing opportunities as a result of the
 4 State's failure to adequately share in the windfall profits
 5 garnered by commercial and industrial lessors through the
 6 lessors' exercise of expiratory reversion clauses in ground
 7 lease contracts; now, therefore,

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 9 BE IT RESOLVED by the House of Representatives of the
 10 Twenty-third Legislature of the State of Hawaii, Regular Session
 11 of 2006, the Senate concurring, that the University of Hawaii at
 12 Manoa is requested to conduct a study to determine whether a
 13 state-mandated special assessment should be levied and collected
 14 against some portion of commercial and industrial lessors'
 15 windfall profits resulting from the reversion of improvements on
 16 their properties at the conclusion of ground leases, which
 17 assessment would be dedicated to the creation of state-sponsored
 18 affordable housing opportunities for residents of Hawaii; and

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 20 BE IT FURTHER RESOLVED that the President of the University
 21 of Hawaii is requested to assign any and as many faculty and
 22 staff of the University of Hawaii to work on this study as the
 23 President deems appropriate; and

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 25 BE IT FURTHER RESOLVED that the Legislature respectfully
 26 requests that the University of Hawaii report its findings and
 27 recommendations, including proposed legislation, if any, to the
 28 Legislature not later than twenty days prior to the convening of
 29 the Regular Session of 2007; and

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 31 BE IT FURTHER RESOLVED that certified copies of this
 32 Concurrent Resolution be transmitted to the Chairperson of the
 33 Board of Regents and President of the University of Hawaii.

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OFFERED BY:

Calvin K. I. Amy
Michael P. Kahala

MAR 15 2006

