

MAR 15 2006

SENATE CONCURRENT RESOLUTION

REQUESTING A STUDY ON 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



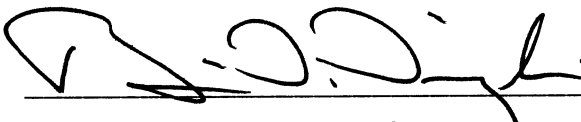
1 impacts are being visited upon the State's ability to properly
 2 participate in the marshalling of the resources required to help
 3 expand affordable housing opportunities as a result of the
 4 State's failure to adequately share in the windfall profits
 5 garnered by commercial and industrial lessors 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 Senate of the Twenty-third
 10 Legislature of the State of Hawaii, Regular Session of 2006, the
 11 House of Representatives concurring, that the University of
 12 Hawaii at Manoa is requested to conduct a study to determine
 13 whether a state-mandated special assessment should be levied and
 14 collected against some portion of commercial and industrial
 15 lessors' windfall profits resulting from the reversion of
 16 improvements on their properties at the conclusion of ground
 17 leases, which assessment would be dedicated to the creation of
 18 state-sponsored affordable housing opportunities for residents
 19 of Hawaii; and

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

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

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

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 37 OFFERED BY: 
 by request