
SENATE 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 marshal 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
30 impacts are being visited upon the State's ability to properly
31 participate in the marshalling of the resources required to help



1 expand affordable housing opportunities as a result of the
2 State's failure to adequately share in the windfall profits
3 garnered by commercial and industrial lessors through the
4 lessors' exercise of expiratory reversion clauses in ground
5 lease contracts; now, therefore,

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

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

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

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

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OFFERED BY: Shiranne Chun Oakland
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