

---

# 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  
4

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  
9

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  
14

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  
21

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  
27

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,

6  
 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

17  
 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

22  
 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

28  
 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.

32  
 33  
 34

OFFERED BY: *[Signature]*  
*by request*

