

STAND. COM. REP. NO.

3640

Honolulu, Hawaii

APR 23 2008

RE: H.C.R. No. 125
H.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.C.R. No. 125, H.D. 1, entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO EXAMINE UPCOMING CONDOMINIUM LEASEHOLD EXPIRATIONS AND THEIR IMPACT ON THE AVAILABILITY OF REPLACEMENT AND AFFORDABLE HOUSING FOR HAWAII RESIDENTS,"

begs leave to report as follows:

The purpose of this measure is to assist in addressing the lack of affordable housing in the State by requesting the Auditor to examine the issue of the upcoming condominium and cooperative housing project lease expirations, and its potential impact on the availability of replacement and affordable housing for Hawaii residents.

Testimony in support of this measure was submitted by Monarch Properties, Inc.; Kamehameha Schools; and fourteen private individuals.

Leasehold condominium and cooperative housing units are a relatively affordable housing option for thousands of Hawaii residents, but opportunities to use this housing option are declining as the expiration of existing leases for over 8,000 leasehold condominium and cooperative housing units approaches and these leasehold interests are set to revert to the fee owners within the next thirty years. The lease to fee conversion of these units will have a detrimental impact on thousands of

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individuals who occupy these units, many of whom are elderly, and do not have the funds to purchase the fee simple interest in their units.

Your Committee finds that the displacement of hundreds of lessees each year due to leasehold conversion could have a dramatic impact on the existing affordable housing crisis in the State, and potentially leave many lessees homeless. Requesting the Auditor to examine the issues of the upcoming condominium and cooperative housing project lease expirations and their potential impact on the availability of replacement and affordable housing for displaced residents will allow the State to anticipate the short- and long-term impact of leasehold conversion of condominium and cooperative housing units on the State's available affordable housing stock.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125, H.D. 1, and recommends its adoption.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,




RUSSELL S. KOKUBUN, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HCR 125 HD1	CPH	4-21-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will				✓
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon	✓			
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes