



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 11, 2012 at 9:35 a.m.
Room 211, State Capitol

In consideration of
**SCR 18 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 593
KULIOUOU ROAD, HONOLULU, HAWAII;**
**SCR 19 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 619
KULIOUOU ROAD, HONOLULU, HAWAII; and**
**SCR 20 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 644
HOKIOKIO PLACE, HONOLULU, HAWAII.**

The HHFDC ***supports*** SCRs 18 through 20. HHFDC is seeking legislative approval to sell the leased fee interest in these single family homes to their respective leasehold owners. All three properties were built in 1980 as part of the Kauhale Aupuni O' Kuliouou affordable for-sale development. Only 4 lessees remain out of the 197 homes in the development. The long-term leases in this development included a clause giving the lessees the contractual right to purchase the leased fee interest in their land.

The fair market value of the leased fee interest in these properties as of July 1, 2011 are as follows:

- 593 Kuliouou Road -- \$228,700;
- 619 Kuliouou Road -- \$230,000; and
- 644 Hokiokio Place -- \$201,700.

A title search conducted by Title Guaranty of Hawaii on July 27, 2011, showed that these parcels were classified as Government lands previous to August 15, 1895.

HHFDC conducted a public meeting on the proposed sale on August 10, 2011, at Niu Valley Intermediate School, Honolulu, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 4 and 7, 2011. There was no objection to the proposed sale raised at that time.

HHFDC has also worked with the Office of Hawaiian Affairs during the interim to keep them informed of these findings and intent to sell the leased fee interest in these parcels. Copies of the draft resolutions were provided to OHA on October 3, 2011.

We respectfully request your favorable consideration of SCR 18, SCR 19, and SCR 20. Thank you for the opportunity to provide written comments on these concurrent resolutions.



SCR 18, SCR 19, SCR 20, SCR 21, SCR 22, SCR 23, SCR 24, and SCR 25
APPROVING THE SALE OF THE LEASED FEE INTEREST IN CERTAIN LANDS
Senate Committee on Ways and Means

April 11, 2012

9:35 a.m.

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The Office of Hawaiian Affairs (OHA) offers the following comments on SCR 18, SCR 19, SCR 20, SCR 21, SCR 22, SCR 23, SCR 24, and SCR 25; which approve the sale of the leased fee interest in certain lands. These resolutions were all offered for consideration by the Legislature in accordance with Act 176, Session Laws of Hawai'i 2009. Among other things, Act 176 requires a two-thirds majority vote of both houses of the Legislature before any specific lands controlled by the State can be sold (including, but not limited to, ceded lands).

SCR 18, SCR 19, SCR 20, SCR 21, and SCR 22 involve the sale of ceded lands. Sales such as these raise significant concerns for OHA and its beneficiaries because the Native Hawaiian people's claim to ceded lands has yet to be resolved. OHA urges the Committee to consider this unresolved claim carefully as it deliberates regarding each specific sale.

SCR 23, SCR 24, and SCR 25 do not involve the sale of ceded lands. Accordingly, the comments offered above are not meant to apply to these three measures.

Mahalo for the opportunity to testify on these important measures.