



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

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

HOUSE COMMITTEE ON FINANCE

April 20, 2012 at 3:00 p.m.
Room 308, State Capitol

In consideration of
**SCR 24 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-031
KUAHELANI AVENUE NO. 242, MILILANI, HAWAII; and
SCR 25 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-017
KUAHELANI AVENUE NO. 321, MILILANI, HAWAII.**

The HHFDC supports SCR 24 and SCR 25. These Concurrent Resolutions are counterparts to HCRs 30 and 31, which the Committee has previously heard. HHFDC is seeking legislative approval to sell the leased fee interest in these apartment units to their respective leasehold owners. These two properties are apartment units built in 1974 as part of the Nahoia Apartments affordable for-sale development. Only 23 lessees out of the entire 231-unit development remain.

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

1. 95-031 Kuahelani Avenue No. 242: \$39,800; and
2. 95-017 Kuahelani Avenue No. 321: \$34,300.

A title search conducted by Title Guaranty of Hawaii on July 27, 2011, showed that the parcel upon which Nahoia Apartments is located was not classified as Government land previous to August 15, 1895.

HHFDC conducted a public meeting on the proposed sales on August 10, 2011, at Mililani High School, Mililani, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 4 and 7, 2011. There were no objections to the proposed sales 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. A copy of the draft resolution was provided to OHA on October 3, 2011.

We respectfully request your favorable consideration of SCR 24 and SCR 25. Thank you for the opportunity to testify.



**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**
House Committee on Finance

April 20, 2012

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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. In the 1993 "Apology Resolution," the United States Congress, referring to Native Hawaiians' loss of control of their lands, stated:

[t]The Republic of Hawaii . . . ceded 1,800,000 acres of crown, government and public lands of the Kingdom of Hawaii, without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government.

Sales of ceded lands 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 these unresolved claims 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.