



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
Richard C. Lim
Director
Department of Business, Economic Development and Tourism
before the

HOUSE COMMITTEE ON WATER & LAND

April 14, 2014 at 10:00 a.m.
State Capitol, Room 224

In consideration of
S.C.R. 13
APPROVING THE SALE OF THE LEASED FEE INTEREST
IN 41-669 INOAOLE STREET, WAIMANALO, HAWAII.

Chair Evans and Members of the House Committee on Water & Land.

DBEDT supports S.C.R. 13, a part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to its leasehold owner. This home was built in 1974 as part of the 190-unit Hale Aupuni affordable for-sale development, and is one of only 22 units in this development that remain in leasehold. HHFDC has met all statutory prerequisites to request approval of the sale of this parcel.

Accordingly, DBEDT respectfully requests that the Committee pass this concurrent resolution. Thank you for the opportunity to testify.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON WATER & LAND

April 14, 2014 at 10:00 a.m.
State Capitol, Room 224

In consideration of
S.C.R. 13
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-669 INOAOLE
STREET, WAIMANALO, HAWAII.**

The HHFDC supports S.C.R. 13. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to its leasehold owner.

The property at 41-669 Inoaole Street is a single family home built in 1974 as part of Hale Aupuni, a 190-unit affordable for-sale housing development. The fair market value of the leased fee interest in the property was appraised at \$46,900 as of July 1, 2013.

A title search conducted by Title Guaranty of Hawaii on July 25, 2013, determined that as of August 15, 1895, the parcel was part of the Government (Crown) Land of Waimanalo, and that HHFDC's predecessor agency, the Hawaii Housing Authority, acquired title to it through Grant No. S-15,206, dated September 5, 1974.

HHFDC conducted a public meeting on the proposed sale on August 7, 2013, at Waimanalo School cafeteria, Waimanalo, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 2 and 5, 2013. There was no objection to the proposed sale raised at that time, or at any time since then.

HHFDC has also kept the Office of Hawaiian Affairs informed of these findings and our intent to sell the leased fee interest in this parcel during the interim. A draft of the concurrent resolution was provided to OHA on September 17, 2013.

The attached documents provide more information on this single family parcel to the Committee:

1. A map showing the general location of the parcel;
2. A photo of the parcel; and
3. A copy of the title report prepared for this parcel.

We respectfully request your favorable consideration of this concurrent resolution. Thank you for the opportunity to testify.



Address **41-669 Inoaole St**
Waimanalo, HI 96795





Address **41 Inoaole Street**

Address is approximate

41-669 Inoaole Street
Waimanalo, Hawaii



TITLE GUARANTY OF HAWAII

INCORPORATED

235 QUEEN STREET
HONOLULU, HAWAII 96813

Phone No. (808) 539-7743

Residential Title

Fax No. (808) 533-5870

Lorna Kametani, Housing Sales Coordinator
HHFDC-Real Estate Services Section
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

(1) 4-1-033-020 Re: TMK (1) 4-1-033-020

LIMITED LETTER REPORT

Maximum liability limited to
\$3,500.00

In accordance with your request, we have made a search as to the Fee Simple ownership of the property identified as Tax Map Key (1) 4-1-033-020, containing an area of 4,411 square feet, and find that the land as of August 15, 1895 was a portion of the Government Land of Waimanalo.

1. Land is classified as Government Land as of August 15, 1895.
2. HAWAII HOUSING AUTHORITY acquired title through Grant No. S-15,206, as attached.

Dated July 25, 2013

Inquiries concerning this report
Should be directed to
Justin Lee
Email: jmlee@tghawaii.com
Fax (808) 533-5870
Telephone (808) 539-7743
Refer to Order No. 201336663

STATE OF HAWAII

Land Patent No. S-15,206(Grant)
Issued OnSALE PURSUANT TO SECTION 171-95(a) (1)
HAWAII REVISED STATUTES

By THIS PATENT the State of Hawaii, in conformity with the laws of the State of Hawaii relating to public lands and pursuant to the approval by the Board of Land and Natural Resources on May 10, 1974,

makes known to all men that it does this day grant and confirm unto

HAWAII HOUSING AUTHORITY,
a Hawaii corporation and body public,
hereinafter called the "PATENTEE",

for the consideration of ONE DOLLAR (\$1.00),

all of the land situate at WAIMANALO, KOOLAUPOKO, OAHU, HAWAII, being a portion of the Government Land of Waimanalo, situated on the southerly side of Kalaniana'ole Highway, Adjacent to Waimanalo School, more particularly described in Exhibit "A" and delineated on Exhibit "B", both of which are attached hereto and made a part hereof, said exhibits being, respectively, a survey description and survey map prepared by the Survey Division, Department of Accounting and General Services, State of Hawaii, both being designated C.S.F. No. 17,127 and dated June 21, 1974.

RESERVING TO THE STATE OF HAWAII, ITS SUCCESSORS AND ASSIGNS, THE FOLLOWING:

(1) All minerals as hereinafter defined, in, on or under the land and the right, on its own behalf or through persons authorized by it, to enter, sever, prospect for, mine and remove such minerals by deep mining, strip mining, drilling and any other means whatsoever, and to occupy and use so much of the surface of the land as may be required therefor. "Minerals", as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, in, on or under the land; provided, that "minerals" shall not include sand, gravel, rock or other material suitable for use and when used in road construction.

COPY

(2) All surface and ground waters appurtenant to the said land and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of said land as may be required in the exercise of this reserved right.

Provided, however, that as a condition precedent to the exercise of the rights reserved in Paragraphs 1 and 2, just compensation shall be paid to the Patentee for any of Patentee's improvements taken.

THE PATENTEE covenants, for itself, its successors and assigns, that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin.

TO HAVE AND TO HOLD said granted land unto the said

HAWAII HOUSING AUTHORITY,
a Hawaii corporation and body politic,

its successors and assigns forever, subject, however, to the reservations and covenant herein set forth.

IN WITNESS WHEREOF, the State of Hawaii, by its Board of Land and Natural Resources, has caused the Seal of the Department of Land and Natural Resources to be hereunto affixed and this Patent to be duly executed this
5th day of *September*, 19*74*.

STATE OF HAWAII
Board of Land and Natural Resources

By *[Signature]*
Chairman and Member

By *[Signature]*
Member

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General
Dated: *21-74*

Written by: *mm*

Proofed by:



STATE OF HAWAII

SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES

HONOLULU

C.S.F. No. 17,127

June 21, 1974

PORTION OF THE GOVERNMENT LAND OF WAIMANALO

Situated on the southerly side of Kalaniana'ole Highway
Adjacent to Waimanalo School

Waimanalo, Koolaupoko, Oahu, Hawaii

Beginning at the northwest corner of this parcel of land, the northeast corner of Waimanalo School (Governor's Executive Order 1521), and on the southerly side of Kalaniana'ole Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAILUA" being 13,556.64 feet South and 20,885.08 feet East, as shown on Government Survey Registered Map 2681, thence running by azimuths measured clockwise from True South:

1. 279° 06' 416.91 feet along the southerly side of Kalaniana'ole Highway;
2. Thence along the southerly side of Kalaniana'ole Highway, on a curve to the right with a radius of 775.00 feet, the chord azimuth and distance being:
291° 58' 58" 345.58 feet;

Thence along the middle of stream, along Government Land for the next twelve (12) courses, the direct azimuths and distances between points in the middle of said stream being:

- | | | |
|-----|--------------|--------------|
| 3. | 3° 34' | 178.75 feet; |
| 4. | 345° 04' | 283.89 feet; |
| 5. | 338° 01' | 205.71 feet; |
| 6. | 356° 14' | 394.63 feet; |
| 7. | 27° 02' | 85.88 feet; |
| 8. | 44° 55' 30" | 68.67 feet; |
| 9. | 57° 08' 30" | 148.77 feet; |
| 10. | 90° 04' | 108.87 feet; |
| 11. | 116° 53' 30" | 107.24 feet; |

EXHIBIT "A"

C.S.F. No. 17,127

June 21, 1974

- 12. 119° 10' 275.86 feet;
- 13. 116° 51' 30" 265.35 feet;
- 14. 115° 02' 30" 189.29 feet;
- 15. 189° 06' 1068.76 feet along Waimanalo School
(Governor's Executive Orders
1648 and 1521) to the point
of beginning and containing
an Area of 25.523 Acres.

SURVEY DIVISION
 DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
 STATE OF HAWAII

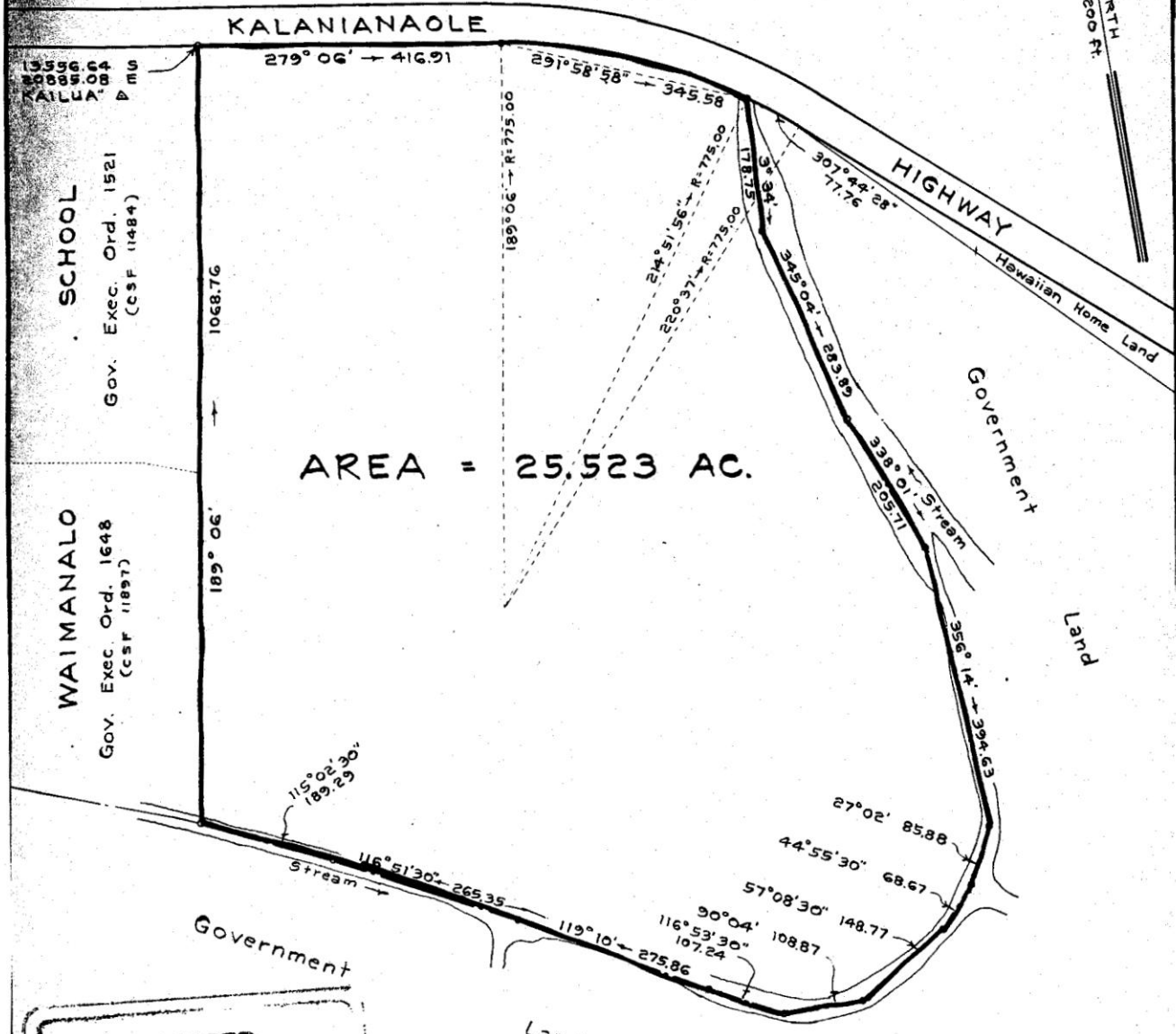
By: Ichiro Sakamoto
 Ichiro Sakamoto
 Land Surveyor

Compiled from
 Gov't. Survey Records.

11

UNITED STATES MILITARY RESERVATION
(BELLOWS FIELD)

TRUE NORTH
Scale: 1 in. = 200 ft.



**REDUCED
NOT TO SCALE**

PORTION OF THE GOVERNMENT LAND OF WAIMANALO
Situating on the southerly side of Kalaniana'ole Highway
Adjacent to Waimanalo School
Waimanalo, Koolaupoko, Oahu, Hawaii
Scale: 1 inch = 200 feet

EXHIBIT "B"

JOB 0-6191
C. BK

TAX MAP 4-1-09

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

C. S. F. No. 17127

19 June 21, 1974



SCR13
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-669 INOAOLE STREET,
WAIMĀNALO, HAWAII.**
House Committee on Water & Land

April 14, 2014

10:00 a.m.

Room 224

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SCR13, which approves the sale of the leased fee interest in a single family home in the Hale Aupuni affordable housing project. While the lands identified for the sale of the leased fee interest in SCR13 are “ceded” lands and therefore former Hawaiian Kingdom crown and government lands, the proposed sale falls within an OHA Board of Trustees (BOT) Executive Policy which provides that OHA will not oppose such a resolution. Accordingly, **OHA does not oppose the sale of this leased fee interest.**

SCR13 has been offered for consideration by the Legislature in accordance with Act 176, Session Laws of Hawai‘i 2009, as amended. 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.)

In general, sales of “ceded” lands raise significant concerns for OHA and its beneficiaries, because the Native Hawaiian people’s unrelinquished claims to “ceded” lands have yet to be resolved. In response to Act 176 (2009) and Act 169 (2011), the BOT adopted a “Ceded Lands” policy which states as follows:

OHA reaffirms its policy to protect the ceded lands corpus until the unrelinquished claims of Native Hawaiians are resolved, and OHA shall oppose the alienation of any ceded lands by the State of Hawai‘i, except in the following limited situations . . . (1) OHA shall not oppose a resolution submitted to the Hawai‘i State Legislature pursuant to Act 176 (2009) and Act 169 (2011) for the sale of fee simple interest of apartments, townhouses, and houses for home ownership, where . . . [2] there have been prior sales in the same development to the extent that the units have previously been substantially sold, or [3] sales of the fee simple interest were approved by the responsible state housing agency prior to the filing of the lawsuit *OHA v. Hawaii Finance and Development Corporation*, Civil No. 94-4207-11, First Circuit Court, State of Hawai‘i, November 4, 1994. (emphasis added).

While SCR13 proposes the sale of “ceded” lands, consistent with the policy exceptions cited above, OHA does not oppose the proposed sale of the leased fee interest at 41-669

Inoaole Street, for the following reasons:

- As of 2012, 170 of 190 of the total units in Hale Aupuni have had the fee simple interest sold (89% sold), indicating that units “in the same development . . . have previously been substantially sold.
- On January 12, 1990, the Housing Finance and Development Corporation (predecessor of the current Hawaii Housing Finance and Development Corporation) Board of Directors voted unanimously to approve the sale of the fee simple interest in Hale Aupuni. The Housing Finance and Development Corporation, as “the responsible state housing agency,” approved the sale of the fee interest in Hale Aupuni prior to the filing of the OHA v. HFDC lawsuit on November 4, 1994.

Accordingly, OHA does not oppose the proposed sale in SCR13. Mahalo for the opportunity to testify on this measure.

lowen2-Karen

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 11, 2014 5:56 PM
To: waltestimony
Cc: mikenoe@hawaii.rr.com
Subject: Submitted testimony for SCR13 on Apr 14, 2014 10:00AM

SCR13

Submitted on: 4/11/2014

Testimony for WAL on Apr 14, 2014 10:00AM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Costa	Individual	Support	No

Comments: Hi my name is Michael Costa I am a single parent of 8 children 4 of my own biological children and 4 of which my wife and I adopted before we lost her to cancer its been a struggle to balance a full time job and raise all of these children by my self but its been a dream of my wife and I to buy the land of which we live on so we can pass on a legacy to are children so please pass this sale so are dreams can come true this a link to waimanalo heath center please look at it so you can see my story is real <http://waimanalohealth.org/michael-a-costa>

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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