



**SCR13**  
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-669 INOAOLE  
STREET, WAIMĀNALO, HAWAII.**  
Senate Committee on Ways and Means

April 1, 2014

9:00 a.m.

Room 211

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 former crown (government), ceded lands, the proposed sale falls within an OHA Board of Trustees (BOT) Executive Policy section 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. Because 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, OHA again does not oppose the proposed sale in SCR13.

Mahalo for the opportunity to testify on this measure.



**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

**SENATE COMMITTEE ON WAYS AND MEANS**

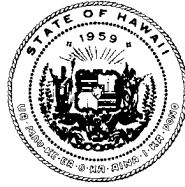
April 1, 2014 at 9:00 a.m.  
State Capitol, Room 211

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

Chair Ige and Members of the Senate Committee on Ways and Means.

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 provide written comments in support of this concurrent resolution.



**STATE OF HAWAII**

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

IN REPLY REFER TO:

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

**SENATE COMMITTEE ON WAYS AND MEANS**

April 1, 2014 at 9:00 a.m.  
State Capitol, Room 211

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.

We respectfully request your favorable consideration of this concurrent resolution. Thank you for the opportunity to provide written comments in support of this concurrent resolution.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [apohi21@gmail.com](mailto:apohi21@gmail.com)  
**Subject:** Submitted testimony for SCR13 on Apr 1, 2014 09:00AM  
**Date:** Friday, March 28, 2014 3:13:32 PM

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**SCR13**

Submitted on: 3/28/2014

Testimony for WAM on Apr 1, 2014 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bill Brown	Aupuni O Hawaii	Oppose	No

Comments: HHCA's lands should not be for sale by the a state agency for illegal commerce on trust lands that does not reflect federal standards.

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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