



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

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

March 30, 2017 at 1:30 p.m.
State Capitol, Room 211

In consideration of

- SCR 19 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-529
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 20 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-648
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 21 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-652
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 22 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-659
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 23 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1362
WAIKALOA STREET, WAIMANALO, HAWAII;**
- SCR 24 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-029
KUAHELANI AVENUE, NO. 128, MILILANI, HAWAII;**
- SCR 25 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-946
MEHEULA PARKWAY, NO. 264, MILILANI, HAWAII;**
- SCR 26 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-946
MEHEULA PARKWAY, NO. 363, MILILANI, HAWAII;**
- SCR 27 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-950
MEHEULA PARKWAY, NO. 367, MILILANI, HAWAII; and**
- SCR 28 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 47-394
KEOHAPA PLACE, KANEOHE, HAWAII.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Senate Committee on
Ways and Means.

DBEDT **supports** S.C.R. 19 through S.C.R. 28, all part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in these homes to their respective leasehold owners. HHFDC has met all statutory prerequisites to request approval of the sale of these parcels.

Accordingly, DBEDT respectfully requests that the Committee pass these concurrent resolutions. Thank you for the opportunity to provide written comments.



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

SENATE COMMITTEE ON WAYS AND MEANS

March 30, 2017 at 1:30 p.m.
State Capitol, Room 211

In consideration of
**S.C.R. 20 APPROVING THE SALE OF THE LEASED FEE INTEREST IN
41-648 INOAOLE STREET, WAIMANALO, HAWAII.**

The HHFDC supports S.C.R. 20. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to its leasehold owner.

This house was built in 1975 as part of the Hale Aupuni affordable for-sale development. Only 17 homes out of the 190 homes in the development remain in leasehold. The fair market value of the leased fee interest in 41-648 Inoaole Street as of July 15, 2016 was \$132,800.

A title search conducted by Title Guaranty of Hawaii on August 21, 2015, showed that this parcel was classified as Government land previous to August 15, 1895. HHFDC conducted a public meeting on the proposed sale on August 10, 2016, at Waimanalo Public & School Library, Waimanalo, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 3 and 5, 2016. 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 this parcel. A copy of the draft resolution was provided to OHA on October 3, 2016.

Thank you for the opportunity to provide written comments in support of this Concurrent Resolution.

I submit my testimony in support of SCR20 for the State (Hawaii Housing Finance and Development Corporation “HHFDC”) to sell the land at 41-648 Inoaole Street, Waimanalo, Hawaii. I own the improvement on said land.

According to the Hawaii Revised Statutes, the prior approval of the legislature to sell certain state lands in fee simple is required. I have completed the steps required by me prior to submitting this resolution which mandates the approval by a 2/3 majority.

The Hale Aupuni project was established in the mid 1970s and comprised about 120 units in a leasehold estate in which Hawaii Housing Authority (now known as HHFDC) is the land owner/Lessor. To date, less than 20 units remain in the leasehold estate as the other homeowners have been allowed to and purchased the leased fee interest commencing in the 1990’s up to the present time.

I started this process in 2015 and submitted my testimony in support for resolution SCR10 to the 2016 legislature. At that time, the appraised value of the leased fee for my home was \$123,300. The resolution passed in the Senate but through administrative error, did not complete passing in the House and making it to the full body of the House for a vote.

Due to this administrative error, all (4) resolutions relating to the sale of the land by the State, including the land under my home in Hale Aupuni were abandoned. As such, I needed to start the process over again and pay for a new appraisal as well as other costs related to this process, which resulted in the leased fee purchase price increasing to \$132,800.

In spite of the above, I feel that the new fee amount is fair to both myself, as Lessee, and the Hawaii Housing Finance and Development Corporation, as Lessor. My family has lived here all of our lives and we very well see the struggles of other families seeking affordable housing. If this resolution is passed and I am allowed to purchase the fee, this will mean lifelong security for us as we will not have to worry about vacating our home or pay for an undetermined lease rent when the lease expires in less than fourteen years.

I respectfully ask that you pass this resolution which will allow me to purchase the leased fee interest in the above property. Thank you. Debra Stephenson (808) 218-3587, deb75stephenson@yahoo.com