

SCR22

Measure Title: APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-659
INOAOLE STREET, WAIMANALO, HAWAII.

Report Title:

Description:

Companion: HCR16

Package: Governor

Current Referral: HOU, WAM

Introducer(s): KOUCHI (Introduced by request of another party)

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

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 HOUSING

March 9, 2017 at 2:45 p.m.
State Capitol, Room 225

In consideration of
**S.C.R. 22 APPROVING THE SALE OF THE LEASED FEE INTEREST IN
41-659 INOAOLE STREET, WAIMANALO, HAWAII.**

The HHFDC supports S.C.R. 22. 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 41-659 Inoaole Street as of April 26, 2016 was \$138,600.

A title search conducted by Title Guaranty of Hawaii on August 24, 2016, 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.

The attached documents provide more information on this property:

1. A map showing the general location of Hale Aupuni;
2. A photo of the property; and
3. A copy of the title report for the parcel.

Thank you for the opportunity to testify.

Google Maps 41-659 Inoaole St



Map data ©2017 Google 200 ft



41-659 Inoaole St
Waimanalo, HI 96795





TITLE GUARANTY OF HAWAII, INC.

Established in 1896

RECEIVED
HAWAII HOUSING FINANCE
DEVELOPMENT CORP

2016 AUG 24 1:43

August 24, 2016

ELAINE GOMA

STATE OF HAWAII – HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

REAL ESTATE SERVICES SECTION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

Re: TG Order No. 201627011
Project: HALE AUPUNI
Unit/Lot No: 24
Property Address: 41-659 Inoaole Street, Waimanalo, Hawaii 96795
TMK: (1) 4-1-033-024
Lessee: Davelyn Sue K. Kanewa

Dear Ms. Goma,

In accordance with your request of August 11, 2015, I confirm that as of **August 15, 1895**, the subject land was part of the **Government (Crown) Land of Waimanalo**.

In the Hawaiian Homes Commission Act of 1920, the subject land, besides other land, was designated as "available land".

By Exchange Deed dated January 8, 1962, recorded in the Bureau of Conveyances in Liber 4265 at Page 425, the DEPARTMENT OF HAWAIIAN HOME LANDS of the State of Hawaii conveyed the subject land, besides other land, to the STATE OF HAWAII by its Board of Land and Natural Resources.

By Land Patent Grant Number S-15,206 dated September 5, 1974, the STATE OF HAWAII, by its Board of Land and Natural Resources, conveyed the subject land, besides other lands to the HAWAII HOUSING AUTHORITY, a Hawaii corporation and body public..

The corporate name of HAWAII HOUSING AUTHORITY was changed to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII as set forth in Land Court Order No. 131893 filed June 25, 1998.

Elaine Goma
August 24, 2016
Page 2

The corporate name of HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII was changed to HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION as set forth in Land Court Order No. 166725 filed June 30, 2006 and Land Court Order No. 171023 filed February 6, 2007.

Please note by Limited Warranty Assignment of Lease dated August 28, 2015, recorded as Document No. A-57800691, Davelyn Sue K. Kanewa, Personal Representative of the Estate of Susan Kealoha Kanewa, also known as Susan K. Kanewa, deceased, filed in the Circuit Court of the First Circuit, State of Hawaii, in Probate Number 14-1-0669, assigned all interest in that certain Lease dated February 20, 1976, to DAVELYN SUE K. KANEWA, wife of Arn Delmar Dyreson.

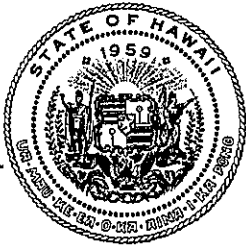
Please be informed that liability for any actual loss incurred by reason of any incorrectness herein is limited to the lesser of \$3,500.00 or two times the amount paid for this product.

Should you have any follow-up questions or comments, please contact me; I can be reached directly by phone at (808) 533-5834, by fax at (808) 533-5870 or by email at cuahinui@tghawaii.com.

Yours truly,



Colleen H. Uahinui
Lead Senior Title Abstractor
Historic Title Services



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON HOUSING

Thursday, March 9, 2017
2:45 PM
State Capitol, Conference Room #225

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 Espero, Vice Chair Harimoto and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SCR19 through SCR 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 testify.



SCR22
APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-659 INOAOLE STREET,
WAIMANALO, HAWAII
Senate Committee on Housing

March 14, 2017

2:45 p.m.

Conference Room 225

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SCR22, 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 SCR22 are “ceded” 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.**

SCR22 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 approval by 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:

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 SCR22 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 41-659 Inoaole Street, for the following reasons:

- As of 2015, 173 of 190 of the total units in Hale Aupuni have had the fee simple interest sold (roughly 91% sold), indicating that units “in the same development... have previously been substantially sold;” and
- On January 12, 1990, the Housing Finance and Development Corporation (predecessor of the current Hawai‘i 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 SCR22. Mahalo for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]
Sent: Saturday, March 11, 2017 2:15 PM
To: HOU Testimony <HOUTestimony@capitol.hawaii.gov>
Cc: wehiona@yahoo.com
Subject: Submitted testimony for SCR22 on Mar 14, 2017 14:45PM

SCR22

Submitted on: 3/11/2017

Testimony for HOU on Mar 14, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Kanewa	Individual	Support	No

Comments:

Aloha mai kakou,

My name is Davelyn Kanewa & I am writing on behalf of my 'ohana who have lived & continue to live in our "family home" at 41-659 Inoaole Street in the Hale 'Aupuni subdivision in beautiful Waimanalo, O'ahu. This home has seen our 'ohana history from my single-mother raising two daughters to my son currently living in the home, in hopes of raising his two daughters.

With the current housing market crisis in our home state, we all face hard times. This was not such a different scenario growing up in Waimanalo in a single-parent home. My mother was the only single-parent home owner on Inoaole street back in 1975 according to property tax maps of our subdivision. With assistance from various means of support, my mother made it possible for herself & her daughters to have a roof over our heads & provide the basic necessities we needed in order to grow up to be contributing members of our communities then & now. My mother has since passed, my sister works at Kailua High School, I work in the Hawai'i Department of Education as well & my son builds & maintains cellular/ radio towers throughout Hawai'i state.

Our circumstances then & now are humble. We aspire to live simply & to simply live. With this in mind along with the opportunity to purchase the piece of land under our home this year secures our belief. Your support in approving this resolution to purchase the leased fee interest will make it a reality.

Our 'ohana anticipate favorable acknowledgement in support of our concurrent resolutions h.c.r16 & s.c.r22. Mahalo in advance to the Senate Committee of Ways & Means: Chairperson Senator Jill N. Tokuda, Vice Chairperson Senator Donovan M. Dela Cruz & WAM Senator members: J. Kalani English, Brickwood Galuteria, Breene Harimoto, Lorraine R. Inouye, Kaiali'i Kahele, Gil Riviere, Maile S.L. Shimabukuro, Brian T. Taniguchi & Glenn Wakai.

Me ka oia'i'o,

Davelyn Kanewa

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
Senate Committee on Housing

Testimony of Jame K. Schaedel

Tuesday, March 14, 2017

Opposition against Senate Concurrent Resolution No. 22 – Approving the Sale of the Leased Fee Interest in 41-659 Inoaole Street, Waimanalo, Hawaii

WRITTEN TESTIMONY ONLY

Thank you for the opportunity to offer testimony in strong **opposition** against Senate Concurrent Resolution No. 22 which would approve the sale of “the leased fee interest” of Crown Lands to a private citizen.

I offer this testimony as a private citizen.

This resolution states that “as of August 15, 1895, the parcel was a portion of the Government (Crown) Land of Waimanalo...”

As a Native Hawaiian, and due to the lingering and unresolved controversies surrounding the sale of Crown Lands, I vehemently oppose this resolution.

I respect the lessee’s quest to obtain full title for the land under their home. However, the lessee or their predecessor signed documents acknowledging that the land under their home was “owned” by the State of Hawai‘i vis-à-vis the Hawaii Housing Finance and Development Corporation (HHFDC) formerly known as the Housing and Community Development Corporation of Hawaii (HCDCH).

I am especially concerned about this resolution because the lessee’s City and County of Honolulu real property tax bill is now sent to a County of Hawai‘i address. Does this family intend to obtain title to Crown Lands so they can sell their home for a profit? I believe the sale and/or use of Crown Lands authorized by the Legislature should be held to the same level of scrutiny imposed upon the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

For these reasons, I strongly encourage you to defer this resolution.

Respectfully,

Jame K. Schaedel