

SCR23

Measure Title: APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1362
WAIKALOA STREET, WAIMANALO, HAWAII.

Report Title:

Description:

Companion: HCR17

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. 23 APPROVING THE SALE OF THE LEASED FEE INTEREST IN
41-1362 WAIKALOA STREET, WAIMANALO, HAWAII.**

The HHFDC ***supports*** S.C.R. 23. 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 1994 as part of the Waimanalo Village Self-Help affordable for-sale development. Only 11 homes out of the 40 homes in the development remain in leasehold. The fair market value of the leased fee interest in 41-1362 Waikaloa Street as of April 26, 2016 was \$401,900.

A title search conducted by Title Guaranty of Hawaii on June 17, 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.

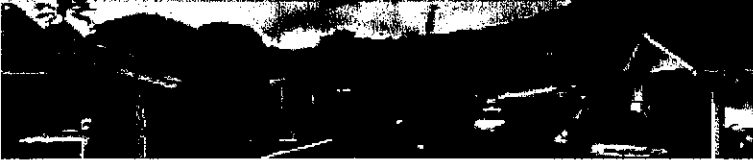
Google Maps 41-1362 Waikaloa St Waimanalo, Hawaii



41-1362 Waikaloa St
Waimanalo, HI 96795

8/10/2016

41-1362 Waikalua St - Google Maps





TITLE GUARANTY OF HAWAII, INC.

Established in 1896

June 17, 2016

ELAINE GOMA

STATE OF HAWAII – HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
REAL ESTATE SERVICES SECTION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813

RECEIVED
HAWAII HOUSING FINANCE
DEVELOPMENT CORP
2016 JUN 20 9 1:38

Re: TG Order No. 201627017
Project: WAIMANALO VILLAGE
Unit/Lot No: 9, Section B
Property Address: 41-1362 Waikalua Street, Waimanalo, Hawaii 96795
TMK: (1) 4-1-012-162
Lessee: Chauncey Kananui George Williams Kalua and
Marietta Momi Kalua, husband and wife, as
Tenants by the Entirety

Dear Ms. Goma,

In accordance with your request of August 11, 2015, I confirm that as of **August 15, 1895**, title to the subject land was held in the **Republic of Hawaii** in and to the **Government (Crown) Land of Waimanalo**.

By Land Patent Grant Number S-15,415 dated March 15, 1978, 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.

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.

Elaine Goma
June 17, 2016
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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

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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.



SCR23
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1362 WAIKALOA 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 SCR23, which approves the sale of the leased fee interest in a single-family home in the Waimānalo Village Self-Help affordable housing project. While the lands identified for the sale of the leased fee interest in SCR23 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.**

SCR23 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 [1] there is already an agreement in an existing contract with the state agency allowing the homeowner to purchase the fee simple interest for home ownership, . . . 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 SCR23 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 41-1362 Waikaloa Street, for the following reason:

- On January 5, 1994, an indenture was executed between the Housing Finance and Development Corporation (predecessor of the current Hawai‘i Housing Finance and

Development Corporation) and lessees, Chauncey and Marietta Kalua, for a lease in Waimānalo Village with the option to purchase fee simple interest. The Housing Finance and Development Corporation, as "the responsible state housing agency," therefore approved the sale of the fee interest in this unit prior to the filing of the *OHA v. HFDC* lawsuit on November 4, 1994, and the lessees here possessed an existing contractual right to purchase the fee interest in their home at that time.

Accordingly, OHA does not oppose the proposed sale in SCR23. Mahalo for the opportunity to testify on this measure.

Chauncey K. and Marietta M. Kalua
41-1362 Waikalua Street
Waimanalo, HI 96795

Subject: **Concurrent Resolutions for the Leased Fee Purchase**
Project: Waimanalo Village Self-Help
Lot No: 9
Property Address: 41-1362 Waikalua Street, Waimanalo, HI 96795
Tax Map Key: (1)4-1-12-162
Senate Concurrent Resolution: Reso No. SCR23
House Concurrent Resolution: Reso No HCR17

The Concurrent Resolutions submitted to the Legislature for the purchase of the above mentioned leased fee interest property is in our greatest interest. We are hereby notifying you that we, as the homeowners, are expressing our interest in obtaining a favorable review.

We are diligently seeking your cooperation and supported assistance through this process. We've been patiently awaiting the negotiations for over a year and would like your continued support. Do take under deep consideration that we have resided at the above stated address for over 20 years.

Please keep us advised of any changes to the measures that are being in favor of us homeowners to purchase the Lease Fee property.

The Kalua Ohana

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. 23 – Approving the Sale of the Leased Fee Interest in 41-1362 Waikaloa Street, Waimanalo, Hawaii

WRITTEN TESTIMONY ONLY

Thank you for the opportunity to offer testimony in strong **opposition** against Senate Concurrent Resolution No. 23 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 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