



**DEPARTMENT OF BUSINESS,  
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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**

Tuesday, March 13, 2018

10:15 a.m.

State Capitol, Conference Room 211

in consideration of

**SCR 14, SD1 APPROVING THE SALE OF THE LEASED FEE INTEREST IN  
2949 ALA ILIMA STREET, NO. 204, HONOLULU HAWAII; and  
SCR 15, SD1 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1373  
HAUNAUKOI STREET, WAIMANALO, HAWAII.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT)

**supports** SCR 14, SD1, and SCR 15, SD1, part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in two homes to their respective leasehold owners.

HHFDC has met all statutory prerequisites to request approval of the sale of these homes. Accordingly, DBEDT respectfully requests that the Committee pass these concurrent resolutions.

Thank you for the opportunity to offer written comments in support of these Concurrent Resolutions.



**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 13, 2018 at 10:15 a.m.  
State Capitol, Room 211

In consideration of  
**S.C.R. 15, S.D. 1**

**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1373 HAUNAUKOI  
STREET, WAIMANALO, HAWAII.**

The HHFDC supports S.C.R. 15, S.D. 1. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to its leasehold owner. This unit was built in 1994 as part of the Waimanalo Village Annex, an affordable self-help housing development. Only 28 units out of the 40 total units in the development remain in leasehold. The fair market value of the leased fee interest in 41-1373 Haunaukoi Street, as of May 9, 2017 was \$398,200. The long-term leases for Waimanalo Village Annex gave lessees the right to purchase the leased fee interest in the land.

A title search conducted by Title Guaranty of Hawaii on July 20, 2017, 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 9, 2017, at Waimanalo Public & School Library Conference Room, Waimanalo, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 1 and 3, 2017. 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 September 29, 2017.

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



**SCR15 SD1**  
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1373 HAUNAUKOI STREET,**  
**WAIMANALO, HAWAII**  
Senate Committee on Ways and Means

March 13, 2018

10:15 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SCR15 SD1, which would approve the sale of the leased fee interest in a single-family home in the Waimānalo Village Self-Help Project. While the lands identified for sale in SCR15 SD1 are “ceded” lands, the proposed sale falls within an exception to OHA’s general opposition to the sale or alienation of “ceded” lands. Accordingly, **OHA does not oppose this resolution.**

SCR15 SD1 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... [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 SCR15 SD1 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 41-1373 Haunaukoi Street, for the following reason:

- The Housing Finance and Development Corporation (predecessor of the current Hawai‘i Housing Finance and Development Corporation), as “the responsible state housing agency,” approved the sale of the fee interest in the Waimānalo Village Self-Help Project prior to the filing of the *OHA v. HFDC* lawsuit on November 4, 1994.

Accordingly, OHA does not oppose the proposed sale in SCR15 SD1. Mahalo for the opportunity to testify on this measure.

**SCR-15-SD-1**

Submitted on: 3/11/2018 8:43:11 PM

Testimony for WAM on 3/13/2018 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Raydean L S Hopu	Individual	Support	No

Comments:

I am interested in purchasing the lease of my property located on 41-1373 Haunaukoi St. Waimanalo, HI. I currently live on the land. Would like to purchase the property before it become financially unobtainable. I would like to have a place for my children to have a forever home, since housing in Hawaii is becoming more expensive to purchase.

Thank you for you time and consideration.

Raydean Hopu