

JAN 24 2019

---

---

# A BILL FOR AN ACT

RELATING TO LANDS CONTROLLED BY THE STATE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that in the 1970s and  
2 1980s, predecessor agencies to the Hawaii housing finance and  
3 development corporation developed several leasehold subdivisions  
4 and acquired leasehold condominiums as part of their mission to  
5 provide affordable home ownership opportunities to Hawaii  
6 residents. Over the years, homeowners were given the  
7 opportunity to purchase the leased fee interest in several of  
8 these developments.

9           The legislature further finds that although the process of  
10 obtaining legislative approval of the sale of the fee interest  
11 in land is an important check and balance to the alienation of  
12 large tracts of state lands, it is a costly and burdensome  
13 process when applied to individual lessee-homeowners. In order  
14 to ensure that the requirements of section 171-64.7, Hawaii  
15 Revised States, are met, in the interim before a legislative  
16 session in which legislative approval is sought, Hawaii housing  
17 finance and development corporation lessees must undergo a  
18 process that takes over a full calendar year to complete before

S.B. NO. 1185

1 the sale can be closed, assuming that the legislature approves  
2 the proposed sale.

3 The legislature further finds that the intent of Act 176,  
4 Session Laws of Hawaii 2009, was to "establish a more  
5 comprehensive process for the sale of state-owned land, and to  
6 reserve a larger role for the legislature to assure that key  
7 information about certain sales or exchanges of land is shared  
8 with the legislature." It was not the legislature's intent to  
9 unduly burden individual homeowners in subdivisions and  
10 condominiums in which the majority of their neighbors had  
11 already acquired fee simple interest in their homes.

12 The legislature also finds that, because it does not serve  
13 the legislative intent of Act 176, Session Laws of Hawaii 2009,  
14 individual sales of the leased fee interest in a leasehold  
15 condominium unit or single family house lot to its lessee by the  
16 Hawaii housing finance and development corporation should be  
17 exempt from the legislative approval process if the following  
18 conditions exist:

19 (1) One of the corporation's predecessor agencies approved  
20 the sale of the leased fee interest to lessees of the  
21 condominium or development in which the unit or house  
22 lot is located no later than November 4, 1994;

S.B. NO. 1185

1           (2) The leased fee interest in more than fifty per cent of  
2           all units in the condominium or development in which  
3           the unit or house lot is located was sold or otherwise  
4           transferred prior to July 13, 2009; and

5           (3) The sale is to the lessee of record of the unit or  
6           house lot.

7           The purpose of this Act is to exempt certain specific homes  
8           and condominium units in affordable developments that fit the  
9           above-mentioned conditions from the legislative approval  
10          requirements of section 171-64.7, Hawaii Revised Statutes.

11          SECTION 2. The following house lots, which are not located  
12          on lands that were government or crown lands previous to  
13          August 15, 1895, or acquired by the State in exchange for such  
14          lands, shall be exempt from the requirements of section 171-  
15          64.7, Hawaii Revised Statutes:

16          (1) 47-374 Keohapa Place, Kaneohe, Hawaii, tax map key  
17              number 1-4-7-55-75;

18          (2) 47-393 Keohapa Place, Kaneohe, Hawaii, tax map key  
19              number 1-4-7-55-86;

20          (3) 47-389 Kapehe Street, Kaneohe, Hawaii, tax map key  
21              number 1-4-7-55-100;

S.B. NO. 1185

- 1 (4) 47-391 Kapehe Street, Kaneohe, Hawaii, tax map key  
2 number 1-4-7-55-101;
- 3 (5) 2969 Ohiohi Street, Lihue, Hawaii, tax map key number  
4 4-3-6-023-074; and
- 5 (6) 92-737 Paakai Street, Kapolei, Hawaii, tax map key  
6 number 1-9-2-06-108.

7 SECTION 3. The following condominium units, which were not  
8 built on lands that were government or crown lands previous to  
9 August 15, 1895, or acquired by the State in exchange for such  
10 lands, shall be exempt from the requirements of section 171-  
11 64.7, Hawaii Revised Statutes:

- 12 (1) 95-013 Kuahelani Avenue, number 114, Mililani, Hawaii,  
13 tax map key number 1-9-4-5-34-14;
- 14 (2) 95-029 Kuahelani Avenue, number 127, Mililani, Hawaii,  
15 tax map key number 1-9-4-5-34-26;
- 16 (3) 95-029 Kuahelani Avenue, number 131, Mililani, Hawaii,  
17 tax map key number 1-9-4-5-34-30;
- 18 (4) 95-033 Kuahelani Avenue, number 133, Mililani, Hawaii,  
19 tax map key number 1-9-4-5-34-32;
- 20 (5) 95-031 Kuahelani Avenue, number 139, Mililani, Hawaii,  
21 tax map key number 1-9-4-5-34-38;

**S.B. NO. 1185**

- 1           (6) 94-940 Meheula Parkway, number 152, Mililani, Hawaii,  
2           tax map key number 1-9-4-5-34-51;
- 3           (7) 94-944 Meheula Parkway, number 153, Mililani, Hawaii,  
4           tax map key number 1-9-4-5-34-52;
- 5           (8) 94-944 Meheula Parkway, number 155, Mililani, Hawaii,  
6           tax map key number 1-9-4-5-34-54;
- 7           (9) 95-029 Kuaahelani Avenue, number 229, Mililani, Hawaii,  
8           tax map key number 1-9-4-5-34-96;
- 9           (10) 94-942 Meheula Parkway, number 244, Mililani, Hawaii,  
10          tax map key number 1-9-4-5-34-111;
- 11          (11) 94-940 Meheula Parkway, number 252, Mililani, Hawaii,  
12          tax map key number 1-9-4-5-34-119;
- 13          (12) 95-021 Kuaahelani Avenue, number 301, Mililani, Hawaii,  
14          tax map key number 1-9-4-5-34-136;
- 15          (13) 95-031 Kuaahelani Avenue, number 337, Mililani, Hawaii,  
16          tax map key number 1-9-4-5-34-172;
- 17          (14) 94-942 Meheula Parkway, number 345, Mililani, Hawaii,  
18          tax map key number 1-9-4-5-34-180;
- 19          (15) 95-029 Kuaahelani Avenue, number 426, Mililani, Hawaii,  
20          tax map key number 1-9-4-5-34-209;
- 21          (16) 2949 Ala Ilima Street, number 302, Honolulu, Hawaii,  
22          tax map key number 1-1-1-61-2-6; and

S.B. NO. 1185

1 (17) 2949 Ala Ilima Street, number 504, Honolulu, Hawaii,  
2 tax map key number 1-1-1-61-2-16.

3 SECTION 4. The following house lots, which are located on  
4 lands that were government or crown lands previous to  
5 August 15, 1895, or acquired by the State in exchange for such  
6 lands, shall be exempt from the requirements of section 171-  
7 64.7, Hawaii Revised Statutes:

8 (1) 26 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
9 number 2-5-7-11-66;

10 (2) 15 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
11 number 2-5-7-11-70;

12 (3) 19 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
13 number 2-5-7-11-71;

14 (4) 35 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
15 number 2-5-7-11-76;

16 (5) 47 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
17 number 2-5-7-11-78;

18 (6) 60 Ke Ala Oluolu Way, Kaunakakai, Hawaii, tax map key  
19 number 2-5-7-11-84;

20 (7) 2320 10th Avenue, Honolulu, Hawaii, tax map key number  
21 1-3-4-3-39;

S.B. NO. 1185

- 1           (8) 41-1418 Waikalua Street, Waimanalo, Hawaii, tax map
- 2                   key number 1-4-1-12-153;
- 3           (9) 41-1410 Waikalua Street, Waimanalo, Hawaii, tax map
- 4                   key number 1-4-1-12-156;
- 5           (10) 41-1404 Waikalua Street, Waimanalo, Hawaii, tax map key
- 6                   number 1-4-1-12-157;
- 7           (11) 41-1366 Waikalua Street, Waimanalo, Hawaii, tax map key
- 8                   number 1-4-1-12-161;
- 9           (12) 41-1361 Waikalua Street, Waimanalo, Hawaii, tax map key
- 10                  number 1-4-1-12-164;
- 11           (13) 41-1367 Waikalua Street, Waimanalo, Hawaii, tax map key
- 12                  number 1-4-1-12-166;
- 13           (14) 41-556 Kamanaaina Place, Waimanalo, Hawaii, tax map key
- 14                  number 1-4-1-34-91;
- 15           (15) 41-554 Kamanaaina Place, Waimanalo, Hawaii, tax map key
- 16                  number 1-4-1-34-94;
- 17           (16) 41-555 Kamanaaina Place, Waimanalo, Hawaii, tax map key
- 18                  number 1-4-1-34-95;
- 19           (17) 41-557 Kamanaaina Place, Waimanalo, Hawaii, tax map key
- 20                  number 1-4-1-34-96;
- 21           (18) 41-1361 Kuhimana Street, Waimanalo, Hawaii, tax map key
- 22                  number 1-4-1-34-98;

S.B. NO. 1185

- 1 (19) 41-1366 Kuhimana Street, Waimanalo, Hawaii, tax map key
- 2 number 1-4-1-34-101;
- 3 (20) 41-1362 Kuhimana Street, Waimanalo, Hawaii, tax map key
- 4 number 1-4-1-34-102;
- 5 (21) 41-1358 Kuhimana Street, Waimanalo, Hawaii, tax map key
- 6 number 1-4-1-34-103;
- 7 (22) 41-1357 Laukalo Street, Waimanalo, Hawaii, tax map key
- 8 number 1-4-1-34-104;
- 9 (23) 41-1363 Laukalo Street, Waimanalo, Hawaii, tax map key
- 10 number 1-4-1-34-105;
- 11 (24) 41-1367 Laukalo Street, Waimanalo, Hawaii, tax map key
- 12 number 1-4-1-34-106;
- 13 (25) 41-1364 Laukalo Street, Waimanalo, Hawaii, tax map key
- 14 number 1-4-1-34-107;
- 15 (26) 41-1370 Laukalo Street, Waimanalo, Hawaii, tax map key
- 16 number 1-4-1-34-108;
- 17 (27) 41-1374 Laukalo Street, Waimanalo, Hawaii, tax map key
- 18 number 1-4-1-34-109;
- 19 (28) 41-1380 Laukalo Street, Waimanalo, Hawaii, tax map key
- 20 number 1-4-1-34-110;
- 21 (29) 41-1384 Laukalo Street, Waimanalo, Hawaii, tax map key
- 22 number 1-4-1-34-111;



**S.B. NO. 1185**

- 1           (30) 41-1390 Laukalo Street, Waimanalo, Hawaii, tax map key  
2                    number 1-4-1-34-112;
- 3           (31) 41-1395 Haunaukoi Street, Waimanalo, Hawaii, tax map  
4                    key number 1-4-1-34-88;
- 5           (32) 41-1389 Haunaukoi Street, Waimanalo, Hawaii, tax map  
6                    key number 1-4-1-34-114;
- 7           (33) 41-1385 Haunaukoi Street, Waimanalo, Hawaii, tax map  
8                    key number 1-4-1-34-115;
- 9           (34) 41-1367 Haunaukoi Street, Waimanalo, Hawaii, tax map  
10                   key number 1-4-1-34-118;
- 11          (35) 41-697 Inoaole Street, Waimanalo, Hawaii, tax map key  
12                    number 1-4-1-33-9;
- 13          (36) 41-643 Inoaole Street, Waimanalo, Hawaii, tax map key  
14                    number 1-4-1-33-30;
- 15          (37) 41-635 Inoaole Street, Waimanalo, Hawaii, tax map key  
16                    number 1-4-1-33-33;
- 17          (38) 41-633 Inoaole Street, Waimanalo, Hawaii, tax map key  
18                    number 1-4-1-33-34;
- 19          (39) 41-613 Inoaole Street, Waimanalo, Hawaii, tax map key  
20                    number 1-4-1-33-42;
- 21          (40) 41-597 Inoaole Street, Waimanalo, Hawaii, tax map key  
22                    number 1-4-1-33-49;

S.B. NO. 1185

- 1 (41) 41-507 Inoaole Street, Waimanalo, Hawaii, tax map key  
2 number 1-4-1-33-85;
- 3 (42) 41-544 Inoaole Street, Waimanalo, Hawaii, tax map key  
4 number 1-4-1-33-100;
- 5 (43) 41-573 Inoa Street, Waimanalo, Hawaii, tax map key  
6 number 1-4-1-33-129;
- 7 (44) 41-555 Inoa Street, Waimanalo, Hawaii, tax map key  
8 number 1-4-1-33-137;
- 9 (45) 41-531 Inoa Street, Waimanalo, Hawaii, tax map key  
10 number 1-4-1-33-146; and
- 11 (46) 41-546 Inoa Street, Waimanalo, Hawaii, tax map key  
12 number 1-4-1-33-176.

13 SECTION 5. This Act shall take effect upon its approval.

14  
15 INTRODUCED BY: *Amn. M.*

16 BY REQUEST

17

S.B. NO. 1185

**Report Title:**

Lands Controlled by the State; Exemption from Legislative Approval of Sale or Gift of Lands

**Description:**

Exempts from legislative approval the sale of the leased fee interest in certain affordable leasehold developments by the Hawaii Housing Finance and Development Corporation.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

# SB. NO. 1185

## JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO LANDS  
CONTROLLED BY THE STATE.

PURPOSE: To exempt from legislative approval, the sale of the leased fee interest in certain Hawaii Housing Finance and Development Corporation affordable leasehold developments.

MEANS: Session law exempting specified house lots and condominium units from section 171-64.7, Hawaii Revised Statutes.

JUSTIFICATION: The process of obtaining legislative approval of the sale of the leased fee interest in state-owned land is a costly and burdensome process that takes individual homeowners over a full calendar to complete before the sale can be closed, assuming that the legislature approves the proposed sale.

The intent of Act 176, Session Laws of Hawaii 2009, was to "establish a more comprehensive process for the sale of state-owned land, and to reserve a larger role for the legislature to assure that key information about certain sales or exchanges of land is shared with the legislature." There are individual leasehold house lot and condominium unit owners in developments constructed several decades ago who have the right to acquire the fee interest in their properties, and where the majority of their neighbors have already acquired fee simple interests in their homes. This legislation would allow the remaining homes in these developments that predated Act 176 to be exempt from section 171-64.7, HRS.

Impact on the public:

Will save the administrative costs of shepherding these homes through the legislative approval process, saving time and expense for the subject homeowner.

Impact on the department and other agencies:

Will reduce administrative burden of continually processing individual house lots and condominium units in the same developments as homeowners become able to purchase the leased fee interest to their homes.

GENERAL FUND:

None.

OTHER FUNDS:

Minimal impact on the Dwelling Unit Revolving fund's administrative expenses.

PPBS PROGRAM  
DESIGNATION:

BED 160.

OTHER AFFECTED  
AGENCIES:

Office of Hawaiian Affairs.

EFFECTIVE DATE:

Upon approval.