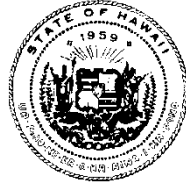


DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

Wednesday, April 3, 2019
2:00 PM - Room 308, Hawaii State Capitol

In consideration of
SB 1303, SD2, PROPOSED HD2
RELATING TO PUBLIC LANDS

Honorable Chair Luke, and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 1303, SD2, Proposed HD2, relating to public lands.

The Hawaii Public Housing Authority (HPHA) **strongly supports** Part III of SB 1303, SD2, Proposed HD2. This section of the bill is primarily a "housekeeping" measure that seeks to exempt HPHA lands from the definition of "public lands" under Hawaii Revised Statutes (HRS) section 171-2.

HPHA titled lands were previously exempted from section 171-2, HRS, when the lands were held by the HPHA's predecessor agencies the Housing and Community Development Corporation of Hawaii (HCDCH) and the Hawaii Housing Authority (HHA). After the HCDCH bifurcated into two separate agencies, an exemption for HPHA titled lands was inadvertently not included in the list of lands exempted from section 171-2, HRS.

HPHA is authorized to acquire, own, and hold real property under chapter 356D-8, HRS, and its federal low-income public housing properties are in a Federal Annual Contributions Contract with the United States of America. Therefore, its titled lands do not fall under the catchall jurisdiction of state "public lands" under the Department of Lands and Natural Resources (DLNR). Unless exempted from the definition of "public lands" under section 171-2, HRS, the Board of Land and Natural Resources (BLNR) could cause unnecessary delay with HPHA's redevelopment projects due to the need for the BLNR to review and take action on land leases for "public lands".

A 2006, the Legislative Reference Bureau published a report, *“Clarifying Statutory References in State Housing Agency Laws,”* stating that an amendment should be made based on the facts and history of both the HPHA and HHFDC.

Prior to 1987, §171-2 excluded from the definition of "public lands" those "lands to which the Hawaii housing authority in its corporate capacity holds title". Act 337, SLH 1987, that established the housing finance and development corporation, added a further exclusion in §171-2 for the corporation's properties. After 1997, when the two agencies merged into the housing and community development corporation of Hawaii, this section was further amended to change the reference to the housing and community development corporation of Hawaii to the (present) Hawaii housing finance and development corporation.

It would appear that this section should be amended to include both the Hawaii housing finance and development corporation and the Hawaii public housing authority, as both agencies are authorized to acquire, own, and hold real property.

“Clarifying Statutory References in State Housing Agency Laws,” Report No. 5, 2006, Legislative Reference Bureau.

HHFDC lands have since been exempted under HRS Section 171-2. Accordingly, the HPHA lands should also be exempted from “public lands.”

The HPHA appreciates the opportunity to provide the Committee with the HPHA’s testimony regarding SB 1303, SD2, Proposed HD2. We thank you very much for your dedicated support.



**SB1303 SD2 PROPOSED HD2
RELATING TO PUBLIC LANDS**
House Committee on Finance

April 3, 2019

2:00 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) **OPPOSES** provisions of Part 1 of SB1303 SD2 Proposed HD2 that may inadvertently result in leases that inhibit the state's fiduciary obligations under the public trust and the Public Land Trust, and that may facilitate the alienation of "ceded" lands to which Native Hawaiians maintain unrelinquished claims.

Part 1, Sections 1 and 3, of this measure, which currently allow lease terms of indeterminate length for public and potentially "ceded" and Public Land Trust lands under the Act 155 (Reg. Sess. 2013) pilot program, had originally proposed to extend the maximum lease length term for such lands from 55 years to 99 years. While OHA appreciates the general intent to support our public school system, **OHA cannot support a proposal that may authorize such long-term, multi-generational leases of public and potentially "ceded" lands, and respectfully requests the Committees to delete Part 1, Sections 1 and 3, as an unnecessary and unjustified expansion of authority.**

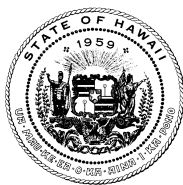
Act 155, now codified in Haw. Rev. Stat. (HRS) §302A-1151.1, created a **pilot program** to allow the Department of Education (DOE), in consultation with the Board of Education (BOE), to encumber and lease three public school land sites for up to 55 years, to generate funds for "21st century" schools. The DOE has since used Act 155's pilot program to successfully lobby last year's legislature to have the City and County of Honolulu transfer title to the DOE certain county lands on which DOE schools are located, and to also exclude all lands to which DOE holds title from the definition of public lands in HRS §171-2. Notably, this latter exclusion removed many of the safeguards in HRS Chapter 171, such as appraisal, public auction, and lease term requirements, that otherwise help to ensure the appropriate management and disposition of public lands. See Act 210, Session Laws Hawai'i 2018. The original and subsequent version of the instant measure, SB1303 and SB1303 SD1, sought to further amend Act 155's pilot program to dramatically increase the Act's maximum allowable lease period from 55 years to 99 years. Although the SD2 and Proposed HD2 versions blank out the 99 year maximum lease length, OHA believes that any increase to the maximum lease length is unwarranted.

OHA reiterates its general opposition to long-term, multi-generational leases for public lands, which may include Public Land Trust lands as well as "ceded" lands taken through the unlawful overthrow of the Hawaiian Kingdom, and to which Native

Hawaiians maintain unrelinquished claims. Such long-term leases, including the 99-year leases previously proposed by the previous draft of this measure, may inhibit multiple future generations from ensuring the best and most appropriate use of public lands and Public Land Trust lands; the lack of transparency and accountability mechanisms included under HRS Chapter 171 for all DOE lands exacerbates such concerns. In addition, extremely long leases of public lands by private entities may inadvertently create a sense of entitlement on the part of lessees that has led and may continue to lead to the alienation of public lands, including “ceded” lands. **OHA objects to the sale or alienation of “ceded” lands except in limited circumstances, and has significant concerns over any proposal that may facilitate the diminution of the “ceded” lands corpus.**

For the foregoing reasons, OHA urges the Committee to **HOLD** this SB1303 SD2 Proposed HD2, or alternatively, **REMOVE** Part I, Sections 1 and 3.

Mahalo nui for the opportunity to testify on this measure



DAVID Y. IGE
GOVERNOR

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STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
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HONOLULU, HAWAII 96813

HOUSE COMMITTEE ON FINANCE

Wednesday, April 3, 2019

2:00p.m.

Conference Room 308

State Capitol

By

Stacey A. Aldrich

State Librarian

S.B. 1303 S.D.2 H.D.1 - Relating to Public Lands

To: Chair Sylvia Luke
Vice Chair Ty J.K. Cullen
Members of the House Committee on Finance

Senate Bill (S.B.) 1303 S.D. 2 H.D.1, in part amends Act 206, Session Laws of Hawaii (SLH) 2017, to allow for the City and County of Honolulu (City) to transfer lands under existing Department of Education (DOE) facilities directly to the DOE, rather than through the Department of Land and Natural Resources. The Hawaii State Public Library System (HSPLS) provides the following comments.

At the joint hearing of the House Committees on Lower & Higher Education and Water, Land & Hawaiian Affairs on March 12, 2019, HSPLS respectfully requested consideration that, for portions upon which HSPLS building and facilities are located on City land, that the property be transferred for the benefit of HSPLS rather than the DOE. House Draft 1 proposes to amend chapter 302A of the Hawaii Revised Statutes, to allow for HSPLS to hold all property on which public libraries are located.

Upon reviewing the H.D.1 language, HSPLS believes that it may be premature for the proposed amendment to chapter 302A which broadly intends to transfer all library property to HSPLS. Since the start of Hawaii's public library system in 1879, public libraries have been built and developed by different governmental authorities, including the counties, before becoming part of a statewide system in 1959. As a result, public library properties are held in various forms. Rather than the proposed amendment to chapter 302A, at this time, HSPLS would like the opportunity to research and review the title for all 51 public library properties to determine the best process to execute the transfer of all public library properties to HSPLS.

Thank you for the opportunity to comment on this measure.



LATE

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/03/2019
Time: 02:00 PM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 1303, PROPOSED HD2 RELATING TO PUBLIC LANDS.

Purpose of Bill: Part I: Allows the Department of Education to lease public school lands for a term of not more than an unspecified number of years per lease. Specifies that title to those portions of Department of Education lands on which public libraries are located are held by the public library system. Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the City and County of Honolulu to transfer lands under existing Department of Education facilities directly to the Department of Education, rather than through the Department of Land and Natural Resources. (SB1303 HD1)

Department's Position:

The Department of Education (Department) supports SB 1303, Proposed HD2. Through Act 155, Session Laws of Hawaii (SLH) 2013, the Department was directed to develop underutilized assets to help facilitate twenty-first century school improvements. With the passage of Act 206, SLH 2017 and Act 210, SLH 2018, the fee for specified public school properties is to be transferred to the state and Department, respectively.

The Department recognizes the value of an extended lease term for project financing and the efficiency of conveying public school lands to the Department for direct authority over property development. This bill seeks to amend these Acts to better accommodate both. The Department believes a lease term of at least 99 years will ensure more timely results and greater potential for development.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



LATE

**TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE
State Capitol, Conference Room 308
415 South Beretania Street
2:00 PM**

April 3, 2019

RE: SENATE BILL NO. 1303 SD 2, HD 2 (PROPOSED), RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in **support** of S.B. 1303 SD 2, HD 1, which proposes to amend prior legislation as follows:

- Part I: Allows the department of education to lease public school lands for a term of not more than ninety-nine years per lease.
- Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the city and county of Honolulu to transfer lands under existing department of education (DOE) facilities directly to the department of education, rather than to the department of land and natural resources.

The proposed HD 2 added a third part exempting HPHA lands from the definition of public lands.

We understand that the purpose of Act 155 was to optimize the use of public school lands to generate opportunities to improve public school facilities and infrastructure to meet the challenges of the twenty-first century and to improve the overall quality of education in Hawaii. In particular, Act 155 established a pilot program to generate revenue from uses for public purposes, such as workforce housing, to build and retrofit twenty-first century schools, and create more school-centered communities. The pilot program laid important groundwork for a statewide approach and plan to optimize public school lands and modernize public school facilities.

The bill addresses some of the challenges the DOE faces in attempting to redevelop its school facilities. One of the major challenges was the ownership of the land under the DOE facilities. Act 206 addressed this by allowing DOE to own lands in fee. As a landowner, we understand that DOE has been working with the Hawaii Housing Finance and Development Corporation (HHFDC) to assist in the redevelopment of the DOE facilities.

DOE's success in the implementation of Act 155 will provide opportunities to increase the supply of housing on existing urban lands throughout the state.

We are in strong support of S.B. 1303 SD 2, HD2, and appreciate the opportunity provide comments.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Wednesday, April 3, 2019 at 2:00 P.M.
Conference Room 308, State Capitol**

LATE

RE: SB 1303 SD2 HD1, PROPOSED HD2, RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports** SB 1303 SD2 HD1, Proposed HD2, which proposes to amend prior legislation. The bill proposes the following:

- Part I: Allows the department of education to lease public school lands for a term of not more than ninety-nine years per lease.
- Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the city and county of Honolulu to transfer lands under existing department of education (DOE) facilities directly to the department of education, rather than to the department of land and natural resources.

The proposed HD2 adds a third part exempting HPHA lands from the definition of public lands.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

We understand that the purpose of Act 155 was to optimize the use of public school lands to generate opportunities to improve public school facilities and infrastructure to meet the challenges of the twenty-first century and to improve the overall quality of education in Hawaii. Act 155 established a pilot program to generate revenue from uses for public purposes, such as workforce housing, to build and retrofit twenty-first century schools, and create more school-centered communities. The pilot program laid important groundwork for a statewide approach and plan to optimize public school lands and modernize public school facilities.

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Chamber *of* Commerce HAWAII

The Voice of Business

DOE's success in the implementation of Act 155 will provide opportunities increase the supply of housing on existing urban lands throughout the state.

Thank you for the opportunity to provide testimony.