

DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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DEPUTY DIRECTOR - WATER

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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
HOUSING
and
WATER AND LAND**

**Tuesday, February 12, 2019
1:15 PM
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 1387
RELATING TO AHUPU'A'A 'O KAHANA STATE PARK**

Senate Bill 1387 (SB 1387) proposes to appropriate moneys to the Hawaii Housing Finance and Development Corporation for low-interest home construction and home improvement loans to holders of Ahupu'a'a 'O Kahana State Park residential leases and closes the period during which loans may be granted to June 30, 2023. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers the following comments.**

SECTION 1 of SB 1387 is a very accurate description of the current situation and status of Ahupu'a'a 'O Kahana State Park. The concept of nestling a residential community within a state park with the intent of having the residents participate in the park in a meaningful manner to enhance the park user's experience has never fully been successful as envisioned in its inception over 50 years ago.

While there are residents who do honor the intent and leasehold commitment to perform the requisite service – a large percentage of the residents simply want to live their lives and not be engaged in interpretive program participation. This has created the current situation of residents being in arrears on their service requirement.

Act 15 Session Laws of Hawaii 09, established the Kahana Planning Council to create a master plan for this park. Due to the extreme complexity of the existing residential community, competing expectations and lack of consensus on direction – a master plan was never created. In

2015 and 2016 State Parks contracted a consultant to perform a critical analysis of issues and 3 major impediments to master planning a sustainable future for this park have been identified:

1. The cultural living park concept – How was this concept originally developed and defined? How is this concept understood today – by State Parks and by State legislators? Is this concept still valid for Kahana and the Kahana community?
2. The 65-Year Leases dictate the terms under which Kahana families are permitted to live in the valley – some of the terms of these leases need to be reviewed and may need to be amended.
3. Overall management of Ahupu'a 'O Kahana – Is the Division of State Parks Division the best, most appropriate manager of this park and its resident community? If not, then what new entity or entities could, and should, manage Kahana?

While these issues remain unresolved, SB 1387 provides both a financial incentive to perform the required service hours and establish funding for residents who have a critical need to improve their homes.

Thank you on the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



LATE

CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
SENATE COMMITTEE ON WATER AND LAND**

February 12, 2019 at 1:15 p.m.
State Capitol, Room 225

In consideration of
S.B. 1387
RELATING TO AHUPUA'A 'O KAHANA STATE PARK.

The HHFDC opposes S.B. 1387, which would require HHDFC to establish a new loan program for low-interest home construction and home improvement loans of up to \$100,000 for any Kahana Valley State Park residential lessee who is not in arrears or in default on any existing loan and who is current on required service hours as of the last 6 months.

In 1988, the Legislature passed Act 238, Session Laws of Hawaii 1988, which appropriated funds for a low-interest home construction and mortgage loan program for Kahana residents, to be administered by the Housing Finance and Development Corporation, which was a predecessor of the HHFDC. Twenty-six of the 27 DLNR lessees received \$50,000 construction loans.

Bank of Hawaii was designated as the servicing lender for this program, with the understanding that delinquent loans would be serviced by HHFDC. At present, only two loans have been fully repaid and one has been foreclosed upon. Bank of Hawaii is servicing 14 loans, and HHFDC is servicing 9 loans, of which only one is current. HHFDC is working with DLNR to address the delinquent lessees.

Thank you for the opportunity to testify.

SB-1387

Submitted on: 2/11/2019 1:10:15 PM

Testimony for HOU on 2/12/2019 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: