
A BILL FOR AN ACT

RELATING TO AHUPUA‘A ‘O KAHANA STATE PARK.

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

1 SECTION 1. The legislature finds that Ahupua‘a ‘O Kahana
2 State Park cannot realize its potential as either a living park
3 or as a public resource until certain unresolved conflicts are
4 settled. These conflicts include the vision and management of
5 the park, unfulfilled requirements for interpretive hours,
6 defaulted mortgage payments, and the status of certain leases.

7 Now known as Ahupua‘a ‘O Kahana State Park, Kahana Valley
8 was acquired by the State of Hawaii in the late 1960s and the
9 concept of a living park was established in 1971. On
10 December 1, 1993, the board of land and natural resources issued
11 leases with a term of sixty-five years to thirty-one families
12 living in Kahana, as authorized by an Act of the legislature in
13 the late 1980s; these leases expire on November 30, 2058.

14 The legislature additionally finds that twenty-eight leases
15 are in effect for families who relocated from various sites in
16 the valley and live on lots developed on Trout Farm Road and
17 Kahana Valley Road. Additionally, six families reside in houses



1 that were slated for demolition when the original lessees moved
2 to the new house lots.

3 The legislature also finds that in 2009, after an aborted
4 eviction effort of the six families who were, at the time,
5 without leases, the legislature established a two-year
6 moratorium on evictions, authorized the department of land and
7 natural resources to issue long term leases, and established a
8 living park planning council. The six families were granted
9 leases by the board of land and natural resources in 2013;
10 provided that the lessees were required to be responsible for
11 their own wastewater solutions and to comply with all relevant
12 government regulation. Cesspools are not permitted on any of
13 the lots and the department of health has ordered closed the
14 existing cesspools used by the six families.

15 The legislature further finds that, in lieu of monetary
16 rent, all lessees in Kahana are required to participate in the
17 interpretive programs of the park, in the amount of twenty-five
18 hours per month. A 1986 attorney general opinion states that
19 the "residents are allowed to live in Kahana only" if they are
20 part of the interpretive programs in the living park, and if
21 "they are not a part of the interpretive programs, they cannot



1 reside at the park." Several families are current on their
2 service hours, but many are in serious arrears.

3 The legislature additionally finds that, to help the
4 lessees move from their original homes and support the
5 construction of houses on the new lots, the state enacted
6 legislation to provide low-interest home construction and
7 mortgage loans of up to \$50,000 per lease. However, several of
8 these mortgages are now in default.

9 The legislature also finds that some of the families who
10 are current on their mortgage payments and interpretive hours
11 would remodel or improve their homes if they had access to
12 financing. However, these families are unable to borrow money
13 due to the unique status of the living park. Many dwellings in
14 Kahana could be substantially improved with a new source of
15 financing, which would improve the state park overall. The six
16 families who were subject to prior eviction attempts would also
17 benefit from access to mortgage financing, to upgrade their
18 sewage treatment to comply with the 2013 lease conditions and
19 complete much needed repairs on their homes.

20 The purpose of this Act is provide new mortgage financing,
21 up to \$100,000 per lease, to lessees in Ahupua'a 'O Kahana State



1 Park; provided the lessees are current on existing financing and
2 interpretive hours, so that the lessees can meet health and
3 safety standards for their dwellings.

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$2,000,000 or so much
6 thereof as may be necessary for fiscal year 2019-2020 and the
7 same sum or so much thereof as may be necessary for fiscal year
8 2020-2021 to provide low-interest home construction and home
9 improvement loans of up to \$100,000 for any holder of a Kahana
10 Valley State Park residential lease who is not in arrears or in
11 default on any existing loan and who is current on required
12 service hours for the previous six months. Moneys appropriated
13 shall be deposited into the housing finance revolving fund;
14 provided that upon fulfillment of the purpose of this Act, all
15 unencumbered moneys shall lapse into the state general fund.

16 The sums appropriated shall be expended by the Hawaii
17 housing finance and development corporation for the purposes of
18 this Act.

19 SECTION 3. The Hawaii housing finance and development
20 corporation shall administer the loan program established under
21 this Act, and shall establish guidelines for loan terms.



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1 SECTION 4. This Act shall take effect on July 1, 2019;
2 provided that all moneys from the appropriation under section 2
3 that are unexpended or unencumbered as of June 30, 2023, shall
4 be transferred to the general fund.

5

INTRODUCED BY:



JAN 24 2019



H.B. NO. 1398

Report Title:

Kahana Valley State Park; Low-interest Loans; Home Construction and Improvement; Hawaii Housing Finance and Development Corporation; Appropriation

Description:

Appropriates moneys to the Hawaii Housing Finance and Development Corporation for low-interest home construction and home improvement loans to holders of Ahupua'a 'O Kahana State Park residential leases. Closes the period during which loans may be granted on June 30, 2023.

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