
A BILL FOR AN ACT

RELATING TO RESIDENTIAL LEASEHOLDS.

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

1 SECTION 1. The legislature finds that chapter 516, Hawaii
2 Revised Statutes, contains provisions to effectuate a leasehold-
3 to-fee-simple conversion for limited properties. Section 516-2,
4 states in part: "This chapter applies to all lands leased as
5 residential lots which are owned or held privately or owned by
6 the State or its political subdivisions, except Hawaiian home
7 lands which are subject to Article XII of the Constitution of
8 the State and lands owned or held by the federal government."

9 The legislature further finds that Ahupua'a 'O Kahana state
10 park is one of the few remaining intact ahupua'a on O'ahu. This
11 park was established in 1971 as Kahana valley state park and is
12 comprised of 5,229 acres. The park was created as a living park
13 so that families residing in the valley continuously since the
14 1960s could remain in the valley and provide cultural
15 interpretive services.

16 Act 5, Session Laws of Hawaii 1987, section 5, and section
17 1 of Act 238, Session Laws of Hawaii 1988, states in part: "The



1 department of land and natural resources is authorized to
2 subdivide and provide for the creation of a residential
3 subdivision in Kahana valley for persons who receive long term
4 leases under the provisions of this act". To assist in the
5 relocation of valley residents and construction of new dwellings
6 on the designated houselots, Act 238, Session Laws of Hawaii
7 1988, section 2, authorized the housing finance and development
8 corporation to offer mortgage financing up to \$50,000 per
9 lessee.

10 The legislature further finds that in 1993, about thirty-
11 one residential leases were issued by the State to residents in
12 Ahupua'a 'O Kahana state park for a term of sixty-five years.
13 Today, twenty-eight leases remain in effect and six conditional
14 leases are pending. In lieu of monetary rent, all lessees are
15 required to participate in interpretive programs in the park for
16 twenty-five hours per month. Lessees are responsible for
17 building and maintaining their residences and for payment of
18 county property taxes, utility bills, and insurance policies.

19 According to a 1985 attorney general opinion (A.G. Op.
20 No. 85-16), chapter 516, Hawaii Revised Statutes, is only
21 applicable to residential lots that are zoned for residential



1 use. Based on that opinion and because all of Kahana valley is
2 within the state conservation district and zoned preservation by
3 the city and county of Honolulu, the lessees in Kahana valley
4 may not pursue lease-to-fee conversion.

5 The purpose of this Act is to apply lease-to-fee conversion
6 to residential lots located in a living park in a county with a
7 population of 500,000 or more that:

- 8 (1) Consists of at least 4,000 acres;
9 (2) Is located in a conservation district; and
10 (3) Is zoned for preservation.

11 SECTION 2. Section 516-1, Hawaii Revised Statutes, is
12 amended by amending the definition of "lot", "housetlot",
13 "residential lot", and "residential housetlot" to read as
14 follows:

15 "Lot", "housetlot", "residential lot", and "residential
16 housetlot" ~~mean~~ means a parcel of land, two acres or less in
17 size, zoned for residential use, except as otherwise provided in
18 section 516-2(b), which is used or occupied or is developed,
19 devoted, intended, or permitted to be used or occupied as a
20 principal place of residence for one or two families."



1 SECTION 3. Section 516-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§516-2 Applicability. [This] (a) Except as provided in
4 subsection (b), this chapter applies to all lands leased as
5 residential lots which are owned or held privately or owned by
6 the State or its political subdivisions, except Hawaiian home
7 lands which are subject to Article XII of the Constitution of
8 the State and lands owned or held by the federal government.
9 This chapter is not meant to supersede or preclude any other
10 remedy at law available to residential leasehold lessees or the
11 State, including those available under chapter 480.

12 (b) Notwithstanding the definition of "lot", "housetot",
13 "residential lot", and "residential housetot" in section 516-1
14 limiting applicability to parcels of land zoned for residential
15 use, this chapter shall apply to all lands leased as residential
16 lots within a living park in a county with a population of
17 500,000 or more and where the living park:

- 18 (1) Consists of at least four thousand acres;
- 19 (2) Is located in the state conservation district; and
- 20 (3) Is zoned for preservation."



1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2019.



Report Title:

Residential Leaseholds; Definitions; Living Parks

Description:

Applies lease-to-fee conversion to residential lots located in a living park in a county with a population of 500,000 or more where the park consists of at least 4,000 acres; is located in the state conservation district; and is zoned for preservation.
(Proposed SD1)

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