

STAND. COM. REP. NO.

2346

Honolulu, Hawaii

FEB 05 2020

RE: S.B. No. 2043

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.
No. 2043 entitled:

"A BILL FOR AN ACT RELATING TO LEASEHOLD CONDOMINIUMS ON
STATE LAND,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation to develop and sell ninety-nine year leasehold units in condominiums that have been developed on state lands set aside to the Hawaii Housing Finance and Development Corporation by the Governor, leased to the Hawaii Housing Finance and Development Corporation by any state department or agency, or to which the Hawaii Housing Finance and Development Corporation already holds title.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Hawaii Community Development Association, and Building Industry Association of Hawaii. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committee finds that currently the Hawaii Housing Finance and Development Corporation does not have the authority to



enter into leasehold agreements for condominiums created pursuant to Hawaii's condominium laws. This measure would allow the Hawaii Housing Finance and Development Corporation to provide affordable homeownership opportunities to qualified residents without selling state land in fee simple.

Your Committee notes that the Hawaii Public Housing Authority requested to also participate in selling ninety-nine year leaseholds. Your Committee further finds that the Hawaii Housing Finance and Development Corporation, pursuant to section 201H-9(c), Hawaii Revised Statutes, and the Hawaii Public Housing Authority, pursuant to section 356D-4, Hawaii Revised Statutes, have the authority to sell or otherwise dispose of property to any person or government. Your Committee notes that this bill is not intended to bypass legislative approval for the sale of public lands pursuant to Chapter 171, Hawaii Revised Statutes. Your Committee also recognizes that the State has a fiduciary obligation to uphold the interests of native Hawaiians in public land trust lands that may be developed under this measure, as well as the State's responsibilities to the Department of Hawaiian Home Lands and its native Hawaiian beneficiaries. Your Committee finally notes that the leasehold units sold pursuant to this measure are intended to be sold to individuals or families and not to developers.

Therefore, your Committee has amended this measure by:

- (1) Adding a provision that would allow the Hawaii Public Housing Authority to sell ninety-nine year leasehold condominium units;
- (2) Adding provisions that would require the Hawaii Housing Finance and Development Corporation to follow the rules set forth in Chapter 171, Hawaii Revised Statutes, were it to dispose of real property; and
- (3) Adding a provision which would provide for the transfer of a certain percentage or number of leasehold condominium units to the Department of Hawaiian Home Lands or to the Office of Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your



Committee is in accord with the intent and purpose of S.B. No. 2043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2043, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

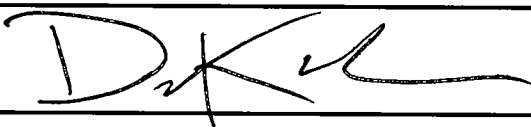
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2013	HOU, JDCI/WAM	01/23/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	.	✓		
FEVELLA, Kurt			✓	
TOTAL	3	1	1	
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes