

STAND. COM. REP. NO.

2546

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 2502  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2502 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the terms for public auction, sales, or leases under the Hawaii Community Development Authority from sixty-five to ninety-nine years.

Your Committee received testimony in support of this measure from the Hawaii Community Development Authority. Your Committee received testimony in opposition to this measure from the Sierra Club of Hawai'i, Kūpuna for the Mo'opuna, Mauna Kea Moku Nui 'Aelike/Consensus Building 'Ohana, Council for Native Hawaiian Advancement, Native Hawaiian Legal Corporation, and five individuals.

Your Committee finds that the State is facing an acute housing shortage. According to the 2019 Hawaii Housing Planning Study, Hawaii will need to add over 50,000 new housing units to the market between 2020 and 2025, which includes pent-up demand due to multi-generational living, supply shortages, and continued outmigration of Hawaii residents. Authorization of ninety-nine-year leases allows many government agencies and community



organizations to explore the feasibility and marketability of developing affordable condominium units to address the shortage of affordable housing.

However, your Committee has heard the concerns of many community organizations, including the Sierra Club of Hawaii, regarding this measure's reach into ceded lands. This measure, as drafted, would authorize the permanent disposal of lands held by the State, potentially denying future generations with the ability to determine and enjoy lands in perpetuity and in contravention of the public trust. This measure also raises some concerns with the Native Hawaiian community regarding land claims, which may foreclose important opportunities for the State and the people of Hawaii to seek justice and reconciliation with the Native Hawaiian community.

To address the concerns of the Sierra Club of Hawaii, your Committee respectfully requests that your Committees on Ways and Means and Judiciary consider further amendments needed for this measure.

Your Committee has amended this measure by:

- (1) Authorizing the Hawaii Community Development Authority to enter into leases for a term not exceeding ninety-nine years, except that leases for ceded lands shall have a term that does not exceed sixty-five years; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2502, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.




Respectfully submitted on  
behalf of the members of the  
Committee on Water and Land,

  
LORRAINE R. INOUE, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

|  |  |                         |          |         |
|--|--|-------------------------|----------|---------|
| Bill / Resolution No.:*<br><i>SB 2502</i>  | Committee Referral:<br><i>WTL, WAM/JDC</i> | Date:<br><i>2/16/22</i> |          |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |          |         |
| The Recommendation is:<br><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 |
| INOUYE, Lorraine R. (C)  | ✓  |                         |          |         |
| KEITH-AGARAN, Gilbert S.C. (VC)  | ✓  |                         |          |         |
| MISALUCHA, Bennette E.   | ✓  |                         |          |         |
| RIVIERE, Gil   |  | ✓                       |          |         |
| FEVELLA, Kurt  |  |                         | ✓        |         |
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| <b>TOTAL</b>   | <i>3</i>                                   | <i>1</i>                | <i>1</i> |         |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |          |         |
| Chair's or Designee's Signature:<br>   |  |                         |          |         |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                         |          |         |

\*Only one measure per Record of Votes