



**HAWAI'I COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawai'i 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

CHASON ISHII
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
Craig K. Nakamoto, Executive Director
Hawai'i Community Development Authority

before the
SENATE COMMITTEE ON HOUSING
and the
SENATE COMMITTEE ON WATER AND LAND

Thursday, February 9, 2023
1:15 PM
State Capitol, Conference Room 225 & Videoconference

In consideration of
SB1286
RELATING TO THE HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY.

Chairs Chang and Inouye, Vice Chairs Kanuha and Elefante and members of the Committees.

The Hawai'i Community Development Authority (HCDA) **supports SB1286**, that allows HCDA to enter 99-year leases for non-ceded lands, instead of the current sixty-five years, creating additional options for housing development, including but not limited to rentals and for sale projects.

As the need for affordable housing grows, so does the need for innovative ways of creating new homes that the people of Hawai'i can afford.

Giving HCDA the option to offer sustainable long-term leases, on non-ceded land, for housing will enhance HCDA's ability to produce housing for our island residents for generations, something that is a challenge with a shorter duration.

If this proposal is approved, HCDA could execute 99-year leases with developers for a for sale leasehold product on state-owned non-ceded lands, as well as long-term rental projects helping to address the housing shortage and increase the housing inventory.

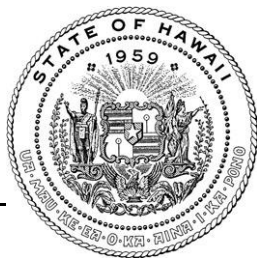
With a proven track record, in recent years, HCDA partnered with private developers to build affordable rental housing on state land in the successful Nohona Hale micro-unit project on Cooke Street that was completed in 2020 with over 100 units on 10,000 sq. ft. of land. The project utilizes the State's first vertical PV system on the

side of the building powering common areas. Rents in Nohona Hale range from \$600 to \$1,100. that is 60% and below the AMI (area median income).

A second example is the Ola Ka 'Ilima Artspace Lofts designed with high ceilings and large windows for natural lighting for low-income artists and their families. These projects are for qualified individuals earning between 30 and 60% of the AMI.

Together we all can help to address Hawai'i's housing shortage.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
Chris J. Sadayasu, Director
Department of Business, Economic Development & Tourism
before the
**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON WATER AND LAND**

Thursday, February 9, 2023
1:15 PM
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In consideration of
SB1286
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Chair Inouye, Vice Chair Elefante and Members of the Committee. The Department of Business, Economic Development & Tourism (DBEDT) **supports** SB1286, that allows the Hawaii Community Development Authority (HCDA) to lease non-ceded land for ninety-nine years for affordable housing development.

Addressing Hawaii's housing shortage will take all of us working together and coming up with a variety of housing options for the many diverse needs of the people of Hawaii.

This bill creates a new option for HCDA to use in developing affordable housing, and DBEDT is very supportive of innovative development initiatives like this because they not only stimulate Hawaii's economy by increasing construction and related non-construction jobs, but these future housing development projects will help to increase the State's housing inventory, providing much needed homes to Hawaii's families.

This bill also supports DBEDT's mission of creating affordable workforce housing units in high-quality living environments like the live, work, play community in Kaka'ako and the Ka'ulu by Gentry housing development coming soon to Kalaeloa.

Thank you for the opportunity to testify.



LATE

SB1286
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Senate Committee on Housing
Senate Committee on Water and Land

February 9, 2023

1:15 PM

Room 225

The Administration of Office of Hawaiian Affairs (OHA) will recommend to the Board of Trustees the following **COMMENTS** on SB1286, which would propose a mechanism for ninety-nine year leases of public lands, essentially binding that land use to the span of multiple lifetimes. Should this Committee choose to advance this measure, **OHA asks that the proposed exemption is extended to “Crown and Government lands” belonging to the Hawaiian Kingdom.**

Crown and Government lands of the Hawaiian Kingdom, often referred to as “Ceded Lands” of the Public Land Trust corpus, are continuously held in trust for the betterment of the conditions of Native Hawaiians.¹ In addition to its codification within the Hawai‘i Admissions Act, lawmakers sought to ensure the continuous uplifting of Native Hawaiian socio-economic status through the creation of OHA and the enacting of these principles into State law.² OHA serves as the principal public agency of the State responsible for the programs and activities of Native Hawaiians,³ whose well-being is often positively impacted by the programs and services funded by revenue from the public land trust. OHA maintains that the Native Hawaiian people continue to assert their claim to Crown and Government lands; claims that have yet to be settled.

OHA offers the following amendment, to appropriately exempt crown and government lands from the proposed ninety-nine-year lease mechanism:

“except that leases of lands that were classed as crown and government lands previous to August 15, 1895, shall have a term not exceeding sixty-five years”

OHA appreciates the opportunity to provide comments on this measure and asks that the Legislature take into consideration OHA’s amendment to SB1286. Mahalo nui loa.

¹ Pub. L. 86-3, 73 Stat. 4; Hawai‘i Admissions Act of 1959.

² HRS §10-3.

³ Id.