

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

**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](http://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  
**HOUSE COMMITTEE ON WATER AND LAND**

Tuesday, March 14, 2023  
9:30 AM

State Capitol, Conference Room #430 & Videoconference

In consideration of  
**SB1286, SD1**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.**

Chair Ichiyama, Vice Chair Poepoe and Members of the Committee. The Department of Business, Economic Development & Tourism (DBEDT) **supports** SB1286, SD1, that allows the Hawaii Community Development Authority (HCDA) to lease non-ceded land for ninety-nine years for affordable housing development. Prohibits encumbering lands that were classed as crown or government lands prior to 8/15/1895, in leases longer than 65 years.

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.



**SB1286 SD1**  
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
House Committee on Water & Land

March 14, 2023

9:30 AM

Room 430

---

The Administration of the Office of Hawaiian Affairs (OHA) will recommend to the Board of Trustees the following **COMMENTS** on SB1286 SD1, which would propose a mechanism for ninety-nine year leases of public lands. **OHA takes care to note its appreciation for the Legislature in accepting OHA’s recommendations to include an exemption for “Crown and Government lands” belonging to the Hawaiian Kingdom. OHA’s concerns stemmed from instances where public lands were permanently alienated from the Public Land Trust in so far as they were connected with very long leases.**

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.<sup>1</sup> 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.<sup>2</sup> OHA serves as the principal public agency of the State responsible for the programs and activities of Native Hawaiians,<sup>3</sup> 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 appreciates the opportunity to provide comments on this measure and wishes, once again, to express its appreciation for the Legislature in amending SB1286 SD1 to include OHA’s recommendations. Mahalo nui loa.

---

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

<sup>2</sup> HRS §10-3.

<sup>3</sup> Id.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 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  
**HOUSE COMMITTEE ON WATER & LAND**

Tuesday, March 14, 2023  
9:30 AM  
Via Videoconference, State Capitol, Conference Room 430

In consideration of  
**SB1286, SD1**  
**RELATING TO THE HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY.**

Chair Ichiyama, Vice Chair Poepoe, and members of the Committee.

The Hawai'i Community Development Authority (HCDA) **supports SB1286, SD1**, 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 for low-income artists and their families, designed with high ceilings and large windows with natural lighting for artists to utilize. 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.



STANFORD CARR DEVELOPMENT, LLC

■ March 13, 2023

The Honorable Linda Ichiyama, Chair  
The Honorable Mahina Poepoe, Vice Chair  
and Members of the House Committee on Water and Land

Re: Testimony in Support - SB 1286, SD1  
Relating to the Hawaii Community Development Authority  
Hearing: March 14, 2023 at 9:30 AM, Conference Room 430

Dear Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

Stanford Carr Development (SCD) is writing to express **support** for SB 1286, SD1, which proposes to provide additional means to increase the supply of housing in Hawaii by allowing the Hawaii Community Development Authority (HCDA) to lease real property for a term of ninety-nine years.

We support the intent to provide HCDA with an additional tool to facilitate increased production of affordable housing and greater flexibility to tailor lease terms to long-term occupancy. Accordingly, we agree with the concept of a 99-year lease with the caveat that the lease rents must be known for the entire 99-year term. Without the certainty of a known lease rent, we risk a repeat of the forced leasehold to fee conversion of the 1990s.

In addition, we urge the HCDA when promulgating rules to ensure compliance with the guidelines of Fannie Mae and Freddie Mac.

We seek your support of this legislation. Thank you for the opportunity to offer testimony on this measure.

Respectfully,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr'.

Stanford S. Carr



**Hawai'i YIMBY**  
Honolulu, HI 96814

hawaiiyimby.com  
admin@hawaiiyimby.com

Tuesday, March 14, 2023

House Committee on Water & Land  
Hawai'i State Capitol  
Honolulu, HI 96813

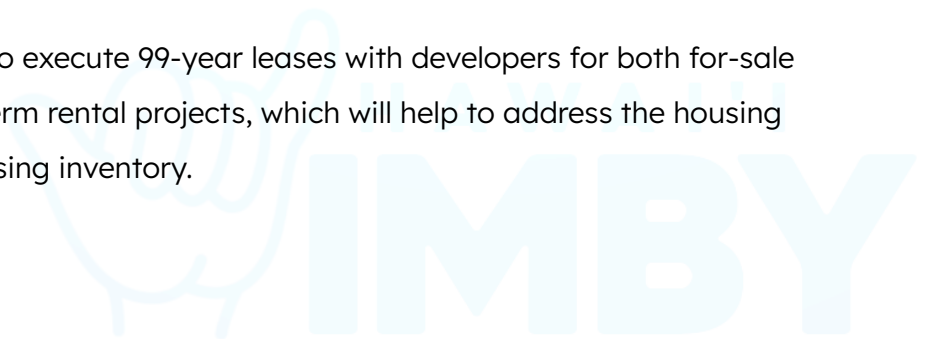
**RE: SUPPORT for SB 1286 SD1 - RELATING TO THE HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee,

On behalf of Hawai'i YIMBY, I'm writing to support SB 1286 SD 1, which would allow the Hawaii Community Development Authority (HCDA) to enter into 99-year leases for non-ceded lands, which will help create additional options for housing development, including rentals and for-sale projects.

The need for affordable housing in Hawaii is growing, and innovative solutions are needed to create new homes that people can actually afford. The option to offer sustainable long-term leases on non-ceded land for housing will enhance HCDA's ability to produce housing for generations to come, something that has been difficult with the current shorter duration of leases.

This proposal will allow HCDA to execute 99-year leases with developers for both for-sale leasehold products and long-term rental projects, which will help to address the housing shortage and increase the housing inventory.





**Hawai'i YIMBY**  
Honolulu, HI 96814

[hawaiiyimby.com](http://hawaiiyimby.com)  
[admin@hawaiiyimby.com](mailto:admin@hawaiiyimby.com)

Examples of successful partnerships between HCDA and private developers have already been seen in the Nohona Hale micro-unit project on Cooke Street and the Ola Ka 'Ilima Artspace Lofts. These projects offer affordable rental housing for low-income residents and their families and have been built on state-owned land. With this bill, HCDA will be able to continue these successful partnerships and increase the number of housing units available to the people of Hawai'i.

Hawai'i YIMBY (*Yes In My Backyard*) is a new and rapidly growing grassroots advocacy organization dedicated to working to advance bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We urge your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Matt Popovich

Co-Lead, Hawai'i YIMBY



**SB-1286-SD-1**

Submitted on: 3/14/2023 8:29:45 AM

Testimony for WAL on 3/14/2023 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Regina Peterson(Nani)	Individual	Oppose	Written Testimony Only

Comments:

In Opposition