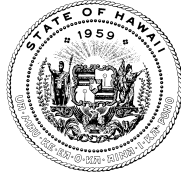


JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia 'āina o ka Moku 'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia 'āina o ka Moku 'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEES ON HOUSING AND
HIGHER EDUCATION
HEARING ON MARCH 12, 2025 AT 2:30PM IN CR 309

SB 1553, SD 2, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

March 11, 2025

Aloha Chairs Evslin and Garrett, Vice Chairs Miyake and Amato, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) **supports** with comment this bill which appropriates moneys from the Act 279 Special Fund for DHHL to purchase a parcel of land identified as tax map key: (1) 9-1-013-025.

DHHL prefers the original version of SB1553 which appropriates funds out of the general revenues of the State of Hawaii for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the purchase of a parcel of land identified as tax map key: (1) 9-1-013-025. DHHL prefers the use of general funds instead of Act 279 special funds established by Act 125, Session Laws of Hawaii 2024, because much of the existing Act 279 funds have been allocated for the development of approximately 28 projects.

There is a large hangar located on the land that was used by the military to maintain and store large military planes. Under the Base Realignment and Closure Act, the hangar was closed and transferred to the State of Hawaii. The hangar was acquired and is now owned by the University of Hawai'i (UH). UH unsuccessfully used it for an aviation program that proved unpopular and subsequently abandoned. The hangar is temporarily being used by the Honolulu Fire Department and Honolulu Police Department to house and operate their helicopters until their permanent hanger is finished on Lagoon Drive.

With the cost of housing averaging over \$1 million per house, DHHL has sought to explore other approaches to making housing more affordable. One way is the use of this site for offsite construction as is done on the U.S. continent, and to a limited extent here in Hawai'i. With the acquisition of the hangar at Kalaeloa and conversion of the facility into an offsite construction facility, DHHL will be able to supply housing to its

Department of Hawaiian Home Lands
March 12, 2025
Page 2 of 2

beneficiaries quickly at a significantly lower cost. Time is of the essence because many applicants on the DHHL waiting list died while waiting for a homestead lease lot as is reflected and acknowledged in the State vs. Kalima case.

Thank you for your consideration of our testimony.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Housing
House Committee on Higher Education
March 12, 2025 at 2:30 p.m.

By
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 1553 SD2 – RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

Chairs Evslin and Garrett, Vice Chairs Miyake and Amato, and Members of the Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i (University) provides the following comments on SB 1553 SD2, Relating to the Department of Hawaiian Home Lands, which appropriates moneys from the Act 279 Special Fund for the Department of Hawaiian Home Lands to purchase a parcel of land identified as tax map key: (1) 9-1-013: 025 (Property).

The University currently holds title to the parcel of land identified in SB 1553 SD2 and understands that the Department of Hawaiian Home Lands (DHHL) has expressed interest in acquiring the subject parcel. The property is located at the Kalaeloa Airport, encompasses approximately 4.52 acres of land, has an approximately 105,000 square foot aircraft hangar, known as Hangar 111, and a parking lot situated upon it. The parcel is within the airport perimeter so access to the facility is along Midway Road.

The University acquired the Property from the United States Department of Education (USDOE) via Quitclaim Deed in July 2000. At the time it acquired the Property from USDOE, the University, through the Honolulu Community College (HonCC), operated a flight training program that allowed students to earn an Associate of Science in Commercial Aviation. Upon completion, the students were eligible for direct transfer to a bachelor's degree program at a private institution such as Embry-Riddle which had a location in Honolulu. HonCC discontinued the flight training program as of September 2016 due to declining enrollment. When there were no educational or research programs to immediately utilize the Property, the University sought additional flexibility to allow third parties to use the Hangar and the Property for commercial purposes and pay rent to the University.

The Property was conveyed to the University subject to certain restrictive covenants and conditions contained in the Quitclaim Deed. In an effort to obtain great flexibility to lease the Property to third parties, the University decided to seek a release of the restrictive covenants on the Property and paid \$11,173,500 to USDOE. Since 2000, the University has expended approximately \$8,200,000 in renovation and repairs costs associated with the Property.

The University is currently leasing the Property to the City & County of Honolulu (City), for the benefit of the Honolulu Fire Department and Honolulu Police Department. The term of the agreement ends in April 2029. The City is utilizing the Property for the purposes of: (a) operating, maintaining, and storing aircraft, helicopters, and related equipment, vehicles, and assets which are owned, leased, and/or rented by the City that are necessary to support aircraft operations; and (b) conducting office and administrative operations directly supporting the aircraft operations, including providing security for the City's operations. These uses are consistent and compatible with other aviation related uses currently occurring at Kalaeloa Airport. The University has envisioned that future users of the Property would be aviation or aviation compatible types of uses, due to its location at Kalaeloa Airport.

The subject parcel is vested in the University, a public body corporate, in fee simple absolute as part of the University trust. Therefore, the decision to sell the subject parcel can only be made by the University Board of Regents (BOR), whose fiduciary responsibility includes ensuring the use and disposition of real property in the University trust for University purposes. While the University is not objectionable to DHHL acquiring the property per se, approval would be subject to BOR approval and the expectation that the University would be duly compensated.

Thank you for this opportunity to testify.

SB-1553-SD-2

Submitted on: 3/11/2025 8:32:45 PM

Testimony for HSG on 3/12/2025 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

Support

Comment: I don't understand WHY DHHL must pay for lands from the federal/state/city, why? Title transfer should be enough! Monies spent can be used to BUILD more homes and lower the waitlist!