SCR 12

Measure Title: APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-015

KUAHELANI AVENUE, NO. 319, MILILANI, HAWAII.

Report Title: Sale of the leased fee interest in 95-015 Kuahelani Avenue, No.

319, Mililani, Hawaii

Description:

Companion: <u>HCR21</u>

Package: Governor

Current Referral: HSH, WAM

Introducer(s): KIM (Introduced by request of another party)



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

LUIS P. SALAVERIA

MARY ALICE EVANS 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: www.hawaii.gov/dbedt

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

Statement of LUIS P. SALAVERIA Director

Department of Business, Economic Development and Tourism before the

SENATE COMMITTEE ON HUMAN SERVICES AND HOUSING

March 5, 2015 at 2:15 p.m. State Capitol, Room 016

In consideration of

- S.C.R. 8 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-655 INOAOLE STREET, WAIMANALO, HAWAII;
- S.C.R. 9 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-575 INOAOLE STREET, WAIMANALO, HAWAII;
- S.C.R. 10 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-543 INOA STREET, WAIMANALO, HAWAII;
- S.C.R. 11 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-944 MEHEULA PARKWAY, NO. 153, MILILANI, HAWAII; and
- S.C.R. 12 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-015 KUAHELANI AVENUE, NO. 319, MILILANI, HAWAII.

Chair Chun Oakland and Members of the Senate Committee on Human Services and Housing.

DBEDT <u>supports</u> S.C.R. 8 through S.C.R. 12, all part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in these homes to their respective leasehold owners. HHFDC has met all statutory prerequisites to request approval of the sale of these parcels.

Accordingly, DBEDT respectfully requests that the Committee pass these concurrent resolutions. Thank you for the opportunity to testify.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION 677 QUEEN STREET, SUITE 300

Honolulu, Hawaii 96813

FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of Craig K. Hirai

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HUMAN SERVICES AND HOUSING

March 5, 2015 at 2:15 p.m. State Capitol, Room 016

In consideration of

S.C.R. 12 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-015 KUAHELANI AVENUE, NO. 319, MILILANI, HAWAII.

The HHFDC <u>supports</u> S.C.R. 12. HHFDC is seeking legislative approval to sell the leased fee interest in this apartment unit to its leasehold owner.

This apartment unit was built in 1974 as part of the Nahoa Apartments affordable forsale development. Only 21 units out of the entire 231-unit development remain in leasehold.

The fair market value of the leased fee interest in this property as of June 1, 2014 was \$39,600.

A title search conducted by Title Guaranty of Hawaii on August 1, 2014, showed that the parcel upon which Nahoa Apartments is located was not classified as Government land previous to August 15, 1895.

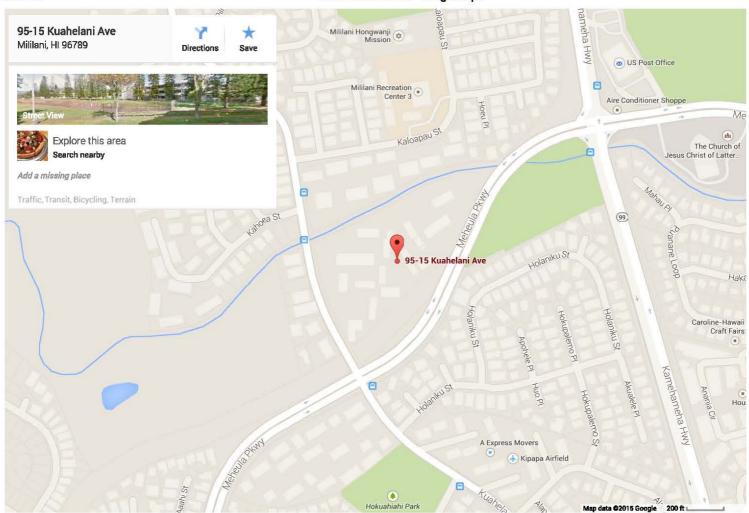
HHFDC conducted a public meeting on the proposed sale on August 19, 2014, at Mililani High School, Mililani, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 14 and 18, 2014. There were no objections to the proposed sale raised at that time.

HHFDC has also worked with the Office of Hawaiian Affairs during the interim to keep them informed of these findings and intent to sell the leased fee interest in this unit. A copy of the draft resolution was provided to OHA on September 30, 2014.

The attached documents provide more information on this unit to the Committee:

- 1. A map showing the general location of Nahoa Apartments;
- 2. A photo of Nahoa Apartments; and
- 3. A copy of the title report for the parcel upon which Nahoa Apartments is located.

We respectfully request your favorable consideration of this concurrent resolution. Thank you for the opportunity to testify.







TITLE GUARANTY OF HAWAII, INC.

235 Queen Street • Honolulu, HI 96813 Phone: (808) 533-6261 • Fax: (808) 521-0210

Hawaii Housing Finance and Development Main Office 677 Queen Street, Suite 300 Honolulu, Hawaii 96813

Attn: Lorna M. Kometani

Re: TMK (1) 9-4-005-034-0154

LIMITED LETTER REPORT

Maximum liability limited to \$3,500.00

HOUSING AUTHORITY acquired title through WARRANTY DEED of MILILANI TOWN, INC., a Hawaii corporation, dated October 7, 1974, filed as Land Court Document No. <u>698788</u>. In accordance with your request, we have made a search as to the Fee Simple ownership of the property identified as Tax Map Key (1) 9-4-005-034-0154, and find that the land as of August 15, 1895 was a portion of Royal Patent No. 5732, Land Commission Award No. 8241 to Ioane Ii. HAWAII HOUSING AUTHORITY acquired title through WARRANTY DEED of MILILANI TOWN, INC., a Hawaii corporation, dated October 7, 1974, filed as Land Court Document No. <u>698788</u>.

- 1. Land is classified as Private Land as of August 15, 1895.
- 2. Determination of Land Class is stated through Royal Patent No. 5732, Land Commission Award No. 8241 to loane Ii, as attached.

Dated August 15, 2014

Inquiries concerning this report Should be directed to Residential Title Services Title Guaranty of Hawaii, Inc. 235 Queen Street, Honolulu, HI 96813 Email: RTSCustomerService@tghawaii.com Fax (808) 521-0288 Telephone (808) 533-5874 Refer to Order No. 201434897



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PALAPALA SILA NUI.

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W. S. Smith, G. M. Robertson. J. Schanlahao.

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Holu 8241 Obani Ohi

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NOTED ON CERTIFICATE NO. 169175

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WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS:

That MILILANI TOWN, JNC., a Hawaii corporation. whose principal place of business is 130 Merchant Street, Honolulu, Hawaii 96813, and whose mailing address is P. O. Box 2780, Honolulu, Hawaii 96803, hereinafter called "Grantor", in consideration of TEN DOLLARS (\$10.00) and other valuable consideration to it paid by the HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic with perpetual existence under and by virtue of the laws of the State of Hawaii, whose principal place of business is 1002 North School Street, Honolulu, Hawaii 96817, and whose mailing address is P. O. Box 17907, Honolulu, Hawaii 96817, hereinafter called "Grantee", receipt whereof is hereby acknowledged, does hereby grant, bargain, sell and convey unto the Grantee, its successors and assigns, forever, the following described property, to wit:

> All of that certain parcel of land situate at Waipio, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT NO. 5417, area 433,885 square feet, as shown on Map 403, filed in the Office of the Assistant Registrar of the Land Court of Hawaii with Land Court Application No. 1000 of John Ii Estate, Limited, being a portion of the property covered by Transfer Certificate of Title No. 169,175 issued to Mililani Town, Inc., a Hawaii corporation.

TOGETHER WITH a nonexclusive appurtenant easement for road purposes over, along and upon Lots 5415 and 5410 as shown on Map 403 and described in said Certificate of Title No. 169,175; PROVIDED, HOWEVER, that in the event that said lots, or any of them, are conveyed to the State of Hawaii or City and County of Honolulu, or other governmental authority, said easement as to the lot or lots so conveyed shall immediately terminate.

EXCEPTING AND RESERVING. HOWEVER. unto the Grantor, its successors and assigns, for the period from the date hereof up to and including December 31, 1980, and not thereafter, the right to grant to the State of Hawaii, City and County of Honolulu, Board of Water Supply of the City and County of Honolulu or any other appropriate governmental agency or to any public utility easements for electrical, gas, communications and other utility purposes and for sewer, drainage and water facilities over, under, along, across and through said Lot 5417 under the usual terms and conditions required by such governmental agency or public utility for such easement rights; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of said Lot 5417 by the Grantee, its successors and assigns, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements the premises shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the condition of the premises immediately prior to the exercise thereof, and the Grantee, by accepting this Deed, agrees that the Grantee and any person claiming an interest in said Lot 5417 by, through or under the Grantee will, upon request, join in and execute any and all documents designating and granting any such easements.

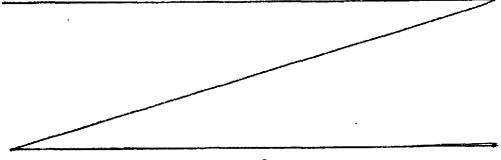
SUBJECT HOWEVER to the following:

- 1. Declaration of Covenants, Conditions and Restrictions, dated April 19, 1968, filed as Document No. 441561, as amended by Document No. 445150, and Annexation instrument, dated September 30, 1974, filed as Document No. 698082.
- 2. Grant of Easement in favor of Hawaiian Electric Company, Inc., dated September 16, 1974, filed as Document No. 696505 and assigned by Document No. 696506.
- 3. Grant to Oceanic Cablevision, Inc. by instrument, dated September 24, 1974 and filed as Document No. 698083.

- 4. Easements 1522, 1523, 1524 and 1525 as shown on Map 415 as set forth by Land Court Order No. 40719 filed October 7, 1974.
- 5. Said Easements 1524 and 1525 are subject to grant of easement in favor of Waiahole Irrigation Company, Ltd., dated September 20, 1974 for ingress and egress filed as Document No. 698161.
- 6. Said Easements 1522, 1523 and 1525 are subject to grant of easement in favor of City and County of Honolulu and Board of Water Supply for water purposes, dated October 3, 1974 and filed as Document No.

TO HAVE AND TO HOLD the same, together with the rents, issues and profits thereof, the improvements thereon, and the tenements, rights, easements, privileges, and appurtenances thereunto belonging, or appertaining, or held and enjoyed therewith, unto the Grantee and its successors and assigns forever.

and said Grantor does hereby, for itself and its successors, covenant with said Grantee and its successors and assigns that it is lawfully seised in fee simple of said granted property and has good right to grant and convey the same as aforesaid; that said property is free and clear of all encumbrances, except as aforesaid and except for real property taxes assessed for the current year; and that it will, and its successors shall, warrant and defend the same unto the Grantee, its successors and assigns, forever, against the lawful claims and demands of all persons, except as aforesaid.



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SCR12 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-015 KUAHELANI AVENUE, NO. 319, MILILANI, HAWAII.

Senate Committee on Human Services and Housing

March 5, 2015 2:15 p.m. Room 016

The Office of Hawaiian Affairs (OHA) offers the following <u>COMMENTS</u> on SCR12, which approves the sale of the leased fee interest in an apartment in the Nahoa Apartments affordable housing condominium. This parcel does not appear to be "ceded" land and OHA does not oppose the sale of this parcel.

SCR12 was offered for consideration by the Legislature in accordance with Act 176, Session Laws of Hawai'i (SLH) 2009, and Act 169, SLH 2011, as amended. Act 176 requires a two-thirds majority approval by both houses of the Legislature before any specific lands controlled by the state can be sold. In addition, state departments must prepare and submit legislative resolutions containing detailed information regarding their anticipated land transactions, and share these resolutions with OHA at least three months prior to the opening of the legislative session. See HRS §§ 171-64.7(c). This three months detailed notice provides OHA with sufficient time to determine whether the land being sold constitutes "ceded" Hawaiian Kingdom crown or government lands. This process also provides OHA, legislators, as well as members of the public sufficient time to ensure that the contemplated sale is fair, equitable, and in the best interests of the state.

The language of SCR12 was provided to OHA in compliance with the three month notice requirement for proposed dispositions of public lands. This allowed OHA to independently confirm that the subject parcel is not comprised of "ceded" lands. Accordingly, OHA does not oppose this sale.

Mahalo for the opportunity to testify on this measure.