

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 26, 2017

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 14OD-062

OAHU

Consent to Assign General Lease No. S-4892, from Thomas H. Kaaiai and Joan A. Kaaiai as Assignors to Thomas H. Kaaiai, Joan A. Kaaiai, Guy A. K. Kaaiai, Dale L. Kaaiai, Lane Kaaiai, and Nohl-Dayne H. N. Kaaiai, Joint Tenants, as Assignees; Maunalaha, Honolulu, Oahu, Tax Map Key: (1) 2-5-024:021.

Mutual Cancellation of General Lease No. S-4906; Guy A. K. Kaaiai, Dale L. Kaaiai, Lessee; Maunalaha, Honolulu, Oahu, Tax Map Key: (1) 2-5-024:022

APPLICANTS:

GL 4892 - Thomas H. Kaaiai and Joan A. Kaaiai, husband and wife, as Assignors;

Thomas H. Kaaiai, Joan A. Kaaiai, Guy A. K. Kaaiai, Dale L. Kaaiai, Lane Kaaiai, and Nohl-Dayne H. N. Kaaiai, Joint Tenants, as Assignees.

GL 4906 - Guy A. K. Kaaiai, Dale L. Kaaiai, husband and wife, Tenants by the Entirety.

LEGAL REFERENCE:

Section 171-6 and 36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Maunalaha, Honolulu, Oahu, identified by Tax Map Key:(1) 2-5-024:021 and (1) 2-5-024:022, as shown on the attached maps labeled as **Exhibit A1** and **A2**.

AREA:

GL 4892 – Lot 9, 0.480 acres, more or less. - TMK: (1) 2-5-024:021

GL 4906 – Lot 23, 0.320 acres, more or less. - TMK: (1) 2-5-024:022

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CHARACTER OF USE:

Residential purposes.

TERM OF LEASE:

GL 4892 and GL 4906 are 65-year leases commencing from December 1, 1983 and expiring on November 30, 2048. Last rental reopening occurred on December 1, 2008 and next rental reopening is scheduled on December 1, 2028.

ANNUAL RENTAL:

\$120.00, to be paid semi-annually.

RECOMMENDED ASSIGNMENT PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

Not applicable.

REMARKS:

Act 225, SLH 1981 (copy attached as **Exhibit B**), as amended in subsequent sessions, took into account the unique circumstances of the people who have resided in Maunaloa Valley for decades subject to a 30-day relocation notice and authorized the Board to negotiate direct leases for residential purposes to the qualified residents, for a term not to exceed 65 years.

Among the leases issued in the valley, GL 4892 (Lot 9) was issued to Mr. & Mrs. Thomas Kaaiahi while Mr. & Mrs. Guy A. K. Kaaiahi, through mesne assignment, are the current lessees for GL 4906 (Lot 23). The latter couple is the son and daughter-in-law of Mr. & Mrs. Thomas Kaaiahi.

Assignment of GL 4892

Mr. & Mrs. Guy Kaaiahi were not able to obtain a construction loan for an improvement on their Lot 23. Recently, they decided to live with the parents on the adjoining Lot 9. The arrangement also facilitates the younger couple taking care of the senior Kaaiahis.

In addition, Mr. & Mrs. Thomas Kaaiai intend adding two more family members, Lane Kaaiai (son) and Nohl-Dayne H. N. Kaaiai (grandson), as joint tenants.

Condition 14 of GL 4892 requires any proposed assignee be the descendant or heir of the assignor. In addition, the assignee shall agree in writing to abide by the terms and conditions of the lease.

Staff received copies of the relevant birth certificates and marriage license from the applicants to verify their relationship, and staff will follow-up with the assignees regarding the second requirement for acknowledgment of the terms and conditions of the lease in writing, if the Board approves today's request.

Mutual Termination of GL 4906

Upon approval of the consent to assignment mentioned above, Mr. & Mrs. Guy Kaaiai request that the Board authorize the mutual termination of GL 4906 simultaneously.

Vacant Lots in Maunalaha Valley

In Maunalaha Valley shown on Exhibit A, there are currently three (3) vacant house lots. In view of the typical topography in the valley, these three (3) lots are not suitable for constructing any improvements. In short, they are overgrown with vegetation.

The lack of proper infrastructure makes any public auction of such vacant lots for residential purposes less appealing to prospective applicants. The Division also does not have the proper training for managing residential leases. During some discussions with the community association, the notion of letting the community association lease the vacant lots in the valley under a lease or revocable permit at gratis rent was discussed. The association plans to solicit volunteers among the families in the valley regarding the ongoing maintenance, mainly vegetation control, for those vacant lots. Staff will bring any request at a later date to the Board for consideration and approval, if appropriate.

Rent and insurance required in the subject leases are current.

The assignees have not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

There are no outstanding rental reopening issues. No comments were solicited as the subject requests pertain to housekeeping purpose only. Staff recommends the Board approve the subject requests as mentioned in the Recommendation below.

RECOMMENDATION: That the Board:

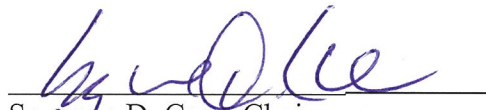
1. Consent to the assignment of General Lease No. S-4892 from Thomas H. Kaaiai and Joan A. Kaaiai, as Assignors; to Thomas H. Kaaiai, Joan A. Kaaiai, Guy A. K. Kaaiai, Dale L. Kaaiai, Lane Kaaiai, and Nohl-Dayne H. N. Kaaiai, Joint Tenants, as Assignees, subject to the following:

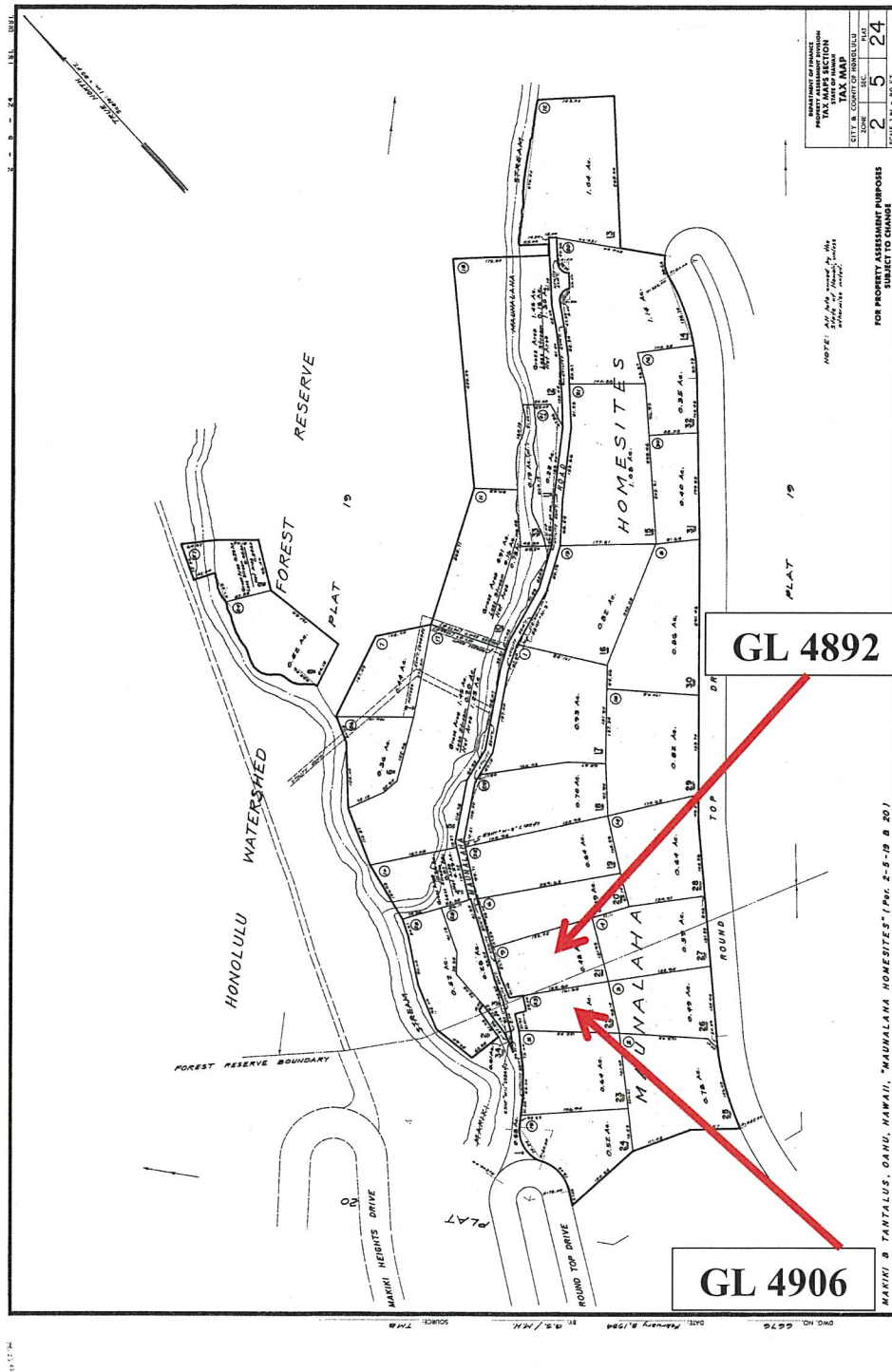
- A. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Authorize the mutual termination of General Lease No. 4906 when the consent to the assignment of General Lease No. 4892 is consummated.

Respectfully Submitted,


Barry Cheung
District Land Agent

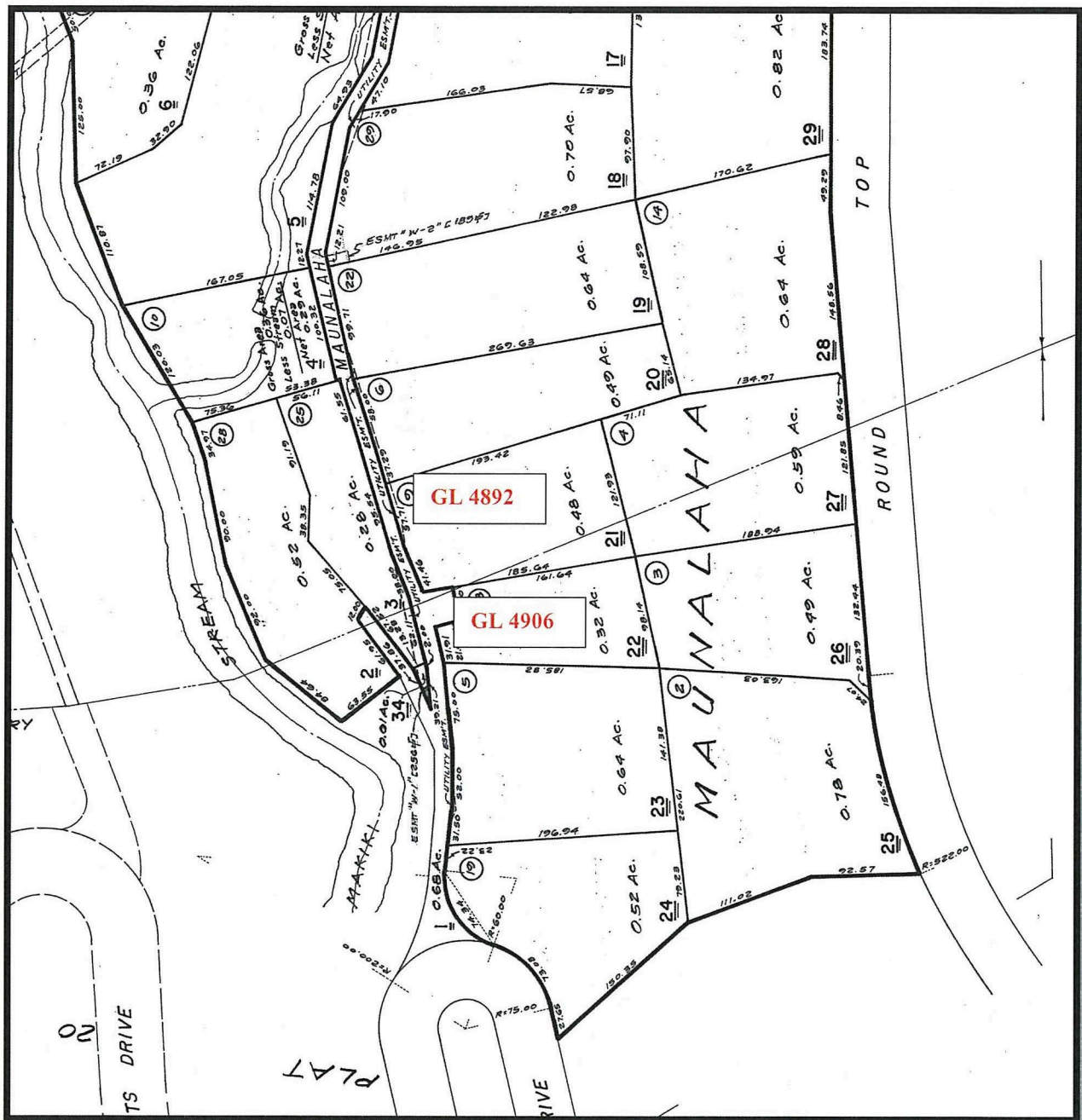
APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson



TMK (1) 2-5-024:021and 022

EXHIBIT A1



TMK (1) 2-5-024:021and 022

EXHIBIT A2

ACT 225

H.B. NO. 511

A Bill for an Act Relating to Public Lands.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Findings. The legislature finds that, despite documented evidence which clearly indicates that the various governments of Hawaii since monarchical days have expressed an intent to grant long term tenure to the persons who have resided in Maunaloa Valley (Makiki) for many decades, these families at present only have leases with thirty-day relocation restrictions. Such thirty-day restrictions impose undue hardship when these people attempt to obtain home improvement financing, nor can they make other long term commitments and plans which are normally available to home owners in Hawaii. The legislature finds that there is a moral obligation to offer the residents of Maunaloa Valley an opportunity to negotiate long term leases (not to exceed sixty-five years) with the department of land and natural resources for the parcels upon which their homes are presently located.

SECTION 2. The department of land and natural resources is hereby authorized to negotiate and enter into long term residential leases not to exceed sixty-five years in duration with persons who meet the following criteria:

- (1) At the time of enactment of this Act reside on a parcel or parcels of land listed in Section 3, or have permits allowing them to reside on such land, or are descendants of persons who lawfully resided on such land before 1920; and
- (2) Have built homes on such land for use as their own residence prior to 1940 pursuant to government authority; and
- (3) Can prove that the various governments of Hawaii have expressed an intent to grant them long term tenure.

SECTION 3. The lands eligible for long term residential lease negotiations under the provisions of this Act are limited to those located in tax map key plats 1-2-5-19 and 1-2-5-20, and for which valid permits are on record in the department of land and natural resources at the time of enactment of this Act.

SECTION 4. Any other law to the contrary notwithstanding, including chapter 171, Hawaii Revised Statutes, the department of land and natural resources is hereby authorized to negotiate and enter into lease agreements in accordance with the provisions and limitations of this Act provided that the authority granted by this Act shall expire (1) when leases have been negotiated and recorded in the bureau of conveyances for all parcels meeting the criteria in Section 2 and Section 3, or (2) on January 1, 1983, whichever occurs first.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 22, 1981.)

EXHIBIT B