
The purpose of the amendment is to change the rent reopening provision of the lease to provide for the determination of rent based on the Board’s prevailing policy on leasing to eleemosynary organizations.

APPLICANT:
Honolulu Community Action Program, Inc. (HCAP), a Hawaii nonprofit organization.

LEGAL REFERENCE:
Sections 171-6 and 43.1, Hawaii Revised Statutes, as amended.

LOCATION:
Portion of Government lands situated at Honouliuli, Ewa, Oahu, identified by Tax Map Key: (1) 9-2-005:012, as shown on the map attached as Exhibit A.

AREA:
2.436 acres, more or less.

ZONING:
State Land Use District: Agriculture
City and County of Honolulu LUO: AG-1

TRUST LAND STATUS:
Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No
CURRENT USE STATUS:

Encumbered by General Lease No. S-5999 issued to Honolulu Community Action Program, Inc. for preschool and related programs and administrative services purposes.

LEASE TERM:

65 years, commencing on October 1, 2011 and expiring on September 30, 2076.

ANNUAL RENT:

$480.00. Semi-annual payments, in advance.

RENTAL REOPENINGS:

Every 10 years during the term of the lease. The next reopening date was scheduled for October 1, 2021.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR), and the Exemption List for the Department of Land and Natural Resources, reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1, that states, “Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing,” Part 1, Item 40, which states the “Leases of state land involving negligible or no expansion or change of use beyond that previously existing”. The proposed lease amendment is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR.

DCCA VERIFICATION:

Place of business registration confirmed: YES x NO __
Registered business name confirmed: YES x NO __
Applicant in good standing confirmed: YES x NO __

APPLICANT REQUIREMENTS:

None.

REMARKS:

Since mid1980s, HCAP has been using the subject parcel for various programs, including head start preschool center, head start training and resource library, head start parent
activity center, learning center, community food and nutrition program, job development
center, community conference room, office space for other community services programs.
Therefore, the continuance of existing operations at the facility is of paramount importance
to the community.

The current lease, drafted in 2011, requires a rental reopening every 10 years during the
term which is a costly expense for the division. Staff believes a rent based on the Board’s
prevailing policy on minimum rent for leases to an eleemosynary organizations is
appropriate in view of the services provided to the community.

Currently, the minimum rent is $480 per annum. Therefore, staff recommends the Board
authorize the amendment of General Lease No. S-5999 by replacing the rent reopening
 provision with “The annual rental shall be reopened and redetermined based on the Board’s
then prevailing Minimum Rent Policy for eleemosynary organization”. There are no other
pertinent issues or concerns.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as
provided by Chapter 343, HRS, and Chapter 11-200.1-15, HAR, this project will
probably have minimal or no significant effect on the environment and is therefore
exempt from the preparation of an environmental assessment.

2. Authorize the first amendment of General Lease No. S-5999, subject to the terms
and conditions cited above, and further subject to the following:

   A. Most current amendment of lease form, as may be amended from time to
time;

   B. Replacing the entire rent reopening provision with “The annual rental shall
be reopened and redetermined based on the Board’s then prevailing
Minimum Rent Policy for eleemosynary organization”;

   C. Review and approval by the Department of the Attorney General; and

   D. Such other terms and conditions as may be prescribed by the Chairperson
to best serve the interests of the State.

Respectfully Submitted,

Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson

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