

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

December 10, 2021

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

Ref No. 21OD-070

OAHU

Issuance of Revocable Permit to Sandalwood Mountain Properties, Inc. for Parking Purposes; Termination of Revocable Permit No. 7900; Nuuanu, Honolulu, Oahu, Tax Map Key: (1) 2-2-010: portion of 021.

APPLICANT:

Sandalwood Mountain Properties, Inc., a Hawaii Profit Corporation.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes (“HRS”), as amended.

LOCATION:

Portion of Government lands situated at Nuuanu, Honolulu, Oahu, identified by Tax Map Key: (1) 2-2-010:portion of 021, as shown on the maps attached as Exhibits A1 and A2.

AREA:

3,600 square feet, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: R-3.5

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Requested area is encumbered by Revocable Permit No. S-7900 (“RP 7900”) for parking purposes to Liana Lau Benn and Charles David Benn, Co-Trustees of the Liana Lau Benn Trust created by paragraph 2(D)(3)(f) of The

Kwock Nam Lau Revocable Living Trust dated August 16, 1989, as amended and restated, and The Eunice Yee Mui Lau Revocable Trust dated August 16, 1989, as amended and restated, and Lorraine Lau Young and Eugene K. Young, Co-Trustees of the Lorraine Lau Young Trust created by paragraph 3(d)(3)(b) of The Kwock Nam Lau Revocable Living Trust dated August 16, 1989, as amended and restated, and The Eunice Yee Mui Lau Revocable Trust dated August 16, 1989, as amended and restated.

CHARACTER OF USE:

Parking Purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

Current monthly rent is \$186.33. See REMARKS for suggested annual rent in 2022.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (“HAR”) § 11-200.1-15 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 No. 1, “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,” under Part 1, item No. 44, which states the “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing”. The request 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 <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u> </u>

JUSTIFICATION FOR THE PERMIT:

At its meeting on June 24, 2016, item D-7, the Board adopted the Revocable Permit Task Force's recommendation, including a standardized checklist to be provided to the Board with reasons justifying the issuance of a revocable permit.

1. Site issues – Subject area is a portion of the bank of Nuuanu Stream, with no vehicular access other than through the abutting private property.
2. Truly short term use – See comments for No. 7 below.
3. Testing market and operational issues, plan to go to lease later - See comments for No. 7 below.
4. Government uses - not applicable.
5. Non-profits - not applicable.
6. Staff is unaware of interest in long-term disposition – not applicable as the Subject location is not a legally subdivided lot.
7. Other unusual circumstances – The State parcel identified in this submittal comprises mainly the portion of Nuuanu Stream bank. In the past, Land Division received multiple referrals or complaints of homeless population, tent site, rubbish over the State parcel, which caused major concern about public health and safety. The subject location is one of the few spots along the stream which is relatively level and vulnerable to be used as homeless tent site. Staff believes the presence of the applicant on the subject premises will discourage possible unauthorized homeless occupation.
8. Staff is not aware of any litigation involved in the subject parcel.

REMARKS:

Pursuant to the Deed Doc No A72970107 recorded at the Bureau of Conveyances on December 24, 2019, the owner of the abutting property at TMK: (1) 2-2-010:015 changed from the current permittees to Sandalwood Mountain Properties, Inc., a Hawaii profit corporation.

The current permit holders of RP 7900 are related to the shareholders of Sandalwood Mountain Properties, Inc. and have given their consent to the termination of RP 7900 and the issuance of a new Revocable Permit.

Determination of rent for revocable permit

There are two factors that should be considered in setting the rent. The first is the subject area can only be accessed through the abutting private property. The

second is the rent was not raised in 2021 due to the economic downturn associated with the COVID-19 pandemic. As of this writing there has not been a projected ground rent amount for possible renewal of RP 7900, but for 2019 and 2020, the rent was raised 10% accordingly. A Portfolio Appraisal Report was completed by an independent appraisal company in January 2018 for State Lands under Revocable Permit. The subject area was given an Annual Market Rent (“AMR”) of \$2,600. If the current rent amount is raised by 10% to \$204.96 per month, the annual rent of \$2,459.52 would closely align with the AMR. Therefore, staff recommends a monthly rent of \$204.96 for the subject request.

In response to a request for comments from other Government agencies, DLNR-Aquatic Resources, City and County Parks & Recreation and Facility Maintenance have not responded to solicitation for comment before the response deadline. The Board of Water Supply had no objections and concurs to the proposed EA exemption.

The Commission on Water Resource Management commented that a Stream Channel Alteration Permit may be required should the applicant want to make any improvements to the bed and/or banks of Nuuanu Stream. The applicant has not requested any alteration to the Nuuanu Stream.

The City and County Department of Planning and Permitting (“DPP”) commented that the subject site is located in the R-3.5 Residential District. Pursuant to Land Use Ordinance Section 21-3.70-1 and Table 21-3, to utilize the site as an off-site parking facility for the adjacent property owner, the State and the owner must obtain a Conditional Use Permit for off-site parking and they do not object to the EA exemption. See **Exhibit C**. However, staff reviewed prior DPP comments for the same purpose (parking) at the same location, either during annual renewal or issuance of new revocable permit and since 2016 DPP either provided no comment or have not responded by due date.

The subject request also serves the community as Pauoa Street, fronting the homes that will utilize the subject request for parking, has a Tow Away Zone from 6:30am to 8:30am and from 3:30pm to 5:30pm which is one of the reasons the applicant is requesting authorization for parking purposes on a portion of the subject State parcel. Therefore, staff believes it is prudent to approve the subject request for a revocable permit, rather than hold off the subject request in view of DPP’s latest comment.

The applicant has 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.

Pursuant to the conditions of RP 7900, the permittee is required to conduct a Phase 1 environmental site assessment prior to termination or revocation of the subject permit. Staff recommends the Board waive the requirement as the request does not trigger any change in use of the property. The same requirement will be

in the requested revocable permit document. Staff also notes that the applicant is related to the families of the current permittees.

Staff recommends issuing a Revocable Permit for this request to discouraging possible unauthorized homeless occupation and decrease parking congestion for the Community.

RECOMMENDATION: That the Board:

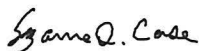
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, HAR, this project will probably have minimal or no significant effect on the environment and is therefore, exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Sandalwood Mountain Properties, Inc. covering the subject area for parking purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit 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.
3. Termination of RP 7900 upon issuance of the subject revocable permit.

Respectfully Submitted,

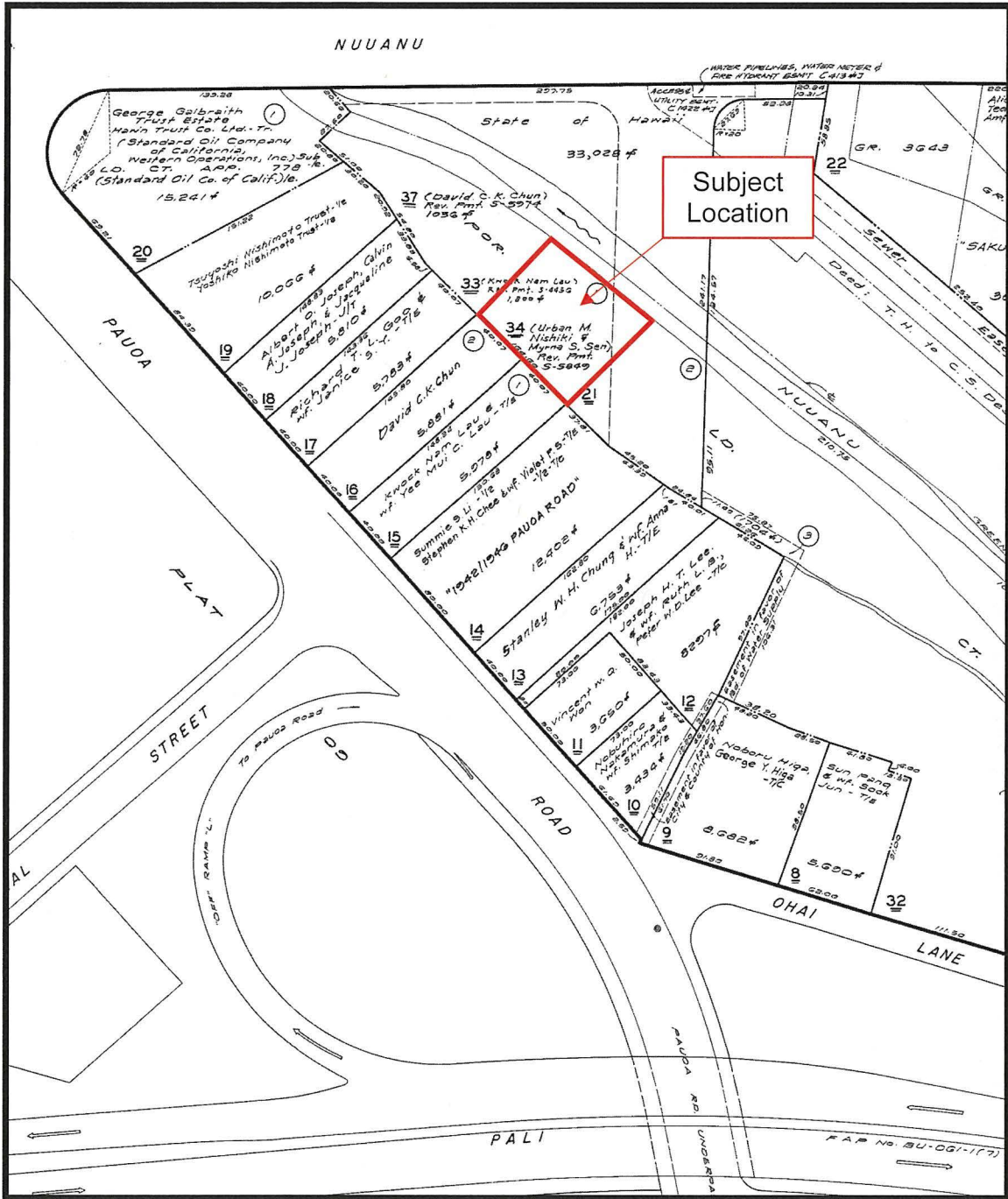


Darlene Bryant-Takamatsu
Land Agent

APPROVED FOR SUBMITTAL:

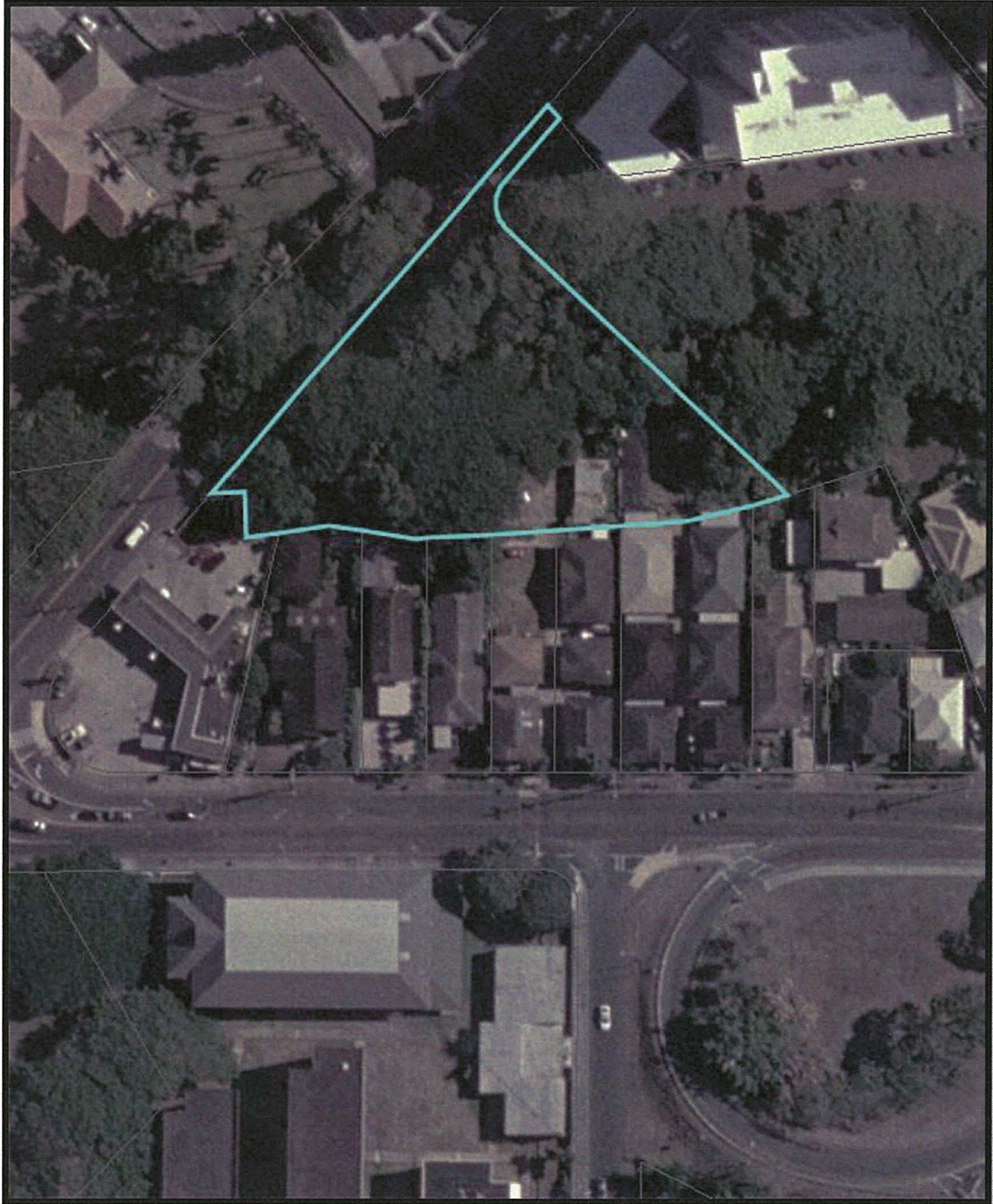


Suzanne D. Case, Chairperson *RT*



TMK (1) 2-2-010:021 portion

EXHIBIT A1



TMK (1) 2-2-010:021 portion

EXHIBIT A2

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, Hawaii Administrative Rules.

Project Title: Issuance of Revocable Permit to Sandalwood Mountain Properties Inc. for Parking Purposes

Project / Reference No.: PSF 21OD-070

Project Location: Nuuanu, Honolulu, Oahu, Tax Map Key: (1) 2-2-010:021 portion.

Project Description: Issuance of Revocable Permit to Sandalwood Mountain Properties Inc. for Parking Purposes

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rules (“HAR”) § 11-200.1-15 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 No. 1, “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,” under Part 1, item No. 44, which states the “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing”. The request 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.

Cumulative Impact of Planned Successive Actions in Same Place Significant? None. The actions will not be significantly different from what is already existing.

Action May Have Significant Impact on Particularly Sensitive Environment: Staff has not been notified of any particularly sensitive environmental issues for the area.

EXHIBIT B

Consulted Parties: Agencies as noted in the submittal.

Analysis: Based on the above mentioned, staff believes there would be no significant impact to sensitive environmental or ecological receptors.

Recommendation: That the Board find this request will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

BLNR- Issuance of RP
Sandalwood Mountain Properties, Inc.

December 10, 2021

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
MAYOR



DEAN UCHIDA
DIRECTOR
DAWN TAKEUCHI APUNA
DEPUTY DIRECTOR
EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

October 5, 2021

2021/ELOG-2015(GT)

Ms. Darlene Bryant-Takamatsu
State of Hawaii
Department of Land and Natural Resources
P. O. Box 621
Honolulu, Hawaii 96809

Dear Ms. Bryant-Takamatsu:

SUBJECT: Comments
Issuance of Revocable Permit for Parking Purposes
Sandalwood Mountain Properties, Inc.
Tax Map Key 2-2-010: portion of 021

RECEIVED
OCT 12 2021
PLANNING AND PERMITTING
DEPARTMENT

This is in response to your request (letter received September 30, 2021) for our review and comment for the issuance of a revocable permit involving the above-referenced State land. The subject site is located in the R-3.5 Residential District. Pursuant to Land Use Ordinance Section 21-3.70-1 and Table 21-3, to utilize the site as an off-site parking facility for the adjacent property owner, the State and the owner must obtain a Conditional Use Permit for off-site parking.

The application form and instructions are available on the Department of Planning and Permitting website:

<http://www.honoluluodpp.org/Portals/0/pdfs/zoning/LUPD%20Master%20Use%20Form%202020%20revised%20FILLABLE.pdf>, and

<http://www.honoluluodpp.org/Portals/0/pdfs/zoning/2018%20JDA%20Instructions%20with%20Samples.pdf>.

EXHIBIT C

We do not object to the proposed exemption from the environmental assessment requirement of Chapter 343, Hawaii Revised Statutes. Should you have any further questions on this matter, please contact Gerald Toyomura, of our staff, at 768-8056.

Very truly yours,


for Dean Uchida
Director