

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

September 23, 2022

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

PSF No.:22OD-053

OAHU

Sale of Remnant to Hocking Building LP, Honolulu, Oahu, Tax Map Key: (1) 1-7-003: portion of 082.

APPLICANT:

Hocking Building LP, a Hawaii limited partnership.

LEGAL REFERENCE:

Section 171-52, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Honolulu, Oahu, identified by Tax Map Key: (1) 1-7-003: portion of 082, as shown on **Exhibit A**.

AREA:

266 square feet, more or less, subject to review and approval by the Department of Accounting and General Services.¹

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: BMX-4

¹ The area shown in City and County of Honolulu real property tax assessment office is 280 square feet, of which 14 square feet abuts the adjacent private property. The subject request only pertains to 266 square feet.

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:

Vacant and unencumbered.

CONSIDERATION:

One-time, lump sum payment of fair market value to be determined by independent appraiser, subject to review and approval by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules ("HAR") § 11-200.1-15 and -16 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, Part 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," under Part 1, item 37, which states, "transfer of title to land". The subject request will probably have minimal or no significant effect on the environmental and should be declared exempt from the preparation of an environmental assessment. (**Exhibit B**)

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>

APPLICANT REQUIREMENTS: Applicant shall be required to:

1. Pay for an appraisal to determine the one-time payment of fair market value for the remnant;
2. Consolidate/subdivide the remnant with the Applicant's abutting property through the County subdivision process; and
3. Provide survey maps and description according to State DAGS standards and at Applicant's own cost.

REMARKS:

Pursuant to section 171-52, HRS, a remnant is defined as "a parcel of land economically

or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics." The subject parcel has been determined to be a remnant by this definition for the following reasons: The shape and size of the parcel is thin and long with an area of only 266 sq. ft. that would be physically unsuitable for development on its own.

The Applicant is in the process of acquiring the abutting private property with the intention of turning the site into affordable housing. Although the building will be affordable, there will be amenities that will include a playground, picnic area, community meeting room, laundry room, gym, individual storage units, an open courtyard and high-speed internet accessibility. The affordability restrictions are 4 units @ 30% area median gross income ("AMGI") and 35 units @ 50% AMGI. On July 8, 2021 the Board of Directors of the Hawaii Housing and Finance Development Corporation approved the award of Federal and State Low Income Housing Tax Credit to the Applicant.

During due diligence conducted by the Applicant, a portion of the existing building on the King Street side was found to be built outside the private property boundary.² The subject encroachment is over the subject State land which is about 139 feet in length with a width ranging from 1.58 feet to 2.24 feet. Research indicated that the subject parcel was created after King Street was re-aligned by the City and County of Honolulu (City) in the 1950s to the existing location. See map attached as **Exhibits C-1** and **C-3** showing the old and new street alignment, in addition to the building line.

According to City's records, the area of the subject parcel (Parcel 82) is 280 square feet, which also includes Lot D (14 square feet)³ as shown on Exhibit C-1, abutting another private property identified as tax map key (1) 1-7-003:006 (Parcel 6). From the street view attached as **Exhibit D**, the improvements on Parcel 6 apparently do not extend beyond the boundary of Lot D. A letter was sent to owners of Parcel 6 inquiring their interest in purchasing the remnant. In the event that the Parcel 6 owners express interest in purchasing the portion of the remnant abutting their property, staff will return to the Board at a later date to request approval of a sale of the remaining 14 square feet of Parcel 82 to the Parcel 6 owners.

As part of the development, Applicant is not planning on replacing the existing building, due to its historical value in China Town, with a new structure. Therefore, obtaining a long-term easement or fee transfer appears to be the options left to resolve the encroachment issue.

Due to the size and configuration of the subject parcel, staff recommends the Board find the subject parcel is economically unsuitable or undesirable for development as a separate

² Applicant reached out to the City inquiring as to its position on a land disposition to resolve the encroachment. The City denied having any jurisdiction over the subject parcel via email dated July 6, 2022.

³ Lot D was created in 1957 when the abutting lane was sold to the owner of (1) 1-7-003:006, and Lot D was never transferred out of the State's inventory.

unit, and is considered a remnant pursuant to Chapter 171, HRS.

Applicant is in the process of acquiring the fee title of parcel (1) 1-7-003:001.

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.

The Board of Water Supply, Department of Planning and Permitting, Department of Transportation, Highways Division, and Office of Hawaiian Affairs do not have any comments or objections to the request. The Department of Transportation Services has not responded at the time of finalizing the subject request.

RECOMMENDATION: That the Board:

1. Find that the subject lands are economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics and, therefore, by definition is a remnant pursuant to Chapter 171, HRS.
2. Authorize the subject requests to be applicable in the event of a change in the ownership of the abutting parcel described as Tax Map Key: (1) 1-7-003:001, provided the succeeding owner has not had a lease, permit, easement or other disposition of State lands terminated within the last five (5) years due to non-compliance with such terms and conditions.
3. 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.
4. Authorize the subdivision and consolidation of the subject remnant by the Applicant.
5. Subject to the Applicant fulfilling all of the Applicant Requirements listed above, authorize the sale of the subject remnant to Hocking Building LP covering the subject area 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 deed or grant (remnant) 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.

Respectfully Submitted,

Darlene Bryant-Takamatsu

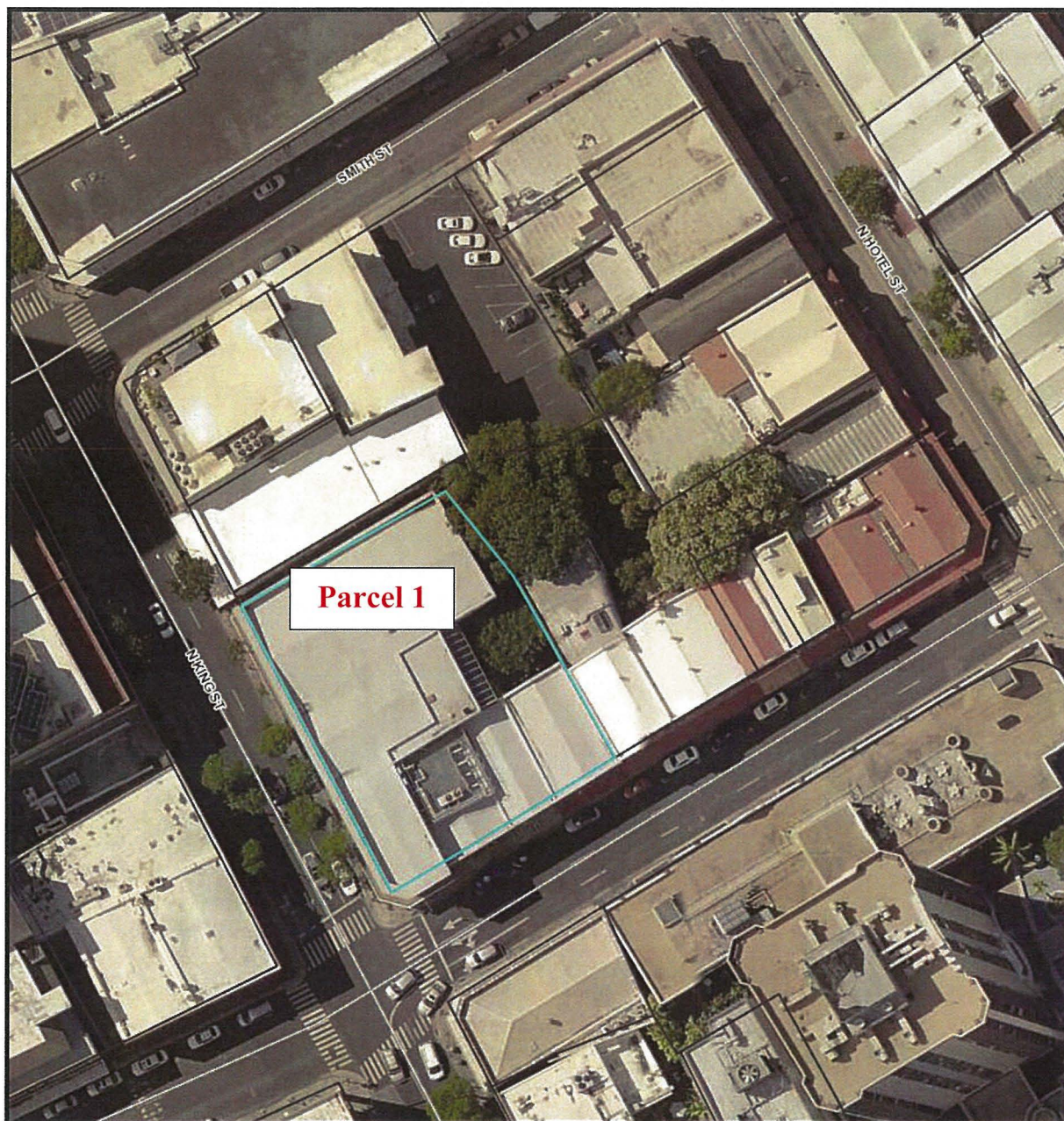
Darlene Bryant-Takamatsu
Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case

RT

Suzanne D. Case, Chairperson



TMK (1) 1-7-003:001 and portion 082.

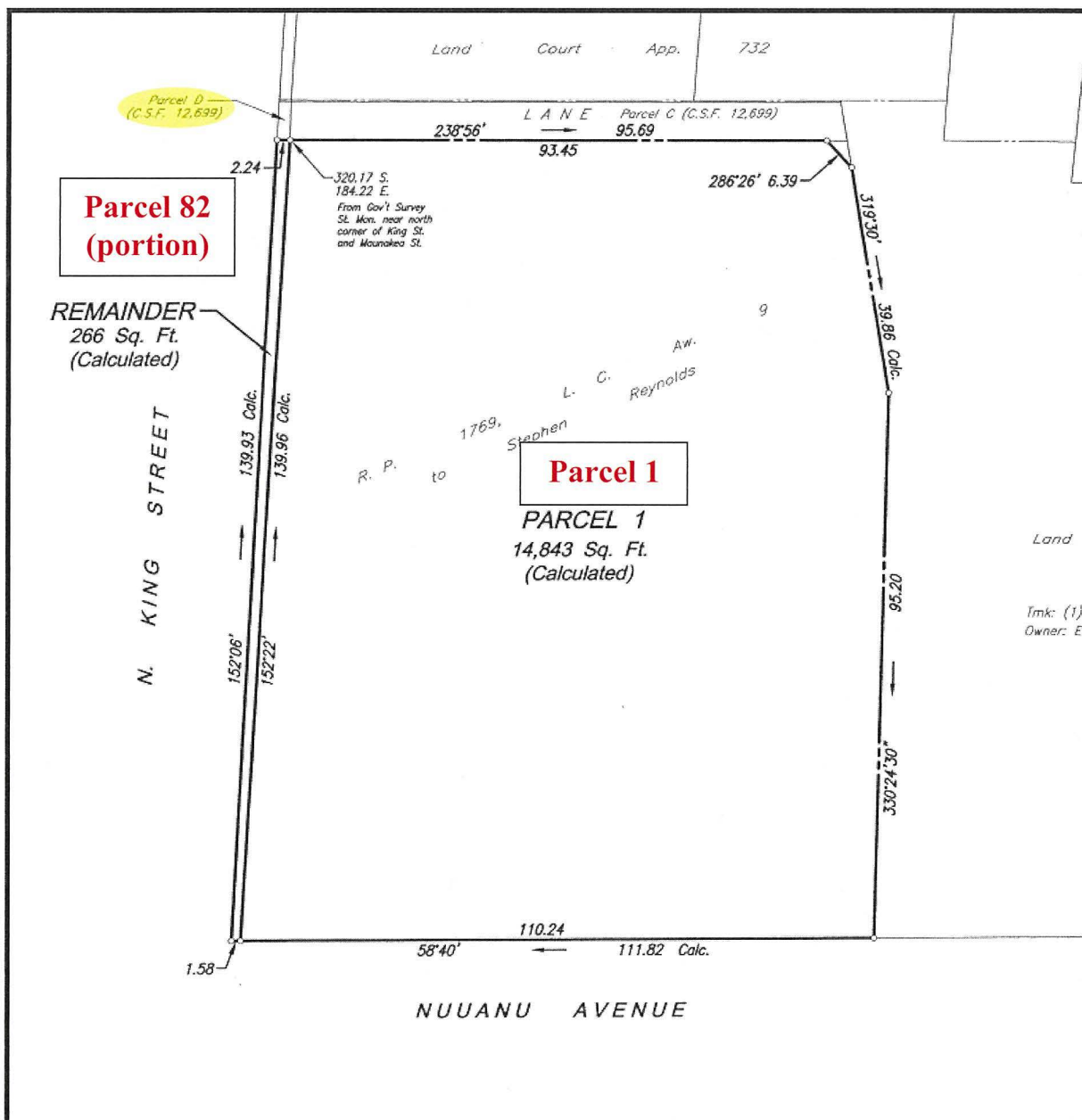
EXHIBIT A

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, HAR

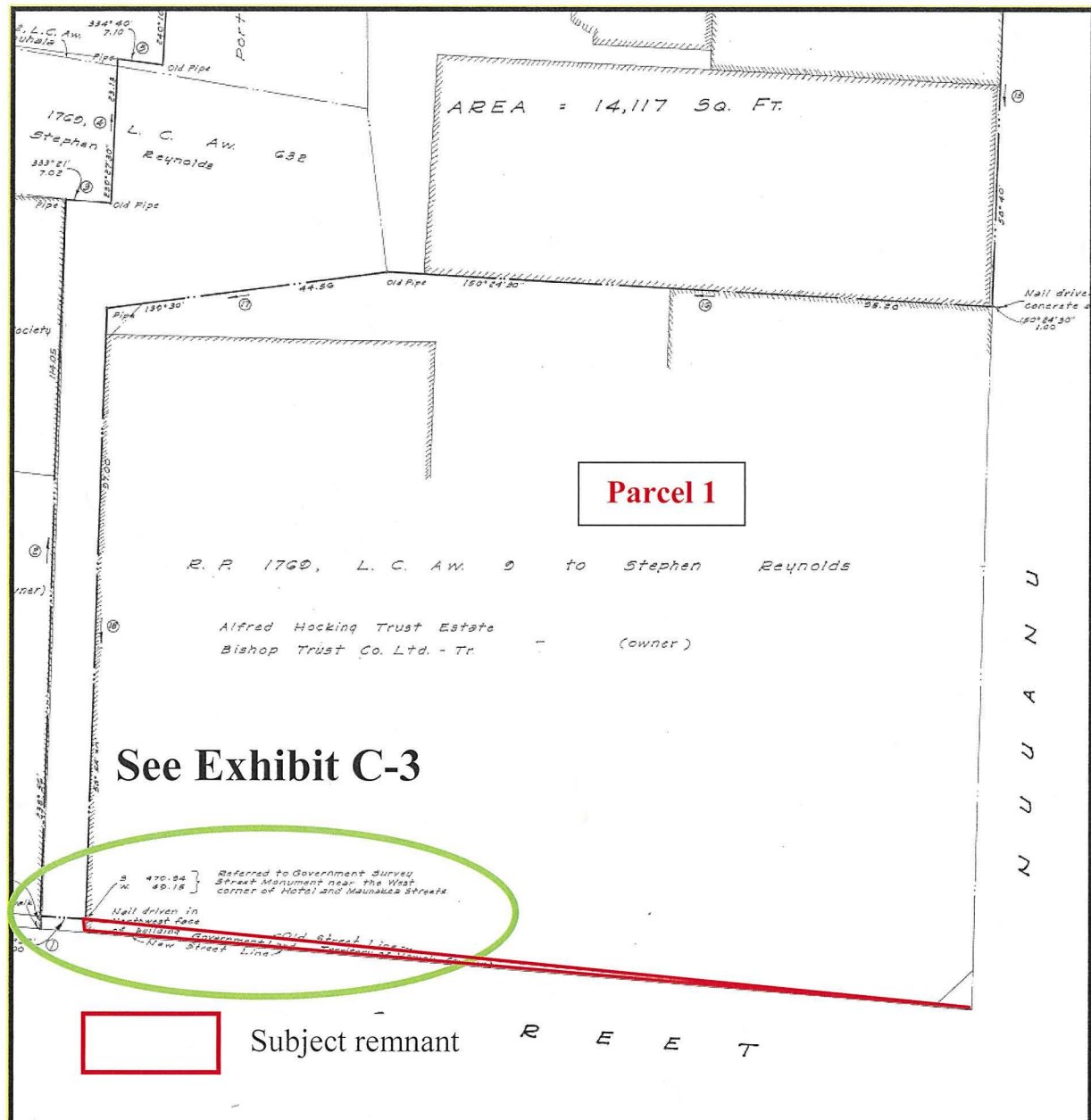
Project Title:	Sale of Remnant
Project / Reference No.:	PSF 22OD-053
Project Location:	Honolulu, Oahu, abutting TMK: (1) 1-7-003: portion of 082.
Project Description:	Sale of remnant.
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No.:	In accordance with Hawaii Administrative Rules ("HAR") § 11-200.1-15 and -16 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, Part 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," under Part 1, item 37, which states, "transfer of title to land".
Cumulative Impact of Successive Actions in Same Place Significant:	No, the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.
Action May Have Significant Impact on Particularly Sensitive Environment:	Staff is not aware of any particularly sensitive environmental issues. Use of the area would involve negligible change from what is existing.
Consulted Parties:	Agencies as noted in the submittal.
Analysis:	Staff believes there would be no impact to sensitive environmental or ecological receptors.
Recommendation:	That the Board find this project will probably have no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

EXHIBIT B



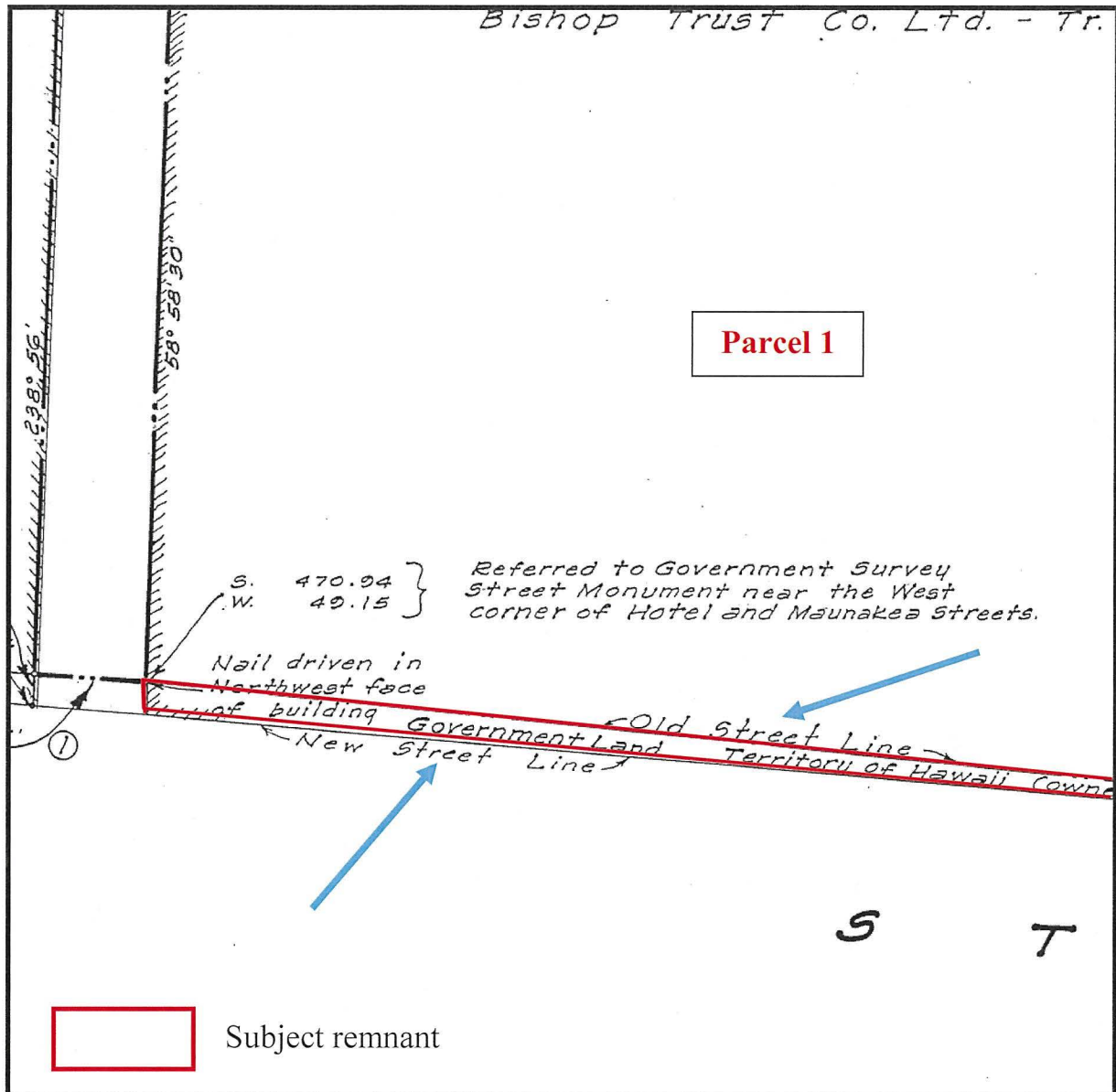
TMK (1) 1-7-003:001 and portion of 082

EXHIBIT C-1



TMK (1) 1-7-003:portion of 082

EXHIBIT C-2



TMK (1) 1-7-003: portion of 082

EXHIBIT C-3



EXHIBIT D