

STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawai'i 96813

May 8, 2026

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

GL S-5922

Maui

Amend General Lease No. S-5922 to Lokahi Pacific, Lessee, for Affordable Rental Housing Serving Low-Income Individuals Purposes, Kama'ole, Wailuku, Maui, Tax Map Key: (2) 3-9-005:046.

The purpose of amending the document is to change the lease language for future rental reopenings so that such reopenings will be based on the Board's then prevailing rent policy.

APPLICANT:

Lokahi Pacific, a Hawai'i non-profit corporation.

LEGAL REFERENCE:

Section 171-43.1, Hawai'i Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Kama'ole, Wailuku, Maui, identified as by Tax Map Key: (2) 3-9-005:046. The property is located at 2170 S. Kihei Road, Kihei, HI 96753.

AREA:

9,469 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Maui CZO: A-1, Apartment

TRUST LAND STATUS:

Section 5(b) lands of the Hawai'i Admission Act

DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: NO

CHARACTER OF USE:

Encumbered by General Lease No. S-5922 for affordable rental housing serving low-income individuals purposes.

LEASE TERM:

Thirty (30) years, commencing on September 1, 2007, and expiring on August 31, 2037.

ANNUAL RENT:

\$480 per annum.

RENTAL REOPENINGS:

At the tenth (10th) and twentieth (20th) years of the lease term. Pursuant to page 1 of the subject lease, "*Determination of rental upon reopening of the annual rental. The rental for any ensuing period shall be the fair market rental at the time of reopening.*"

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. The proposed action involves revising a provision of an existing lease and does not constitute a change in use nor allows for construction or expansion of the existing use.

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

REMARKS:

At its meeting on May 25, 2007, item D-1, the Board of Land and Natural Resources (Board) authorized the issuance of a thirty (30) year direct lease to

Lokahi Pacific for the purpose of affordable rental housing serving low-income individuals. General Lease No. S-5922 (GL5922) commenced on September 1, 2007.

Rent for GL5922 was set at \$480.00 per annum, further subject to rental reopenings. According to the specific language in GL5922, reopenings shall be conducted on the tenth (10th) and twentieth (20th) years of the term and "*the rental for any ensuing period shall be the fair market rental at the time of reopening.*"

Lokahi Pacific, a non-profit organization, has been fulfilling its mission to improve the economic and social quality of life for Maui residents since 1971. The subject property is one of their seven rental housing projects, providing long-term, affordable housing to eligible Maui residents. This property consists of seven (7) one-bedroom units and one (1) studio unit, each offered at an affordable rental rate of \$975 per month.

As the subject lease was issued pursuant to Section 171-43.1, HRS, the Board has the statutory authority to grant nominal consideration to eleemosynary organizations. Accordingly, Lokahi Pacific, as a 501(c)(3) nonprofit organization, qualifies as an eleemosynary organization under Section 171-43.1, HRS.

Given the organization's mission, staff supports amending the lease by deleting provision C which would eliminate the requirement for any further rent reopenings and establishing the annual rent for the remainder of the lease term at \$480 per annum in accordance with the Board's Minimum Rent Policy approved on May 13, 2005, under Item D-19.

At the time of writing this submittal, Lessee maintains compliance with the terms and conditions of the subject lease and there are no other pertinent issues or concerns.

RECOMMENDATION:

That the Board:

1. Authorize the amendment of General Lease No. S-5922 by deleting paragraph C relating to the determination of rent upon reopening in its entirety subject to the terms and conditions cited above, and further subject to the following:
 - a. The most current amendment of lease form, as may be amended from time to time;
 - b. Replacing the entire paragraph C relating to determination of rent upon reopening with the follow: "The annual rent reserved shall be

reopened and redetermined on the tenth (10th) and twentieth (20th) year during the term of the lease, subject to the Board policy on minimum rent applicable at the time of reopening.”;

- 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,

Ryanna Fernandez

Ryanna Fernandez
Project Development Specialist
SD

APPROVED FOR SUBMITTAL:



Ryan K. P. Kanaka'ole, Acting Chairperson