

**HONOLULU CITY COUNCIL**  
**KE KANIHELA O KE KALANA O HONOLULU**  
CITY AND COUNTY OF HONOLULU

No. 24-151

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**RESOLUTION**

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APPROVING AND AUTHORIZING THE CONVEYANCE OF THE FORMER KALAHEO ELEMENTARY SCHOOL PROPERTY IN KAILUA, O'AHU, TO THE STATE OF HAWAII, DEPARTMENT OF HAWAIIAN HOME LANDS, IN FURTHERANCE OF THE INTENT OF THE HAWAIIAN HOMES COMMISSION ACT AND TO HONOR THE LEGACY OF PRINCE JONAH KŪHIŌ KALANIANA'OLE, WHICH INCLUDES HIS ROLE IN ESTABLISHING HAWAII'S COUNTIES, INCLUDING THE CITY AND COUNTY OF HONOLULU.

WHEREAS, Prince Jonah Kūhiō Kalaniana'ole ("Prince Kūhiō"), who served as Hawaii's delegate to the United States Congress ("Congress") from 1902 through 1922, was a zealous advocate for the perpetuation and rehabilitation of the Native Hawaiian people and their culture, and an advocate for the right of all of the people of Hawaii to be represented by an elected local government; and

WHEREAS, as his first major undertaking after being elected as Hawaii's Congressional delegate, Prince Kūhiō was determined to achieve self-governance for the people of Hawaii by establishing independent counties within the Territory of Hawaii ("Territory"), led by local elected leaders, to more evenly distribute the economic and political decision-making powers among the people; and

WHEREAS, in 1905, despite his lack of voting powers as a territorial delegate, Prince Kūhiō strategically gained the support of his colleagues and a seat on the House Committee on Territories, and ultimately successfully catalyzed the Territory's establishment of independent counties by shepherding through the enactment of Public Law Number 58-198; and

WHEREAS, Public Law Number 58-198 provided the impetus and authority for the 1905 Hawaii Territorial Legislature to enact Act 39, which divided the Territory into independent counties and set forth a government structure for the counties that included an elected Board of Supervisors (later renamed to be the "City Council"); and

WHEREAS, Act 39 laid the foundation for the current governance structure of the City and County of Honolulu ("City"), which serves as an important reminder of Prince Kūhiō's legacy and provides the ongoing benefits of local governance to the City's residents; and



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WHEREAS, following the creation of the county governments, Prince Kūhiō continued to advocate for the people of Hawai'i and the betterment of the Territory and its counties by securing a funding appropriation for the dredging and construction of Pearl Harbor, sponsoring the first bill to attain Hawai'i's statehood in 1919, and, as perhaps his most renowned accomplishment, introducing and championing a bill that culminated in the enactment of the Hawaiian Homes Commission Act ("Act"), which was signed into law by then-President Warren G. Harding on July 9, 1921; and

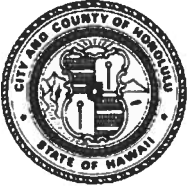
WHEREAS, the Act, which was later incorporated as a provision in the State of Hawai'i ("State") Constitution as a condition of statehood, was intended to provide native Hawaiians with homesteads through leases of residential, pastoral, and agricultural lots, as well as other supportive assistance to promote the rehabilitation of the native Hawaiian people; and

WHEREAS, in 1990, the State adopted an amendment recognizing that the purpose of the Act is to "enable native Hawaiians to return to their lands in order to fully support self-sufficiency for native Hawaiians and the self-determination of native Hawaiians . . . and the preservation of the values, traditions, and culture of native Hawaiians"; and

WHEREAS, historically and continuing through the present day, there have been issues relating to the administration of the Act, including resource limitations, a lack of infrastructure and access to water, and improper and uncompensated use of Hawaiian Home Lands by the State and federal governments; and

WHEREAS, in 1995, Congress passed the Hawaiian Home Lands Recovery Act and the State passed Act 14 to help settle longstanding claims against the federal and State governments for unauthorized and uncompensated use of Hawaiian Home Lands, and some of the commitments to compensate the trust remain unfulfilled; and

WHEREAS, by Resolution 21-147, CD1, the City Council ("Council") recognized and affirmed that because the State accepted the responsibility to administer the Act as a condition of its statehood, as an instrumentality of the State, the City is committed to and has a role to further the intent of the Act to provide native Hawaiians with homesteads; and



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WHEREAS, by Resolution 21-147, CD1, the Council recognized that while the native Hawaiian people and the larger community have benefited substantially from the Act, there is much more that may be done to ensure the future viability and fulfillment of the Act; and

WHEREAS, today, the Department of Hawaiian Home Lands ("DHHL"), which is headed by the nine-member Hawaiian Homes Commission, manages over 200,000 acres of Hawaiian Home Lands; and

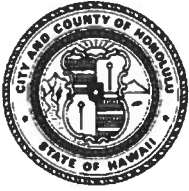
WHEREAS, there are over 46,000 lease applications for over 29,000 individuals still awaiting residential, agricultural, and pastoral DHHL homesteads, including over 11,000 applications for residential homesteads on O'ahu; and

WHEREAS, the DHHL has previously demonstrated its commitment to the betterment of the City and improving the lives of City residents by collaborating with the City to effectuate a land exchange that supports the Honolulu High-Capacity Transit Corridor Project, as set forth in Resolution 09-343, CD1; Resolution 13-137, CD1; Resolution 20-33; and Resolution 22-131 (the "land exchange resolutions"); and

WHEREAS, as specified in the land exchange resolutions, the City and the DHHL have agreed that the DHHL will transfer its 'Ewa Drum Site in Waipahu to the City for the City's operation of its rail operations center, the City will transfer portions of its Varona Villages property in 'Ewa to the DHHL for housing development purposes, and the City will pay the DHHL the difference between the appraised values of the properties with adjustments for inflation; and

WHEREAS, the Council has repeatedly recognized that the City has an affordable housing crisis and is continuously striving to alleviate this crisis in various ways by enacting countless measures in recent years that encourage the development of affordable housing for City residents, providing funding and grants for the construction of affordable housing, relaxing development standards to allow for increased density in certain areas, and prohibiting the short-term rental of housing units and rooms in residential districts in favor of long-term rentals for local residents; and

WHEREAS, in furtherance of the City's commitment to the intent of the Act to provide native Hawaiians with homesteads, and to honor Prince Kūhiō, who was deeply committed to the Act's intent and without whom the City may not have achieved its independence and right to self-governance that is critical to the representation of the voices of City residents within the State, the Council desires to convey City real property



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to the DHHL to facilitate the creation of affordable housing to address the needs of the City's residents, including the thousands of applicants awaiting DHHL residential homestead leases on O'ahu; and

WHEREAS, the City owns in fee the former Kalaheo Elementary School property, which is a 10.038-acre vacant parcel located on Iliaina Street in Kailua, O'ahu and identified as Tax Map Key 4-4-033:018, as shown colored in yellow on the maps designated as Exhibits A-1 and A-2, attached hereto and incorporated by reference herein (the "Kalaheo property"); and

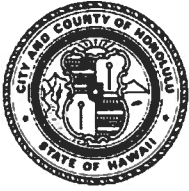
WHEREAS, Paragraph 16, Section 46-1.5, Hawaii Revised Statutes ("HRS"), authorizes the counties, under certain conditions, to dispose of real property as the interests of the inhabitants of the county may require, except that any property held for school purposes may not be disposed of without the consent of the Superintendent of Education; and

WHEREAS, as stated in Departmental Communication 231 (2015) ("D-231 (2015)"), the Superintendent of Education has consented to the return of the Kalaheo property to the jurisdiction of the City for disposal; and

WHEREAS, pursuant to Section 37-1.2, Revised Ordinances of Honolulu 2021 ("ROH"), the Director of Budget and Fiscal Services ("BFS Director") may deem City real property to be surplus City real property, and, with the concurrence of the Department of the Corporation Counsel ("COR"), shall determine whether to recommend to the Council the disposal of surplus City real property; and

WHEREAS, as stated in D-231 (2015), the BFS Director has deemed the Kalaheo property to be surplus property pursuant to ROH Section 37-1.2 and, with the concurrence of COR, has recommended the disposal of the Kalaheo property; and

WHEREAS, pursuant to ROH Section 37-1.2(g), if the Council finds that the proposed disposal of surplus City real property is in the interest of the inhabitants of the City and adopts a resolution authorizing the BFS Director to dispose of the surplus real property, the surplus real property may be disposed of in accordance with the terms of a resolution authorizing such disposal and in accordance with ROH Sections 37-1.6 and 37-1.8; and



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WHEREAS, the Council finds that the conveyance of the Kalaheo property to the DHHL serves a public purpose and is in the interest of the inhabitants of the City, because it will put the vacant property to productive use; demonstrate the City's commitment to furthering the intent of the Act to provide homesteads to native Hawaiians, including the over 11,000 applicants for residential homestead leases on O'ahu; provide housing for the City's residents while addressing the City's affordable housing crisis; and reduce the City's liability and maintenance costs; and

WHEREAS, due to the significant public purpose and benefits of the conveyance of the Kalaheo property, the Council proposes to set the minimum negotiated sale price for the fee simple interest in the Kalaheo property at \$495,323, which is equivalent to the total cost to the City to effectuate the exchange of portions of the City's Varona Villages property for the DHHL's 'Ewa Drum Site property, as set forth in Resolution 22-131; and

WHEREAS, the 2024 assessed valuation of the Kalaheo property is \$10,455,000, which is a difference of \$9,959,677 between the minimum sale price and the assessed valuation of the Kalaheo property; and

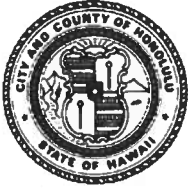
WHEREAS, pursuant to ROH Section 37-1.8, any negotiated sale of City real property for less than the fair market value of the City real property shall be treated as a gift of City real property, that serves an important public purpose, to the extent that the fair market value of the City real property exceeds the sale price of the City real property; and

WHEREAS, the Kalaheo property will be sold in an "as-is," "where-is" condition; and

WHEREAS, Drainage Easements A, E, F, and V collect and divert storm water from the Kalaheo property, and are in favor of the City for storm drain purposes; and

WHEREAS, these drainage easements will be cancelled by the City upon the sale of the Kalaheo property; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves and authorizes the conveyance of the former Kalaheo Elementary School property in Kailua, O'ahu, to the State of Hawai'i, Department of Hawaiian Home Lands, to further the intent of the Hawaiian Homes Commission Act ("Act") and the City's commitment to advancing the Act; provide housing for the City's residents and address



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the City's affordable housing crisis; reduce the City's liability and maintenance costs; and honor the legacy of Prince Jonah Kūhiō Kalaniana'ole, without whom the City may not have achieved its independence and right to self-governance; and

BE IT FURTHER RESOLVED that the Council approves the negotiated sale of the former Kalaheo Elementary School property to the State of Hawai'i, Department of Hawaiian Home Lands, for the sum of \$495,323; and

BE IT FURTHER RESOLVED that, to the extent that the fair market value of the former Kalaheo Elementary School property exceeds the sale price of the property, the difference between those amounts is deemed to be a gift from the City to the State of Hawai'i that serves a public purpose; and

BE IT FURTHER RESOLVED that the Director of Budget and Fiscal Services, or the Director's designee, is authorized to sign the deed, cancellation of easements, and other documents necessary or incident to the conveyance of the former Kalaheo Elementary School property; and

BE IT FURTHER RESOLVED that the Director of Budget and Fiscal Services, or the Director's designee, is authorized to agree to reasonable terms and conditions to effectuate the conveyance of the former Kalaheo Elementary School property; and

BE IT FURTHER RESOLVED that the Council approves the cancellation of Drainage Easements A, E, F, and V; and

BE IT FURTHER RESOLVED that the conveyance of the property must be in accordance with all applicable laws and City policies; and



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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Director of Budget and Fiscal Services, the Director of Land Management, and the Chair of the State of Hawai'i Department of Hawaiian Home Lands.

INTRODUCED BY:

*Keith Uehara*  
*Tony Waters*

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DATE OF INTRODUCTION:

JUN 04 2024

Honolulu, Hawai'i

Councilmembers







**Report Title:**

City Real Property; Surplus; Disposal; Conveyance; Negotiated Sale; Gift; Public Purpose; Hawaiian Homes Commission Act; Prince Jonah Kūhiō Kalaniana'ole ("Prince Kūhiō"); 'Ewa Drum Site; Varona Villages; Land Exchange; State of Hawai'i Department of Hawaiian Home Lands ("DHHL"); Department of Budget and Fiscal Services ("BFS"); Department of Land Management ("DLM")

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*