

**I. SUBJECT**

Presentation Public Hearing on Proposed 99-Year Leasehold Condominium Program Administrative Rules.

**II. BACKGROUND**

In 2023, the Legislature passed Senate Bill 865 (SB 865) that was signed by the Governor into Act 097, Session Laws of Hawaii 2023. Act 097 establishes a Ninety-Nine Year Leasehold Program (Program) within the Hawaii Community Development Authority. The purpose of the Program is to facilitate development of low-cost leasehold residential condominium projects on non-ceded State-owned land within urban redevelopment areas for sale to Hawaii residents. The Program also authorizes the Hawaii Community Development Authority (HCDA) to sell the leasehold interest in these developments to qualified buyers for lease terms of 99 years. The Program now constitutes Part XII of Hawaii Revised Statutes Section 206E, HCDA's enabling statute.

In May of 2024, the Authority Authorized the Executive Director to initiate administrative rulemaking for the Program and conduct community engagement and public hearings, to adopt the rules pursuant to HRS, Chapter 91 and Chapter 206E.

HCDA staff held a community/shareholder meeting in August 2024, to solicit comments from community members and stakeholders. HCDA staff also made a presentation to Ala Moana/Kaka'ako Neighborhood Board and Makakilo/Kapolei/Honokai Hale Neighborhood Board on the 99-Year Leasehold program.

A public hearing notice on the administrative rules was published on January 2, 2025, in the Honolulu Star Advertiser, Hawaii Tribune Herald, West Hawaii Today, The Garden Island, and the Maui News.

**III. DISCUSSION**

Act 097 provided funding for conducting site and pre-development planning, engaging the community, and preparing and adopting administrative rules for the Program.

Sections 206E-283, 284, and 292 authorize adopting administrative rules for implementing the Program. Administrative Rules will need to be adopted before conducting selection of qualified buyers and sale of the condominium units developed pursuant to the Program.

A copy of the draft administrative rules is provided as Exhibit A.

The title of the Administrative Rules is "Ninety-Nine Year Leasehold Condominium Program" and will be promulgated as Hawaii Administrative Rules (HAR), Chapter 15-223.

Section 15-223-1 through 15-223-6 establish the purpose and intent of the administrative rules and describe administrative matters.

Section 15-223-18 through 15-223-18 establish the eligibility to purchase the condominium units developed pursuant to the Program and owner occupancy requirement.

Section 15-223-31 through 15-223-34 establish the procedure for marketing and sale of condominium units developed pursuant to the Program.


Section 15-223-46 through 15-223-50 establish the procedure for resale and transfer of the condominium units developed pursuant to the Program.


Section 15-223-62 through 15-223-64 provide for enforcement of the administrative rules and penalties in case of violation of the rules.

Section 15-223-76 through 15-223-77 provide for procedures for foreclosure and sale of the condominium units in case of a foreclosure.

Attachments:

Exhibit A-Draft Administrative Rules for Ninety-Nine Year Leasehold Condominium Program

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