

# Senator picks strategy for lease-to-fee condos

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By William Kresnak  
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A key state Senate committee chairman yesterday endorsed a measure for mandatory condominium lease-to-fee conversion despite charges that such legislation amounts to stealing land from the Hawaiian people.

Oswald Stender, a trustee of the Kamehameha Schools/Bishop Estate, which is the largest private landowner in the state and responsible for funding Kamehameha Schools for the benefit of Hawaiians, testified that land reform has become a euphemism for "license to steal."

"And it's through legislation, through annexation, through conversion laws which have taken away their (Hawaiians') property," Stender said. "You cannot ignore that."

Following a day-long hearing of sometimes emotional testi-



Stender



Crozier

mony before the Housing and Hawaiian Programs Committee in the state Capitol auditorium, Chairman Michael Crozier said he would recommend his panel approve his proposal for leasehold reform and kill a different proposal offered by Lt. Gov. Benjamin Cayetano.

Crozier's plan calls for leasehold conversion, but still leaves the landowner with a financial interest in the property.

"This is the proposal that will be in the Senate and hopefully get to the House," Crozier

to land theft

Bishop trustee likens bill

d. "Everyone will have to sit down and focus on that and find where we have shortcomings and how we can make this so both sides (lessors and lessees) come out in a better position" than they are right now, he said.

Crozier said he would replace

the language in Cayetano's bill, SB 1255, with the language from his own bill, SB 948. If the bill earns the support from his committee members, it moves to the Ways and Means Committee for further consideration.

Meanwhile, the House Housing and Consumer Protection

committees are scheduled to consider their own leasehold conversion proposal at 6 p.m. Tuesday in Room 410 of the Capitol.

About 250 people signed up to testify during Crozier's marathon hearing. Large- and

small-landowners testified they felt the legislation would trample on their land ownership rights and wouldn't help ease Hawaii's high housing costs.

Condominium owners, however, said the proposed legislation would help them realize the dream of home ownership in fee simple.

The committee considered two measures, Crozier's and the one proposed by Cayetano, who was spearheading an effort by Gov. John Waihee to make good on a campaign pledge to push condominium leasehold reform this legislative session.

Crozier's plan provides for mandatory conversion if at least half of all the apartment owners of a building want to buy the fee title to the land. The apartment owners' association would be required to buy all the land. Mandatory conversion would be applied only to buildings with 20 or more units.

Under the plan, apartment owners would pay half price for the land, based on a valuation.

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# Condos: Lease-to-fee battle heating up

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tion of "highest and best use."

In return, the former landowner would forever receive a payment equal to 13 percent of a unit's total worth, apartment and land, each time it is sold or transferred, such as through inheritance.

Also, the former landowner could repossess the land if an apartment owner failed to make the 13 percent payment.

Cayetano's bill would have provided a landowner with the choice of doing a lease-to-fee

conversion or giving lessees capped lease rents and other concessions.

Crozier said Cayetano's bill was flawed because the city already has approved an ordinance controlling hikes in lease rents. Also, small-landowners could totally lose their link to their land under the Cayetano plan, he said.

Crozier admitted his bill is flawed in many areas as well but said at least landowners could keep their interest in land through the provision for 13 percent payments when the land is sold or transferred.

Stender said after the hearing that he doesn't believe Crozier's proposal will pass the Legislature.

"There are a lot of problems with this bill that need to be sorted through — endless problems," he said.

"The sad thing about all this is that we haven't learned the lesson of single-family conversion (which was mandated years ago)," Stender said. "It has just inflated speculation.

"This thing is so fraught with emotions that there will never be a fair solution for everybody."

Star-Bulletin

# Sen. Holt defends his integrity, vows a fair hearing for initiative

Star-Bulletin staff

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State Sen. Milton Holt yesterday defended his integrity and said he would give a fair hearing to a bill that would legalize zoning by initiative.

Holt said he resented being characterized by several citizens' groups as someone easily compromised because of his ties to the state's largest private landowner, the Bishop Estate.

"I will fulfill the people's faith and trust to the very best of my abilities," he said.

The Save Sandy Beach Coalition and the League of Women Voters responded that they had never made a personal attack on Holt but felt he was faced with a conflict of interest.

He is chairman of the Senate Planning, Land and Water Use Management Committee. He also is assistant athletic director of Kamehameha Schools, which is run by Bishop Estate, the state's largest private landowner and the most powerful opponent of zoning

by initiative.

The groups said the Kamehameha Schools employee handbook says employees must not act in a manner publicly detrimental to Kamehameha Schools/Bishop Estate interests.

The battle over initiative heated up in 1988 when the Save Sandy Beach Coalition was created to



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prevent a housing project near Sandy Beach. The development was planned on land owned by the Bishop Estate.

An initiative approved by voters in the 1988 election said the land should be rezoned to prevent the development.

The state Supreme Court later invalidated the initiative, saying zoning by initiative was not allowed on Oahu. But the City Council later prevented the development anyway by rezoning the land.

Since then, several groups have

lobbied the Legislature to legalize zoning by initiative.

Holt yesterday said critics also questioned Senate President Richard Wong's judgment.

"Is this not, Mr. President, a vicious and personal attack on our moral character and integrity?" he asked on the floor of the Senate yesterday.

Wong said he assigned the controversial bill to Holt's committee and the Transportation and Governmental Affairs Committee, chaired by Sen. Lehua Fernandes Salling.

It is her committee that functions as the lead committee in the double referral, Wong said.

Fernandes Salling also defended Holt.

"It is the responsibility of first committee to arrange for the scheduling of a hearing," Fernandes Salling said. "At no time has Sen. Holt hesitated to hear this bill."

A hearing has been scheduled for Wednesday in the state Capitol auditorium.