

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

February 14, 2014

Ref. No.: GLS-5405

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

HAWAII

Rescind Prior Board Action of December 13, 2013, Item D-7, Mutual Cancellation of General Lease No. S-5405, Yvonne K. Okamoto, Lessee, Kikala-Keokea, South Kona, Hawaii, Tax Map Key: (3) 1-2-043:005; and

Consent to Assign General Lease No. S-5405, Yvonne K. Okamoto, Lessee, to Deanna Piliialoha Kahookaulana, Assignee, Kikala-Keokea, Puna, Hawaii, Tax Map Key: (3) 1-2-043:005.

APPLICANT:

Yvonne K. Okamoto, as Lessee/Assignor, to Deanna Piliialoha Kahookaulana, single, Tenant in Severalty, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Lot 5, Kalapana Section situated at Kikala-Keokea, Puna, Hawaii, identified by Tax Map Key: (3) 1-2-043:005, as shown on the attached map labeled Exhibit A.

AREA:

1.2050 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:
YES _____ NO x

CHARACTER OF USE:

Residential purposes.

TERM OF LEASE:

65-years, commencing on January 1, 1997 and expiring on December 31, 2061. First scheduled rental reopening is for January 1, 2022.

ANNUAL RENTAL:

\$132.00 Payable in advance, in semi-annual installments of \$66.00 on the First Day of January and July of each and every year.

CONSIDERATION:

\$ 1.00

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Not applicable, Assignor is an individual and is not required to register with DCCA.

ASSIGNEE:

Not applicable, Assignee is an individual and is not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1. Submit a basic homeowner's insurance or a Certificate of Liability Insurance for the property as required under the lease, within sixty (60) days of this approval;

REMARKS:

At its meeting of December 16, 1994, Item F-3, the Board of Land and Natural Resources, pursuant to Act 314, authorized the awarding of direct residential leases at Kikala-Keokea, Puna, Hawaii. A drawing of lots was conducted on December 9, 1995, and Yvonne K. Okamoto was awarded a 65-year residential lease, under General Lease No. S-5405.

At its meeting of November 17, 1995, Item F-9, the Board of Land and Natural Resources approved to amend its prior board action of December 16, 1994 (Item F-3) to revise or delete certain conditions contained in the lease form, relating to authorization to award direct residential leases pursuant to Act 314, Session Laws of Hawaii of 1991, as amended. These amendments included: 1) deletion of lease requirements regarding performance bond, fire insurance, and extended insurance; and 2) that designated successors of the lease be a spouse, son, daughter, father, mother, brother, sister, grandfather, grandmother, grandson, granddaughter of Lessee.

At its meeting of November 20, 1998, Item D-6, the Land Board authorized Land Division to instruct its Fiscal Office to stop rental billings of the 48 general leases and to amend the lease document to reflect a “new” commencement date.

At its meeting of September 8, 2006, Item D-5, the Board of Land and Natural Resources approved to amend the 48 general leases awarded for residential purposes by: 1) Authorizing Land Division to instruct its Fiscal Office to commence with billing of lease rents, effective January 1, 2007; and 2) Amending lease terms and conditions relating to rent, liability insurance, improvements, mortgage, construction requirement, and the Kikala-Keokea Residential Community Association.

At its meeting of April 11, 2008, Item D-2, the Land Board approved to amend the insurance requirement for the forty-eight Kikala-Keokea general leases awarded for residential purposes, by lowering the amount of coverage required from \$300,000 per occurrence and \$500,000 aggregate to \$100,000 per occurrence/aggregate.

On October 3, 2013, Mr. Calvin Okamoto, husband of Yvonne Okamoto was in HDLO to make a payment of \$4,092 to bring the account current. Mr. Okamoto provided staff with a written request from Yvonne Okamoto to cancel the lease as they are unable to comply with the lease terms and conditions and no longer intend to reside on the property.

At its meeting of December 13, 2013, Agenda item D-7, the Board of Land and Natural Resources approved the cancellation of General Lease No. S-5405 at the request of Yvonne Okamoto, Lessee.

By letter dated, December 28, 2013, Mrs. Yvonne K. Okamoto, Lessee, requested that the Land Board rescind its prior actions of December 13, 2013, D-7, as she now requests that

the lease be assigned to Deanna Piliialoha Kahookaulana. Mrs. Okamoto explains that she and her family have no plans to reside in Kikala-Keokea, therefore, wishes to now assign the lease to someone interested in becoming a resident of Kalapana.

Staff reviewed the file and can report that beginning from January 2007, when the charging of rents resumed, notices of default were routinely sent for delinquent rents and failure to provide the required liability insurance. The rents and late fees outstanding amounted to a total of \$4,092. On October 3, 2013, Lessee brought rental payments current. To date, the insurance requirement has not yet been cured. No bond is required. Lessee has not been cited for any illegal or unlawful activity on the State property. In order to resolve the insurance requirement, staff is recommending that the Board require Ms. Kahookaulana, Assignee, to provide acceptable evidence of insurance to the satisfaction of Land Division and the Attorney General prior to the execution of the assignment.

Ms. Deanna Piliialoha Kahookaulana, is a qualified Applicant/ Assignee under Act 314 for a Kikala-Keokea residential lease as the daughter/descendant of Pearl K. Kaawaloa, a survivor/displaced resident of Kalapana from the volcanic eruptions beginning January 3, 1983.

Ms. Kahookaulana 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.

There are no outstanding rental reopening issues.

No comments were solicited as there will be no new dispositions or change in land use.

RECOMMENDATION: That the Board:

- A. Rescind its prior action of December 13, 2013, Item D-7.
- B. Consent to the assignment of General Lease No. S-5405 from Yvonne K. Okamoto, as Assignor, to Deanna Piliialoha Kahookaulana, aka: Deanna Kahookaulana and Deanna K. Kahookaulana, as Assignee, subject to the following:
 1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
 2. Assignee shall provide acceptable evidence of insurance to HDLO and AG, prior to execution of the Assignment;
 3. Review and approval by the Department of the Attorney General; and

4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Wesley T. Matsunaga
Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



