
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii community
2 development authority was established in 1976 to address, among
3 other things, the need for suitable affordable housing and
4 sufficient commercial and industrial facilities for rent.

5 In September 2005, the Hawaii community development
6 authority, the state agency responsible for governing growth in
7 Kakaako, selected Alexander and Baldwin Properties,
8 Incorporated, as the master planner for a prime sixty-two acre
9 tract of waterfront land makai of Ala Moana boulevard only a
10 week after it amended its administrative rules to allow mixed-
11 use development for the area. The authority's administrative
12 rules previously called for commercial development only. While
13 most of Kakaako's waterfront has been reserved for parks and the
14 maritime industry, the Hawaii community development authority
15 approved a redevelopment plan that included residential housing
16 within the Kewalo basin as well as a broad range of commercial
17 uses such as restaurants, markets, and research facilities.
18 Although the legislature supports the development of housing for



1 the current and future residents of the State, the residential
2 unit costs proposed in the Kakaako makai development plans were
3 far from being considered affordable for most citizens.

4 The legislature further finds that many citizens are
5 concerned over the perceived insensitivity to the needs of the
6 general public exhibited by the authority in its decision-making
7 processes. The timeframe in which the authority's
8 administrative rules were amended and the developer for the
9 Kakaako property was selected provided the general public with
10 very little time to digest the ramifications of the newly
11 amended rules and their impact on the surrounding area.
12 Consequently, many citizens feel as though the project was
13 "fast-tracked" to avoid additional public opposition.

14 The legislature believes that the Hawaii community
15 development authority should consider other alternatives such
16 as:

- 17 (1) Allowing a developer to develop residential units on
18 the Kakaako property under its control that is
19 situated mauka of Ala Moana boulevard and Nimitz
20 highway, rather than on its makai Kakaako lands;



1 (2) Contracting with the developer to develop the Kakaako
2 makai development project without a residential
3 component; or

4 (3) Any other alternative that would be most beneficial to
5 all parties involved or affected by the development of
6 the Kakaako makai property.

7 At the same time, the legislature also believes that the
8 developer selected by the authority should not suffer economic
9 harm for acting in good faith when competing for the right to
10 develop the Kakaako lands.

11 The purpose of this Act is to appropriate funds out of the
12 Hawaii community development revolving fund to reimburse
13 Alexander and Baldwin Properties, Incorporated, for reasonable
14 costs incurred prior to September 14, 2005, in developing its
15 proposal for the Kakaako makai development project and authorize
16 the issuance of revenue bonds to contract with Alexander and
17 Baldwin Properties, Inc., to develop the Kakaako makai
18 development project without a residential component situated in
19 the Kakaako makai property.

20 SECTION 2. There is appropriated out of the Hawaii
21 community development revolving fund established pursuant to
22 section 206E-16, Hawaii Revised Statutes, the sum of \$,



1 or so much thereof as may be necessary for fiscal year 2006-
2 2007, for the purpose of reimbursing the winning developer of
3 the Kakaako makai development project for reasonable costs
4 incurred prior to September 14, 2005.

5 SECTION 3. The sum appropriated shall be expended by the
6 Hawaii community development authority for the purposes of this
7 Act.

8 SECTION 4. For the purposes of this Act, the legislature
9 finds that the development of the lands makai of Ala Moana
10 boulevard and Nimitz highway that are controlled by the Hawaii
11 community development authority is a public facility project
12 within the meaning of part IV of chapter 206E, Hawaii Revised
13 Statutes.

14 SECTION 5. Notwithstanding section 206E-11, Hawaii Revised
15 Statutes, and any other law to the contrary, the Hawaii
16 community development authority is authorized to contract with
17 the winning developer of the Kakaako makai development project
18 as selected by the Hawaii community development authority on
19 September 14, 2005, to plan, design, develop, and construct the
20 Kakaako makai development project without a residential
21 component situated in the Kakaako makai property.




1 SECTION 6. The Hawaii community development authority,
 2 pursuant to part IV of chapter 206E, Hawaii Revised Statutes, is
 3 authorized to issue revenue bonds in the sum of \$, or
 4 so much thereof as may be necessary, and the same sum, or so
 5 much thereof as may be necessary, is appropriated for fiscal
 6 year 2006-2007 for the purpose of paying for reasonable
 7 development costs incurred to contract with the winning
 8 developer of the Kakaako makai development project as selected
 9 by the Hawaii community development authority on September 14,
 10 2005, to plan, design, develop, and construct the Kakaako makai
 11 development project without a residential component situated in
 12 the Kakaako makai property.

13 SECTION 7. The appropriation made for the public facility
 14 project authorized in section 6 of this Act shall not lapse at
 15 the end of the fiscal biennium for which the appropriation is
 16 made; provided that all moneys from the appropriation
 17 unencumbered as of June 30, 2008, shall lapse as of that date.

18 SECTION 8. This Act shall take effect on July 1, 2006.
 19

INTRODUCED BY:

Kirk Caldwell

Jim H. Keenan


[Signature]


Tony Waters




Report Title:

Hawaii Community Development Authority; Kakaako Development

Description:

Appropriates funds out of the Hawaii community development revolving fund and authorizes the issuance of revenue bonds to enable the authority to pay Alexander and Baldwin Properties, Incorporated, for reasonable development costs incurred to develop the Kakaako makai development project without a residential component.

