

JAN 25 2006

---

---

# A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR RENOVATION OF THE FACADES OF SEVERAL  
PROPERTIES IN CHINATOWN.

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

1           SECTION 1. In recent years, public and private entities  
2 have invested substantial amounts in the Chinatown Special  
3 Historic District to upgrade infrastructure and to remedy the  
4 perception that this area is run-down and crime-prone. For  
5 example, the City and County of Honolulu has installed new  
6 lampposts and sidewalks and has instituted police foot patrols.  
7 The goal of these improvements was to make the area a desirable  
8 destination for residents and visitors.

9           In addition, numerous businesses have located in the area.  
10 On North Hotel Street, between Nuuanu and Smith Streets, six new  
11 businesses have opened during the past two years providing jobs  
12 and other benefits.

13           Despite these improvements, Chinatown still struggles with  
14 a negative reputation. A contributing factor is the many  
15 rundown buildings especially along North Hotel Street. The  
16 block between Nuuanu and Smith Streets remains an eyesore with  
17 several blighted, vacant structures. Even properties that have  
18 tenants need extensive exterior renovation.



1           In particular, three properties need the most work. Their  
2 owners cannot rehabilitate these structures because needed  
3 repairs are so extensive that rental income they could  
4 potentially earn would not cover renovation costs.

5           Renovation is further stifled by development regulations.  
6 Because these buildings are located in the Chinatown Special  
7 Historic District, owners are forced to rehabilitate existing  
8 structures rather than replace them. Furthermore, because the  
9 Chinatown Special Historic District has a height restriction of  
10 40 feet, owners cannot build upward in order to generate the  
11 multiple rents needed to make redevelopment profitable.

12           Because of such obstacles, property owners of significantly  
13 deteriorated buildings hold them until real estate prices  
14 appreciate to the point that development is feasible. Even the  
15 possibility of Federal tax credits for renovation of historic  
16 area buildings does not provide enough incentive to rehabilitate  
17 these properties. Therefore, other public policy tools must be  
18 used to encourage renovation of properties. State "seed" money,  
19 channeled through local civic organizations, is one way to  
20 encourage renewal of run-down buildings.

21           This Act provides funds to the Honolulu Culture & Arts  
22 District Association to manage a project to renovate the facades



1 of three privately owned properties on North Hotel Street  
2 between Nuuanu and Smith Streets. This project will further the  
3 momentum for change in Chinatown. Hotel Street is an "area on  
4 the edge"--a place where revitalization is just starting to take  
5 hold. By funding this project, the State will link the Capitol  
6 District to Chinatown and make Hotel Street the corridor that  
7 links a continuous heritage area. The Chinatown/downtown area  
8 is one of the most visible indicators of community pride as well  
9 as of its economic and social health. The neighborhood can also  
10 be a valuable asset to the City and County of Honolulu in the  
11 effort to attract more residents, businesses, tourists, and  
12 others to the nearby Arts district.

13 The project will provide several benefits, including:

- 14 (1) a vibrant cultural and evening destination;
- 15 (2) increased economic activity;
- 16 (3) higher property taxes;
- 17 (4) job creation from new businesses; and
- 18 (5) favorable conditions that will encourage  
19 nonparticipating property owners to renovate or  
20 invest in currently vacant or deteriorated  
21 buildings.



1           Participating property owners have committed to match State  
2 funding and to renovate the interiors of the buildings whose  
3 facades will be renovated by the project. Owners will provide  
4 spaces for apartments, retail shops, restaurants/clubs, and will  
5 obtain tenants for these within one year. The renovated  
6 properties will complement trendier businesses that recently  
7 opened in the area, as well as the galleries and theaters of the  
8 nearby Arts district, thereby further attracting affluent  
9 residents and visitors.

10           SECTION 2. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$556,730 or so much  
12 thereof as may be necessary for the fiscal year 2006-2007, for  
13 the support of the Hotel Street Facade Restoration Project  
14 managed by the Honolulu Culture & Arts District Association.  
15 The sum appropriated shall be utilized for cleaning and  
16 restoration of building exteriors, installation of exterior  
17 lighting, awnings and related equipment on building exteriors,  
18 project management, and architectural fees.

19           SECTION 3. The sum appropriated shall be expended by the  
20 department of business, economic development, and tourism for  
21 the purposes of this Act.

22           SECTION 4. This Act shall take effect on July 1, 2006.



1

INTRODUCED BY: Trizanne Chun Oakland

*John Gil*  
*Paul Harris*  
*Guy L. Hoover*



SB. NO. 3222

**Report Title:**

Appropriation; Chinatown Facade Redevelopment

**Description:**

Appropriates general funds to assist with the community redevelopment of Chinatown building facades.

