

STAND. COM. REP. NO. 694

Honolulu, Hawaii

March 5, 2009

RE: H.B. No. 948  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committees on Water, Land, & Ocean Resources and  
Housing, to which was referred H.B. No. 948 entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

beg leave to report as follows:

The purpose of this measure is to increase the Kakaako  
Community Development District reserved housing requirements for  
any planned development with a height of more than forty-five feet  
or a floor area that equals or exceeds one and one-half times the  
lot area.

Specifically, this measure:

- (1) Requires that at least 25 percent of the countable floor  
area of a planned development with a height of 45 feet  
or more or exceeds one and one-half times the lot area  
for the development be developed for reserved housing;
- (2) Includes within the countable floor area of a planned  
development, the total floor area of every building on  
the lot of a planned development, including commercial,  
industrial, and resort uses, but not including community  
service or special facility uses;
- (3) Includes definitions for base zoning, community service  
uses, countable floor area, floor area, master planned  
areas, planned development, and reserved housing unit;

HB948 HD1 HSCR WLO-HSG HMS 2009-2643



- (4) Provides that this reserved housing requirement shall increase automatically to 35 percent after December 31, 2017, unless the Legislature finds that there is adequate reserved housing in Kakaako;
- (5) Requires that for a planned development with multi-family dwelling units on a lot of between twenty thousand and 130,679 square feet that is not part of a master planned area, at least 20 percent of the dwelling units shall be reserved housing units;
- (6) Provides that the reserved housing units developed need not be on the same lot as the planned development requiring the reserved housing units; however, the development must comply with section 206E-4(18), Hawaii Revised Statutes (HRS), relating to the location of reserved housing locations;
- (7) Prohibits the payment of cash in lieu of the provision of reserved housing units;
- (8) Requires that the reserved housing units be built prior to or concurrently with the planned development;
- (9) Allows the transfer and sale of excess reserved housing credits to another project in Kakaako; and
- (10) Provides safeguard provisions against a rush for applications for planned developments to avoid the new requirements contained in this measure.

Your Committees received written testimony in support of this measure from the Office of Hawaiian Affairs, and a concerned individual. General Growth Properties, Inc. and Kamehameha Schools submitted testimony in opposition to this measure, while Waterhouse Inc., another Kakaako landowner, submitted testimony expressing its strong reservations to this measure. The Hawaii Community Development Authority (HCDA), Waterhouse, Inc., and Hawaii Habitat for Humanity Association offered comments.

Your Committees note that Honolulu is the primary urban core for the island of Oahu and at the center of that core is the Kakaako district. Due to its central location, the proposed rail transit project, of necessity, will traverse the district connecting it with leeward Oahu and downtown on one side and,



eventually, Waikiki and the university area on the other side. This central position of Kakaako makes it imperative that Kakaako continue to play a major role in providing adequate housing opportunities for Hawaii's residents, especially for the workforce of Honolulu.

Your Committees are in agreement that affordable housing units in Honolulu are severely lacking. The redevelopment and revitalization of Kakaako through the efforts of HCDA provides a prime opportunity to remedy, in part, that shortage of affordable housing, particularly in the central core of Honolulu, where jobs, amenities, consumer services, and recreational opportunities are concentrated. The need and desire for more affordable housing for the residents of Hawaii cannot be any more evident than in the Kakaako district.

Your Committees have amended this measure by:

- (1) Requiring that the development of any lot in the Kakaako mauka area that is three acres or greater in area shall provide at least 25 percent of its countable floor area for reserved housing;
- (2) Requiring that the development of any lot in the Kakaako mauka area that is less than three acres in area shall provide at least 20 percent of any dwelling units developed for reserved housing;
- (3) Removing the automatic increase in the reserved housing requirement after December 31, 2017, by replacing that provision with a requirement that HCDA report to the Legislature prior to the convening of the Regular Session of 2017 on the status of reserved housing in Kakaako, including a recommendation on whether the reserved housing requirements contained in this measure should be reduced, remain unchanged, or increased;
- (4) Requiring that HCDA determine whether the reserved housing units provided shall be for sale or for rent and:
  - (A) If for sale, that HCDA adopt rules to ensure that the reserved housing units remain "affordable" for the economic life of the units; and



- (B) If for rent, that the reserved housing units be transferred to be managed and rented by the Hawaii Public Housing Authority;
- (5) Amending section 206E-4(18), Hawaii Revised Statutes, to limit any in lieu dedication of land for reserved housing to fee simple property within the Kakaako mauka area;
- (6) Requiring any reserved housing units to have certificates of occupancy issued prior to or concurrently with the issuance of certificates of occupancy for other non-reserved housing units or other uses; and
- (7) Including measures to prevent a rush for applications for any development of a lot three acres or greater or any applications for building permits or subdivisions of any lot three acres or greater in area until after HCDA has adopted rules implementing the requirements of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 948, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Water, Land, &  
Ocean Resources and Housing,

*Rida R. Cabanilla*

RIDA CABANILLA, Chair

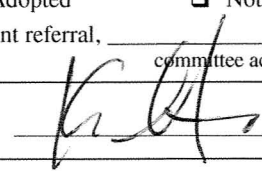
*K. Ito*

KEN ITO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

**Record of Votes of the Committee on Water, Land, & Ocean Resources**

|  |                                       |                        |             |                |
|--|---------------------------------------|------------------------|-------------|----------------|
| <b>Bill/Resolution No.:</b><br>HB 948  | <b>Committee Referral:</b><br>WLO/HSG | <b>Date:</b><br>3/2/09 |             |                |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.  |                                       |                        |             |                |
| <b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |                                       |                        |             |                |
| <b>WLO Members</b>   | <b>Ayes</b>                           | <b>Ayes (WR)</b>       | <b>Nays</b> | <b>Excused</b> |
| 1. ITO, Ken (C)  | X                                     |                        |             |                |
| 2. HAR, Sharon E. (VC)   |                                       |                        |             | X              |
| 3. CABANILLA, Rida   | X                                     |                        |             |                |
| 4. CHANG, Jerry L.   |                                       |                        |             | X              |
| 5. CHONG, Pono   | X                                     |                        |             |                |
| 6. COFFMAN, Denny  | X                                     |                        |             |                |
| 7. HERKES, Robert N.   |                                       |                        |             | X              |
| 8. LEE, Chris  |                                       |                        |             | X              |
| 9. LUKE, Sylvia  |                                       |                        |             | X              |
| 10. MORITA, Hermina M.   |                                       |                        |             | X              |
| 11. SAGUM, Roland D., III  |                                       | X                      |             |                |
| 12. CHING, Corinne W.L.  | X                                     |                        |             |                |
| 13. THIELEN, Cynthia   | X                                     |                        |             |                |
| <b>TOTAL (13)</b>  | 6                                     | 1                      |             | 6              |
| <b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br><small>committee acronym(s)</small>  |                                       |                        |             |                |
| <b>Vice Chair's or designee's signature:</b>    |                                       |                        |             |                |
| <b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO  |                                       |                        |             |                |

State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

Record of Votes of the Committee on Housing

| Bill/Resolution No.:<br><b>HB 948</b>   | Committee Referral:<br><b>WLD/HSG</b> | Date:<br><b>3-2-09</b> |      |          |
|---|---------------------------------------|------------------------|------|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.   |                                       |                        |      |          |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |                                       |                        |      |          |
| HSG Members   | Ayes                                  | Ayes (WR)              | Nays | Excused  |
| 1. CABANILLA, Rida (C)  | Y                                     |                        |      |          |
| 2. CHONG, Pono (VC)   | X                                     |                        |      |          |
| 3. CHANG, Jerry L.  |                                       |                        |      | X        |
| 4. COFFMAN, Denny   | X                                     |                        |      |          |
| 5. HAR, Sharon E.   |                                       |                        |      | X        |
| 6. HERKES, Robert N.  |                                       |                        |      | X        |
| 7. ITO, Ken   | X                                     |                        |      |          |
| 8. LEE, Chris   |                                       |                        |      | X        |
| 9. LUKE, Sylvia   |                                       |                        |      | X        |
| 10. MORITA, Hermina M.  |                                       |                        |      | X        |
| 11. SAGUM, Roland D., III   | <del>92</del>                         | X                      |      |          |
| 12. CHING, Corinne W.L.   | X                                     |                        |      |          |
| 13. THIELEN, Cynthia  | X                                     |                        |      |          |
| <b>TOTAL (13)</b>   | <b>6</b>                              | <b>1</b>               |      | <b>6</b> |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br>committee acronym(s)   |                                       |                        |      |          |
| Vice Chair's or designee's signature: _____   |                                       |                        |      |          |
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