

STAND. COM. REP. NO.

2508

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2525
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Housing and Government Operations, to which was referred S.B. No. 2525 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the East Kapolei Community Development District under the Hawaii Community Development Authority;
- (2) Repeal the laws relating to the Kakaako Community Development District and replaces members representing the Kakaako Community Development District of the Hawaii Community Development Authority with members representing the East Kapolei Community Development District; and
- (3) Make conforming amendments to reflect the repeal of the Kakaako Community Development District under the Hawaii Community Development Authority.

Your Committees received testimony in support of this measure from the Ho'omanapono Political Action Committee and Ho'omana Pono, LLC. Your Committees received testimony in opposition to this



measure from Hawaii's Thousand Friends, The Friends of Makakilo, and five individuals. Your Committees received comments on this measure from the Hawaii Community Development Authority and Department of Planning and Permitting of the City and County of Honolulu.

Your Committees find that the Hawaii Community Development Authority was established to meet the vast community development needs of providing suitable affordable housing, sufficient commercial and industrial facilities for rent, residential areas that have facilities necessary for basic liveability, such as parks and open space, and areas that are planned for mixed uses. The Authority manages three community development districts, including the Kakaako Community Development District, Kalaeloa Community Development District, and Heeia Community Development District and these community development districts are designated by law as areas dedicated for replanning, renewal, or redevelopment. After the designation, the Hawaii Community Development Authority is required to develop a community development plan, which includes community development guidance policies, a district-wide improvement program, and community development rules.

Your Committees further find that the East Kapolei Neighborhood transit-oriented development plan up for approval by the Honolulu City Council of the City and County of Honolulu presents a unique opportunity to create a sustainable, responsible, and integrated community for Oahu. The goal of the East Kapolei Neighborhood transit-oriented development plan is to foster more livable communities that take full advantage of the benefits of transit by specifically reducing transportation costs for residents, businesses, and workers. In order to create the neighborhood that the East Kapolei Neighborhood transit-oriented development plan envisions, development of new infrastructure and retrofitting of existing infrastructure are necessary in the East Kapolei area. If designated as a community development district, this measure would allow the East Kapolei area to greatly benefit from a community development plan that would enable the East Kapolei Neighborhood transit-oriented development plan to more efficiently and effectively come to fruition.

Your Committees also find that after finding that the Kakaako area is of economic importance to the State, the Legislature



designated the Kakaako Community Development District to preserve and enhance the value and potential of the area. However, since 1976, when the Kakaako Community Development District was established by law, the Kakaako area has gone through extensive replanning, renewal, and redevelopment, including plans to allow for development along the proposed rail transit line. In light of this completed and continuing development and redevelopment in the Kakaako area, this measure repeals the Kakaako Community Development District so that the Hawaii Community Development Authority may be a lead agency in the coordination and development of the East Kapolei area.

Your Committees note the written comments submitted by the Hawaii Community Development Authority that dissolving the Kakaako Community Development District may jeopardize projects still in development, cause the Authority to be in breach of existing contracts and financial commitments, and jeopardize the status of the affordable housing units that the Authority owns and manages or are currently in development. Thus, the Authority testified to your Committees the need for a study to determine the most feasible and efficient method to unwind all the issues related to the Kakaako Community Development District. Furthermore, your Committees believe that repealing the Kakaako Community Development District and replacing this district with a new district by establishing the East Kapolei Community Development District under the Hawaii Community Development Authority merits further discussion by your Committee on Ways and Means if the Committee schedules this measure for a public hearing.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language that requires the Hawaii Community Development Authority to develop a transitional master plan for the Kakaako Community Development District to transition into dissolution and be repealed;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the records of votes of the members of your Committees on Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2525, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2525, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Housing and
Government Operations,



DONNA MERCADO KIM, Chair



WILL ESPERO, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 2525	Committee Referral: HOU/GVO, WAM	Date: 2/15/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
GREEN, Josh				✓
KAHELE, Kaiali'i	✓			
NISHIHARA, Clarence K.				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Harit</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

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The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	X			
RUDERMAN, Russell E. (VC)		X		
GALUTERIA, Brickwood	X			
KEITH-AGARAN, Gilbert S.C.	X			
RHOADS, Karl	X			
TOTAL	<i>4</i>	<i>1</i>	<i>0</i>	<i>0</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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