



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKAOKO  
KALAELOA

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STATEMENT OF  
**GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR**  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
BEFORE THE  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 21, 2018  
10:10 A.M.  
State Capitol, Conference Room 211

in consideration of

**SB 2525, SD1**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT**  
**AUTHORITY**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the  
Committee.

The Hawaii Community Development Authority (HCDA) board meets once a month and has not yet taken a position on this bill. However, as the interim executive director I appreciate the opportunity to provide **comments** on SB 2525, SD1 which would establish the east Kapolei community development district under the HCDA, and repeal the laws relating to the Kakaako community development district (KCDD). As a vehicle for transit oriented development areas, HCDA prefers SB 2943.

HCDA is supportive of the legislature's ideas to create dynamic urban environments that integrate transit, create multi-modal and interconnected diverse communities. However, additional positions and funding will be needed to implement a new district. HCDA estimates a new district would require 4.5 FTE at \$520,000/year along with operating costs of \$500,000/year.

In addition, SB 2525, SD1 repeals laws relating to the Kakaako Community Development District. While HCDA's board has begun investigating

how to close out the district, it is premature to repeal the law and we would suggest a study be commissioned to determine how best to unwind all issues in Kakaako.

In Kakaako, HCDA has strived to develop a vibrant mixed-use community with a wide range of housing options, business ventures and open green public spaces by regulating and zoning the district according to the KCDD Plans and Rules.

There are several development permits that have been issued, but the projects have not gone to construction yet. This creates an obligation on the part of the state, for which the state could be held liable.

The Howard Hughes Corporation (HHC) and Kamehameha Schools (KS) are the two largest private land owners in the district. HHC and KS each developed Master Plans that have been approved by HCDA and while several housing projects have been completed, other projects to both Master Plans are pending, underway, or yet to be presented for approval. The state through HCDA has made a commitment to allow both HHC and KS to implement its master plans. Repealing the Kakaako district could pose legal problems that must be fully investigated.

In addition, HHC and KS have agreed to provide affordable housing units (140% AMI and below.) The repeal of the Kakaako district could mean the obligation to provide affordable housing units will be repealed as well, along with provisions for HHC and KS to provide a dedication for public facilities.

HHC has dedicated approximately 69,000 sq. ft. of land for public facilities. If this legislation passes this dedicated public facilities land may have to be

returned and/or HHC may have to be compensated for it. Kamehameha Schools has an approximate \$11 million credit in public facilities dedication.

In Kakaako, HCDA owns and manages several properties. Among these lands are two affordable housing projects still in their infancy – Nohona Hale, 105 affordable micro-units which will be available for rent to those earning 30-60% AMI, and Ola Ka Ilima Artspace Lofts, 84 affordable rental units for those with an AMI of 60% or below. If the Kakaako District is repealed, these projects will be thrown into limbo.

HCDA also owns land at Kewalo Basin, Honuakaha (senior housing), The Historic Pump Station, and several parks.

In order to benefit the state's affordable housing stock, HCDA has approximately \$73 million in reserved housing equity sharing, which, as reserved housing units in the district are sold, could be tapped for more affordable housing. If the district is repealed, the public could lose out on a future resource to provide more affordable housing. The money is currently not available as it only accumulates as owners of reserved housing sell their units and share their equity with HCDA. In the past, this money was used to help the Halekauwila Place affordable housing project with a loan.

There is a great need for affordable housing in Hawaii. HCDA is concerned that if the Kakaako community development district ceases to exist the Reserved Housing program in the district would be lost.

HCDA also owns many roadway parcels in Kakaako. It is unclear whether the city would accept the roads, so a repeal of the district could leave the roads in limbo, while the state is obligated to maintain a storm water program in the area.

At Kewalo Basin Harbor, a redevelopment project is underway, and a repeal would affect boat owners, business owners and HHC that is planning to lease and improve two parcels on the property,

Therefore, HCDA requests a study be commissioned to sort these issues and more before a repeal of the district is considered.

Thank you for the opportunity to provide **comments** on SB 2525, SD1.



## Hawaii's Thousand Friends

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February 21, 2018

### COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S. C. Keith-Agaran, Vice Chair

Aloha,  
Chair, Dela Cruz  
Vice Chair, Keith-Agaran  
Committee Members

#### SB 2525 SD1 RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Hawaii's Thousand Friends opposes SB 2525 that creates the East Kapolei Community Development District.

When adopted by the legislature in 1976 the original purpose for creating the Hawai'i Community Development Authority was "many urban areas of the State were substantially underdeveloped or blighted and in need of urban renewal, renovation or improvements to alleviate such conditions as dilapidation, deterioration, age, and other such factors or conditions which make such areas an economic or social liability."

Amendments passed in 1985 and 1993 dropped the word urban so underdeveloped, blighted, renewal, renovation or improvement now refers to all zoning – agriculture, rural, country, conservation/preservation.

The East Kapolei Community Development District, whose boundaries are identified in the East Kapolei Neighborhood Transit Oriented Development (TOD) Plan, is neither blighted nor in need of renewal.

The area is empty former agricultural land recently designated to urban and slated for new development within a ½ mile radius of three rail stations – Ho`opili station, UH West Oahu, station and East Kapolei Station.

East Kapolei is neither underdeveloped, blighted nor in need of improvements. Proposed *new* development for this area, under Transit-Oriented Zoning, includes *new* BMX-3 Community Business Mixed-Use, *new* retail, business services, *new* multifamily dwellings and *new* IMX-1 Industrial-Commercial Mixed Use District.

If SB 2525 SD1 is passed which planning entity the Redevelopment Committee or the City will oversee implementation of the City Charter mandated Ewa Development Plan?

We need to be careful that public processes are in place that protects the public interest. We see no inherent value in changing the present governance. In fact, there are pitfalls. Accordingly we are opposed to the bill.

**SB-2525-SD-1**

Submitted on: 2/17/2018 10:01:06 PM

Testimony for WAM on 2/21/2018 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We continue to STRONGLY SUPPORT this bill. Historically, many native Hawaiians lived in Kaka'ako, but, as immigration expanded, native Hawaiians were pushed out of Kaka'ako, "for the better good"! Of who? Not native Hawaiians! During the Lingle Administration, a settlement was reached with the Office of Hawaiian Affairs, in which land in Kaka'Ako were given over to OHA as for payment of past 5(f) revenues from "ceded" lands. Unfortunately, that "deal" was a purely `OPALA deal! Though the "government " valued the lands at over 250 million, due to the site being the former Incinerator & refuse dump, the site has major soil contamination & sever building restrictions. On top of that, the new Kaka'ako Hui has fought against native Hawaiians in our attempt to build anything on those sites of our own choosing, even though we own the property & are the FIRST PEOPLE'S of this land. Now the Kaka'ako Hui wants to Ku'e this bill as well!!! Which if passed would greatly benefit native Hawaiians living in the Honesteads of Kapolei to have a seat at the table with respect to Kaka'ako. It must be remembered that part of the rail, sits directly on DHHL lands, Bebe ficiaries must have a say in TOD development with this rail. Mahalo.

**SB-2525-SD-1**

Submitted on: 2/16/2018 10:58:54 PM

Testimony for WAM on 2/21/2018 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Oppose	No

Comments:

The Kaka'ako district is essential to the development of Kaka'ako and environs. Thanks to it Kaka'ako is becoming a community, with residents, busiensses, and an economic engine linking downtown and Waikiki. This bill is short sighted. It is an affront to those who live, work, and play in the area. It is an affront to those who care about the area, who spend much time working to make it a vibrant, livable community. There are many projects in the works which will be jeopardized if this bill becomes law. This bill needs to die.

Lynne Matusow



Sharon Y. Moriwaki  
425 South St  
Honolulu, Hawaii 96813

Testimony Before the  
Senate Committees on Ways and Means

**In Opposition of SB 2525, SD1, Relating to the Hawaii Community Development Authority**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members,

My name is Sharon Y Moriwaki. I have been a resident of Kaka'ako for the past 10 years and am president of Kaka'ako United, a voluntary citizen group working to ensure quality development in the Kaka'ako Community Development District. This session we have strongly supported SB2951 to ensure fair and responsive representation of the community district.

In contrast, **SB 2525, SD 1**, deletes the existing Kaka'ako Community Development District and its current members and replaces same with a new community development district – East Kapolei – to be added to the Hawaii Community Development Authority (HCDA) jurisdiction. The amended bill attempts to address the serious concerns raised at the previous joint committee hearing by adding a section directing HCDA to develop a transitional master plan. However, the sudden dissolution of the Kaka'ako community development district remains in the bill. There is no date for the plan development and execution, which should occur *prior* to the termination of the Kaka'ako community development district.

We in the Kaka'ako Community Development District have experienced rapid changes over the past five years and appreciate our HCDA representatives who understand and have brought oversight and stability to our community. HCDA has master plans for our Mauka and Makai areas, including permits and contracts governing the quality of our community. These should continue. Any change to Kaka'ako's governance and organizational location should come only after a thorough study and plan are executed so that we do not lose the positive developments made and that are in progress in Kaka'ako.

**SB 2525, SD1**, would tear asunder a community in the heart of downtown Honolulu. We don't know how the community residents of East Kapolei feel about being wrested from oversight and long range planning by the City & County of Honolulu, but such sudden displacement without more justification, would not be in the best interests of community development nor of our people.

For the above reasons, I and my fellow residents continue to oppose **SB2525, SD1**; and respectfully urge that the bill be held. In the alternative, if the residents of East Kapolei, and the HCDA concurs, are strongly committed to being a community development district under the state jurisdiction of HCDA, we recommend the bill add a new section for East Kapolei. Until a more careful study and plan for the future of Kaka'ako is fully reviewed and vetted, the current Kaka'ako Community Development District should remain as provided in sections 206E-3 (b)(9) and (c )(3),HRS.

Thank you for the opportunity to testify.