

STAND. COM. REP. NO. 429

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1334
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Hawaiian Affairs and Housing, to which was referred S.B. No. 1334 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) Allow the raising of the building height limit for two of the six parcels owned by the Office of Hawaiian Affairs in the Kakaako Makai area to four hundred feet; and
- (2) Lift the current restriction against residential development in Kakaako Makai to allow residential development by the Office of Hawaiian Affairs or by third parties to which the Office of Hawaiian Affairs conveys the parcels.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaiian Community Development, Kūpuna for the Mo'opuna, Association of Hawaiian Civic Clubs, Ke One o Kākuhihewa - O'ahu Council of the Association of Hawaiian Civic Clubs, and twenty-five individuals. Your Committees received testimony in opposition to this measure from Free Access Coalition; Friends of Kewalos; Common Ground Hawaii;



Hawaii's Thousand Friends; Mālama Moana; Kaka'ako Makai Community Planning Advisory Council, Kaka'ako United; Life of the Land; The Outdoor Circle, and eighty-six individuals. Your Committees received comments on this measure from the Hawaii Community Development Authority, O'ahu Island Parks Conservancy, Historic Hawai'i Foundation, and one individual.

Your Committees find that Act 15, Session Laws of Hawaii 2012 (Act 15), conferred to the Office of Hawaiian Affairs parcels of land in Kakaako Makai to settle certain claims against the State regarding the Office of Hawaiian Affairs' longstanding claims to income and proceeds from ceded lands. The property identified in Act 15 is virtually contiguous, suited for master planning, and is in an area of Honolulu that is already experiencing significant redevelopment. Increasing the revenue stream on these commercial lands will provide a greater sum to fund the Office of Hawaiian Affairs' programs and services for its beneficiaries, including direct grants, advocacy services, and legacy land stewardship.

Your Committees further find that the ten parcels in Kakaako Makai were appraised at \$200,000,000. For the Office of Hawaiian Affairs to realize the full value of these lands, the Office of Hawaiian Affairs must have the ability to construct residential developments. In 2006, however, the Legislature banned residential development in the Kakaako Makai area in response to community concerns regarding preserving open space. In effect, this residential prohibition means that the Office of Hawaiian Affairs, an agency solely dedicated to serving the Native Hawaiian population, cannot develop housing and housing-associated projects makai of Ala Moana. Therefore, lifting this prohibition would create parity for the Office of Hawaiian Affairs with these mauka landowners by affording the agency the same land use options for its parcels as enjoyed by its neighbors.

Your Committees also find that the Office of Hawaiian Affairs testified that the State's contemporaneous appraisal of the value of the lands in Kakaako Makai transferred to the Office of Hawaiian Affairs pursuant to Act 15, included assumptions that appear to imply that residential development of the area was contemplated at that time.

In 2012, legislators proposed separate legislation that would have provided the Office of Hawaiian Affairs the right to develop



housing on two of the parcels that would be conveyed, thus adding to their value. While the Office of Hawaiian Affairs was appreciative of these efforts, the Office of Hawaiian Affairs was concerned that that the residential issue would impair the passage of the settlement. While Act 15 was passed into law, the residential restrictions on the parcels conveyed were not lifted. However, your Committees on Judiciary and Labor and Ways and Means acknowledged the values of the properties and believed that property values could be enhanced by certain entitlements that, while not specifically provided for in Act 15, could be obtained at a future date. As a result, this measure exempts the Office of Hawaiian Affairs from the residential development restrictions on certain parcels located in Kakaako Makai for the Office of Hawaiian Affairs to realize the full value of these lands.

Your Committees find that considering a drastically changing and challenging economic environment, the Office of Hawaiian Affairs is considering the development of Kakaako Makai lands as its top priority. In 2016, the Office of Hawaiian Affairs was presented a conceptual master plan, which provided for a scenario with residential development. Over the last year, the Office of Hawaiian Affairs has been revisiting plans for their Kakaako Makai lands, including updating their development master plan to explore a host of development scenarios to maximize revenues in Kakaako Makai to best serve beneficiaries by offering housing, economic development opportunities, integration of commerce and culture, and a better sense of place and community in the revitalized core of urban Honolulu.

Your Committees have heard testifiers' concerns about the Office of Hawaiian Affairs further developing the Kakaako Makai area. Your Committees recognize the Office of Hawaiian Affairs has a proven track record of ensuring that Native Hawaiians participate in and benefit from responsible stewardship throughout the Hawaiian Islands. Through its ownership of both legacy and commercial properties, the Office of Hawaiian Affairs has proven to create economic value, preserve cultural and natural resources and historic properties, and provide cultural and social opportunities for Native Hawaiians in a sustainable and balanced manner. Your Committees find that this measure will not result in the additional sale of public land, and the areas in question do not constitute public lands, which would affect potential shoreline access rights. Nevertheless, the Office of Hawaiian



Affairs is dedicated to proper stewardship of its properties in a way that creates value for its beneficiaries.


Your Committees have also heard testifiers' concerns about the impact of climate change and sea level rise on the Kakaako Makai development. The Kakaako Makai properties are at a higher elevation than the cross streets and main streets that lay mauka of the peninsula; thus, climate change and sea level rise are predicted to affect Kakaako Makai parcels in other areas of Honolulu located further inland. A 2012 study identified ten design features to minimize future risks due to climate change and sea level rise, including drainage problems that may come from rainfall, groundwater rising, and ocean water flooding.

Your Committees have amended this measure by 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 Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1334, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1334, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Hawaiian Affairs
and Housing,



STANLEY CHANG, Chair


MAILE S.L. SHIMABUKURO, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1334	HWN/HOU, JDC/WAM	2/16/21		
<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
SHIMABUKURO, Maile S.L. (C)	X			
KEOHOKALOLE, Jarrett (VC)	X			
ACASIO, Laura			X	
IHARA, Jr., Les			X	
FEVELLA, Kurt	X			
TOTAL	3		2	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;">  </div>				
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
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1334	HWN/HOU, JDC	2/16/21		
<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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.			✓	
RHOADS, Karl		✓		
FEVELLA, Kurt	✓			
TOTAL	3	1	1	0
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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