
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

PART I

SECTION 1. The legislature finds that the office of Hawaiian affairs was established under article XII, section 5, of the Hawaii State Constitution to "hold title to all the real and personal property now or hereafter set aside or conveyed to it which shall be held in trust for native Hawaiians and Hawaiians." The office of Hawaiian affairs' board of trustees is authorized by article XII, section 6, of the Hawaii State Constitution "to manage and administer the proceeds from the sale or other disposition of the lands . . . and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article [the public land trust] for native Hawaiians." The board of trustees is also authorized under article XII, section 6, "to exercise control over real and personal property set aside by state,



1 federal or private sources and transferred to the board for
2 native Hawaiians and Hawaiians."

3 In section 1 of Act 15, Session Laws of Hawaii 2012
4 (Act 15), the legislature found that a purpose of the Act was
5 to:

6 [E]ffectively and responsibly fulfill the constitutional
7 obligation to native Hawaiians under article XII,
8 sections 4 and 6, of the State Constitution between
9 November 7, 1978, up to and including June 30, 2012 . . .
10 and providing additional resources to the office in the
11 form of fee simple title to certain parcels of land[.]

12 In the same section of Act 15, the legislature declared that the
13 "[c]onveyance of the fee simple interest to the lands . . . will
14 allow the State to effectively and responsibly meet [those]
15 constitutional obligations to native Hawaiians."

16 Further, section 2 of Act 15 stated, "the fee simple
17 interest to the . . . parcels of land . . . is conveyed to the
18 office of Hawaiian affairs as grantee, as of July 1, 2012, as
19 is, where is[.]" In the same section of Act 15, however, the
20 legislature specifically directed that, "[t]he [properties] are
21 and shall remain (even after conveyance to the office) under the



1 jurisdiction and authority of the Hawaii community development
2 authority, with respect to zoning, land use conditions[,] and
3 all other matters over which the authority has jurisdiction and
4 authority to act" and "shall be subject to all laws, except
5 sections 206E-8, 206E-10, 206E-34, Hawaii Revised Statutes, and
6 otherwise provided in this Act."

7 Particularly pertinent to the purpose of Act 15, in
8 section 6, the legislature further declared that:

9 The [p]roperties conveyed by this Act shall be deemed
10 income and proceeds from the public land trust, as if
11 the [p]roperties had been paid out of the income and
12 proceeds from the public land trust pursuant to
13 article XII, section 6 of the Hawaii State Constitution.

14 Relying on its board of trustees' authority to "exercise
15 control" over lands that the office of Hawaiian affairs holds in
16 trust for native Hawaiians and to "manage and administer" the
17 income and proceeds from the public land trust lands it
18 receives, the office of Hawaiian affairs has asked the
19 legislature to enact this Act to allow the office of Hawaiian
20 affairs to maximize the income or proceeds that certain parcels
21 of land conveyed by Act 15 could generate for the purposes of



1 bettering the conditions of native Hawaiians, by allowing the
2 parcels to be developed for residential use.

3 The legislature further finds that the ongoing
4 transformation of Kakaako into a place where the people of
5 Honolulu can live, work, and play should increase the revenue
6 generating potential of the land conveyed to the office of
7 Hawaiian affairs by Act 15 and concomitantly increase the number
8 of programs and kinds of services for which the office of
9 Hawaiian affairs was created and is able to provide for native
10 Hawaiians. The legislature further finds that even more revenue
11 could be generated to provide programs and services to better
12 the conditions of native Hawaiians if the office of Hawaiian
13 affairs were permitted to develop some or all of the parcels it
14 received under Act 15 for residential use.

15 The legislature agrees that the residential development
16 restriction to which the parcels transferred to the office of
17 Hawaiian affairs by Act 15 were and continue to be subject
18 should be lifted for certain parcels to the extent necessary to
19 allow the office of Hawaiian affairs to realize the maximum
20 income or proceeds that those parcels could generate if they
21 were developed for residential use.



1 The legislature further finds that the State continues to
2 suffer from a shortage of affordable housing with fewer families
3 able to afford to buy or rent a home in the State. Hawaii is
4 the most expensive state in the nation for housing, with its
5 housing costs being 2.7 times the national average. Housing
6 costs in the State have tripled since 1990, resulting in a
7 \$850,000 median price for a single-family home. This price
8 equates to a \$252,000 annual income needed to afford a new
9 median priced home and fewer than one in three households in the
10 State meet that income threshold. In addition, Native Hawaiians
11 suffer disproportionately from this lack of affordable housing.
12 Native Hawaiians have the highest rate of poverty and the lowest
13 median household income of the major ethnic groups in the State,
14 causing many to become homeless or to leave the State.
15 Therefore, it is essential that a certain percentage of the
16 residential units developed on certain parcels of land conveyed
17 to the office of Hawaiian affairs pursuant to Act 15 be
18 workforce housing allocated to households within a certain
19 income range.

20 The legislature also acknowledges that Act 172, Session
21 Laws of Hawaii 2023, appropriated funds into and out of the



1 school facilities special fund to construct housing prioritized
2 for teachers, educators, and staff. Likewise, the legislature
3 finds that priority for the workforce housing developed on
4 certain parcels of lands conveyed to the office of Hawaiian
5 affairs pursuant to Act 15 should be given to certain essential
6 workforce in the area.

7 Furthermore, the legislature acknowledges the extensive
8 planning and community outreach efforts by the Kakaako community
9 planning advisory council, which resulted in the 2011 Kakaako
10 Makai Conceptual Master Plan; the office of Hawaiian affairs'
11 efforts, which produced the 2013 Kakaako Makai Strategic
12 Management Plan; and the Hawaii community development
13 authority's work and adoption of the 2017 Kakaako Makai Area
14 Parks Master Plan and the 2023 Kakaako Community Development
15 District Makai Area Plan. The legislature strongly encourages
16 the office of Hawaiian affairs to incorporate development
17 concepts from these various plans into its master plan
18 development proposal for Kakaako makai to create a live, work,
19 and play community that addresses the recreational, cultural,
20 educational, economic, and workforce housing needs of the State.



1 Finally, the legislature finds that inasmuch as this Act
2 furthers one of the principle purposes for which the office of
3 Hawaiian affairs was established as a state agency, its
4 provisions should be deemed consistent with and not violative of
5 article XI, section 5, of the Hawaii State Constitution.

6 The purpose of this part is to enhance the revenue
7 generating capacity of certain parcels of land in the Kakaako
8 makai area, including parcels that were conveyed to the office
9 of Hawaiian affairs pursuant to Act 15 while making housing
10 available to the essential workforce in the area by:

- 11 (1) Clarifying the process by which the Hawaii community
12 development authority may approve residential
13 development on certain parcels of Kakaako makai;
- 14 (2) Raising the building height limit and the maximum
15 floor area ratio on certain parcels;
- 16 (3) Requiring fifty per cent plus one of the residential
17 units developed on certain parcels to be allocated to
18 households with income at or below one hundred forty
19 per cent of the area median income in perpetuity, with
20 priority given to individuals who are essential
21 workers working within a five-mile radius of Kakaako



makai, including but not limited to essential workers working for an employer in the health care, hospitality, education, law enforcement, civil service, or construction industry;

(4) Limiting the sale of residential units developed in certain residential developments to prospective owner-occupants; and

(5) Establishing a Kakaako makai special account in the office of Hawaiian affairs special fund and association fee to fund various services and projects in the Kakaako makai area.

SECTION 2. Chapter 206E, Hawaii Revised Statutes, is amended by adding three new sections to part II to be appropriately designated and to read as follows:

"§206E-A Limited residential development in Kakaako; public hearing; height limit; disclosures; nuisance mitigation; workforce housing. (a) If the authority finds that a developer's plan or proposal for a residential development in that portion of the Kakaako community development district makai of Ala Moana boulevard and between Kewalo basin and the foreign trade zone is reasonable and consistent with the development



rules and policies of the Kakaako community development district, then the authority may approve the proposed residential development project; provided that approval may be granted only after the applicant seeking approval conducts public hearings pursuant to subsection (b) and section 206E-5.6.

(b) An applicant seeking approval of a plan or proposal for any residential development pursuant to this section shall hold a public hearing before submitting the plan or proposal to the authority. Notice shall be published in accordance with section 1-28.5, at least thirty days before the hearing. The notice shall include:

(1) The date, time, and place of the hearing;

(2) A statement of the topic of the hearing; and

(3) A description of where, when, and how the residential development proposal may be viewed by the public.

All interested persons may submit data or opinions, orally or in writing, in conjunction with the hearing.

(c) An applicant seeking approval of a plan or proposal for residential development pursuant to this section shall submit the following before submitting its plan or proposal to the authority:



1 (1) A completed environmental impact statement pursuant to
2 chapter 343;

3 (2) Documentation of all requirements being met pursuant
4 to part III of chapter 205A for parcels within the
5 shoreline area; and

6 (3) Documentation from the department of health verifying
7 that the applicant has adequately removed or capped
8 any hazardous substances, pollutants, or contaminants
9 present on a parcel pursuant to chapter 128D and any
10 rules that the department of health has adopted
11 thereunder.

12 (d) The authority shall, before approving any plan or
13 proposal for residential development pursuant to this section:

14 (1) Hold a public hearing; and

15 (2) Fully consider all written and oral submissions
16 received at the public hearings held by the applicant
17 and the authority.

18 (e) Any other law to the contrary notwithstanding, the
19 building height limit shall be four hundred feet and the maximum
20 floor area ratio shall not exceed 10.0 for any residential
21 development approved by the authority on the parcels bounded by



1 Ala Moana boulevard, Ilalo street, Ward avenue, and Forrest
2 avenue pursuant to this section; provided that this subsection
3 shall only apply to parcels owned by the office of Hawaiian
4 affairs.

5 (f) Any plan or proposal for residential development
6 submitted to the authority for approval pursuant to this section
7 shall include an assessment and proposed mitigation plan for any
8 possible noise, odor, and other aircraft-related nuisances that
9 may affect the development. The office of Hawaiian affairs and
10 any person developing the residential development approved by
11 the authority pursuant to this section shall, before entering
12 into any lease agreement for any lot, parcel, structure, or unit
13 of a structure located within the development, provide written
14 notice to potential lessees and residents of the possible noise,
15 odor, and other aircraft-related nuisances.

16 (g) Any plan or proposal for residential development
17 submitted to the authority for approval pursuant to this section
18 shall include an assessment and proposed mitigation or
19 adaptation plan for any risk to the development due to its
20 location within a sea level rise exposure area. An applicant
21 shall use the sea level rise scenario that most closely



1 corresponds with the final year of the expected lifespan of the
2 development in its assessment and proposed mitigation or
3 adaptation plan.

4 (h) Any residential development approved by the authority
5 on the parcels bounded by Ala Moana boulevard, Ilalo street, and
6 Forrest avenue pursuant to this section shall allocate at least
7 fifty per cent plus one unit of the residential units in the
8 development to households with income at or below one hundred
9 forty per cent of the area median income in perpetuity, with
10 priority given to individuals who are essential workers working
11 within a five-mile radius of Kakaako makai, including but not
12 limited to essential workers working for an employer in the
13 health care, hospitality, education, law enforcement, civil
14 service, or construction industry; provided that nothing in this
15 subsection shall be construed to limit eligibility for
16 exemptions for housing developments under chapter 201H.

17 (i) Notwithstanding any other law to the contrary, no
18 residential unit in a residential development approved by the
19 authority pursuant to this section, shall be sold to any person
20 other than a prospective owner-occupant.

21 (j) For the purposes of this section:



1 "Owner-occupant" has the same meaning as defined in section
2 514B-95.

3 "Sea level rise exposure area" means the mapped zone on the
4 school of ocean and earth science technology coastal viewer, or
5 its successor, that displays the aggregate of certain coastal
6 hazard layers, including passive flooding, groundwater
7 inundation, emergent and shallow groundwater, drainage backflow,
8 annual high wave-driven flooding, compound flooding scenarios,
9 and future erosion hazard zones.

10 **\$206E-B Kakaako makai association fee.** The office of
11 Hawaiian affairs shall determine a Kakaako makai association fee
12 to be collected from residents, tenants, and lessees of certain
13 parcels of Kakaako makai identified in section 206E-A(a).

14 **\$206E-C Kakaako makai special account.** Kakaako makai
15 association fees collected pursuant to section 206E-B shall be
16 deposited into a special account in the office of Hawaiian
17 affairs special fund. Moneys from the special account shall be
18 used to fund various services and projects, including but not
19 limited to maintenance, improvements, free public parking for
20 park users, public beach access, security, and parks and open
21 spaces, for the Kakaako community development district makai of



1 Ala Moana boulevard and between Kewalo Basin and the foreign
2 trade zone, including the Kewalo Basin area. Disbursements from
3 the special account shall be made in accordance with procedures
4 adopted by the authority and approved by the director of
5 finance."

6 SECTION 3. Section 206E-12, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§206E-12 Dedication for public facilities as condition to**
9 **development.** (a) The authority shall establish rules requiring
10 dedication for public facilities of land or facilities, or cash
11 payments in lieu thereof, by developers as a condition of
12 developing real property pursuant to the community development
13 plan. Where state and county public facilities dedication laws,
14 ordinances, or rules differ, the provision for greater
15 dedication shall prevail.

16 (b) Rules adopted by the authority pursuant to subsection
17 (a) shall not apply to residential developments approved by the
18 authority pursuant to section 206E-A."

19 SECTION 4. Section 206E-31.5, Hawaii Revised Statutes, is
20 amended to read as follows:



1 **"§206E-31.5 Prohibitions.** Anything contained in this
2 chapter to the contrary notwithstanding, and except as provided
3 in section 206E-A(a), the authority is prohibited from:

4 (1) Selling or otherwise assigning the fee simple interest
5 in any lands in the Kakaako community development
6 district to which the authority in its corporate
7 capacity holds title, except with respect to:

8 (A) Utility easements;

9 (B) Remnants as defined in section 171-52;

10 (C) Grants to any state or county department or
11 agency;

12 (D) Private entities for purposes of any easement,
13 roadway, or infrastructure improvements; or

14 (E) Reserved housing as defined in section 206E-101;
15 or

16 (2) Approving any plan or proposal for any residential
17 development in that portion of the Kakaako community
18 development district makai of Ala Moana boulevard and
19 between Kewalo Basin and the foreign trade zone."

20 PART II



SECTION 5. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

"§206E- Tax increment financing; Hawaii community development authority; powers. (a) The authority may establish an infrastructure financing, implementation, and improvement district for the purpose of collecting state or county revenues generated by development within a district to fund or finance infrastructure improvements within the districts; provided that the use of any county revenues or county surcharge revenues shall require an executed agreement with the county that provides for the funding, financing, scheduling, and delivery of infrastructure improvements in accordance with an infrastructure implementation plan as approved by the state and county.

(b) For the purposes of this section:

"County" means the city and county of Honolulu.

"Infrastructure financing, implementation, and improvement district" means a contiguous or noncontiguous geographic area comprising lands within a transit-oriented development zone or outside of a transit-oriented development zone that is



1 delineated for the purpose of infrastructure funding or
2 financing under this section."

3 PART III

4 SECTION 6. Section 206E-31, Hawaii Revised Statutes, is
5 repealed.

6 ~~["~~§206E-31~~ Kakaako community development district;~~
7 ~~purposes. The legislature finds that:~~

- 8 ~~(1) The Kakaako district is centrally located in Honolulu~~
9 ~~proper, in close proximity to the central business~~
10 ~~district, the government center, commercial,~~
11 ~~industrial and market facilities, major existing and~~
12 ~~contemplated transportation routes and recreational~~
13 ~~and service areas;~~
- 14 ~~(2) Due to its present function as a service and light~~
15 ~~industrial area, the district is relatively~~
16 ~~underdeveloped and has especially in view of its~~
17 ~~proximity to the urban core where the pressure for all~~
18 ~~land uses is strong the potential for increased growth~~
19 ~~and development that can alleviate community needs~~
20 ~~such as low-income housing, parks and open space, and~~
21 ~~commercial and industrial facilities;~~



~~(3) The district, if not redeveloped or renewed, has the potential to become a blighted and deteriorated area. Due to its present economic importance to the State in terms of industry and subsequent employment, there is a need to preserve and enhance its value and potential;~~

~~(4) Kakaako has a potential, if properly developed and improved, to become a planned new community in consonance with surrounding urban areas.~~

~~In coordinating community development in the Kakaako district, the authority shall plan a mixed-use district whereby industrial, commercial, residential, and public uses may coexist compatibly within the same area.~~

~~The authority shall plan for the above uses, but shall also respect and support the present function of Kakaako as a major economic center, providing significant employment in such areas as light industrial, wholesaling, service, and commercial activity."]~~

SECTION 7. Section 206E-32, Hawaii Revised Statutes, is repealed.



1 ~~["§206E-32 District; established, boundaries.~~ The Kakaako
2 community development district is established. The district
3 shall include that area bounded by King Street; Piikoi Street
4 from its intersection with King Street to Ala Moana Boulevard;
5 Ala Moana Boulevard, inclusive, from Piikoi Street to its
6 intersection with the Ewa boundary of Ala Moana Park also
7 identified as the Ewa boundary of tax map key 2-3-37:01; the Ewa
8 boundary of tax map key 2-3-37:01 from its intersection with Ala
9 Moana Boulevard to the shoreline; the shoreline from its
10 intersection with the property line representing the Ewa
11 boundary of property identified by tax map key 2-3-37:01 to the
12 property line between Pier 2 and Pier 4; the property line
13 between Pier 2 and Pier 4 from its intersection with the
14 shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its
15 intersection with the property line between lands identified by
16 Pier 2 and Pier 4 to Punchbowl Street; and Punchbowl Street to
17 its intersection with King Street; provided that the following
18 parcels at Pier 1 and Pier 2 shall be deleted from the Kakaako
19 community development district boundaries and conveyed to the
20 department of land and natural resources to be set aside for the
21 department of transportation and the foreign trade zone division



1 ~~of the department of business, economic development, and~~
2 ~~tourism, to ensure continued maritime and foreign commerce use:~~
3 ~~all of lot 3 and parcels 2, 3-A, A, and B of the Forrest Avenue~~
4 ~~subdivision, as shown on the map filed with the bureau of~~
5 ~~conveyances of the State of Hawaii as file plan 2335; and lots~~
6 ~~A-1 and A-2, as shown on map 2, filed in the office of the~~
7 ~~assistant registrar of the land court of the State of Hawaii~~
8 ~~with land court application 1328; and provided further that all~~
9 ~~existing easements affecting and appurtenant to the parcels to~~
10 ~~be deleted from the Kakaako community development district~~
11 ~~boundaries shall not be affected by this change.~~

12 ~~The district shall also include that parcel of land~~
13 ~~identified by tax map key 2-1-14:16, situated mauka of Pier 6~~
14 ~~and Pier 7 and makai of Nimitz Highway, being the site for the~~
15 ~~existing Hawaiian Electric power plant and related facilities."]~~

16 SECTION 8. Section 206E-33, Hawaii Revised Statutes, is
17 repealed.

18 ~~["§206E-33 Kakaako community development district;~~
19 ~~development guidance policies. The following shall be the~~
20 ~~development guidance policies generally governing the~~



~~authority's action in the Kakaako community development
district:~~

~~(1) Development shall result in a community which permits
an appropriate land mixture of residential,
commercial, industrial, and other uses. In view of
the innovative nature of the mixed use approach, urban
design policies should be established to provide
guidelines for the public and private sectors in the
proper development of this district; while the
authority's development responsibilities apply only to
the area within the district, the authority may engage
in any studies or coordinative activities permitted in
this chapter which affect areas lying outside the
district, where the authority in its discretion
decides that those activities are necessary to
implement the intent of this chapter. The studies or
coordinative activities shall be limited to facility
systems, resident and industrial relocation, and other
activities with the counties and appropriate state
agencies. The authority may engage in construction
activities outside of the district; provided that such~~



1 ~~construction relates to infrastructure development or~~
2 ~~residential or business relocation activities;~~
3 ~~provided further, notwithstanding section 206E-7, that~~
4 ~~such construction shall comply with the general plan,~~
5 ~~development plan, ordinances, and rules of the county~~
6 ~~in which the district is located;~~

7 ~~(2) Existing and future industrial uses shall be permitted~~
8 ~~and encouraged in appropriate locations within the~~
9 ~~district. No plan or implementation strategy shall~~
10 ~~prevent continued activity or redevelopment of~~
11 ~~industrial and commercial uses which meet reasonable~~
12 ~~performance standards;~~

13 ~~(3) Activities shall be located so as to provide primary~~
14 ~~reliance on public transportation and pedestrian~~
15 ~~facilities for internal circulation within the~~
16 ~~district or designated subareas;~~

17 ~~(4) Major view planes, view corridors, and other~~
18 ~~environmental elements such as natural light and~~
19 ~~prevailing winds, shall be preserved through necessary~~
20 ~~regulation and design review; provided that no portion~~



1 ~~of any building or structure in the Kakaako Mauka area~~
2 ~~shall exceed four hundred eighteen feet in height;~~

3 ~~(5) Redevelopment of the district shall be compatible with~~
4 ~~plans and special districts established for the Hawaii~~
5 ~~Capital District, and other areas surrounding the~~
6 ~~Kakaako district;~~

7 ~~(6) Historic sites and culturally significant facilities,~~
8 ~~settings, or locations shall be preserved;~~

9 ~~(7) Land use activities within the district, where~~
10 ~~compatible, shall to the greatest possible extent be~~
11 ~~mixed horizontally, that is, within blocks or other~~
12 ~~land areas, and vertically, as integral units of~~
13 ~~multi-purpose structures;~~

14 ~~(8) Residential development may require a mixture of~~
15 ~~densities, building types, and configurations in~~
16 ~~accordance with appropriate urban design guidelines;~~
17 ~~integration both vertically and horizontally of~~
18 ~~residents of varying incomes, ages, and family groups;~~
19 ~~and an increased supply of housing for residents of~~
20 ~~low or moderate income may be required as a condition~~
21 ~~of redevelopment in residential use. Residential~~



1 ~~development shall provide necessary community~~
2 ~~facilities, such as open space, parks, community~~
3 ~~meeting places, child care centers, and other~~
4 ~~services, within and adjacent to residential~~
5 ~~development;~~

6 ~~(9) Public facilities within the district shall be~~
7 ~~planned, located, and developed so as to support the~~
8 ~~redevelopment policies for the district established by~~
9 ~~this chapter and plans and rules adopted pursuant to~~
10 ~~it; and~~

11 ~~(10) Development shall consider the impacts of climate~~
12 ~~change, sea level rise, and climate-resilient~~
13 ~~development in the design and siting of buildings."]~~

14 SECTION 9. Section 206E-34, Hawaii Revised Statutes, is
15 repealed.

16 ~~["**S206E-34 Cultural public market.**"] (a) There shall be~~
17 ~~established within the Hawaii community development authority a~~
18 ~~state cultural public market.~~

19 ~~(b) The cultural public market shall be located on state~~
20 ~~land within the Kakaako Makai area and developed pursuant to~~



1 ~~sections 206E-31, 206E-32, and 206E-33. A public parking lot~~
2 ~~shall be included.~~

3 ~~(c) The Hawaii community development authority shall:~~

4 ~~(1) Designate and develop the state-owned land for the~~
5 ~~cultural public market;~~

6 ~~(2) Accept, for consideration, input regarding the~~
7 ~~establishment of the cultural public market from the~~
8 ~~following departments and agencies:~~

9 ~~(A) The department of agriculture;~~

10 ~~(B) The department of business, economic development,~~
11 ~~and tourism;~~

12 ~~(C) The department of land and natural resources;~~

13 ~~(D) The department of labor and industrial relations;~~
14 ~~and~~

15 ~~(E) The Hawaii tourism authority;~~

16 ~~(3) Consider and determine the propriety of using public-~~
17 ~~private partnerships in the development and operation~~
18 ~~of the cultural public market;~~

19 ~~(4) Develop, distribute, and accept requests for proposals~~
20 ~~from private entities for plans to develop and operate~~
21 ~~the cultural public market; and~~



~~(5) Ensure that the Hawaiian culture is the featured culture in the cultural public market.~~

~~(d) Requests for proposals for the cultural public market shall contemplate but not be limited to the inclusion of the following types of facilities and services:~~

~~(1) Retail outlets for ethnically diverse products;~~

~~(2) Venues for businesses with ethnic themes, including restaurants and other service-related businesses;~~

~~(3) Theaters, stages, and arenas designed to showcase cultural performing artists as well as community performing arts;~~

~~(4) Exhibition space or museums that showcase artwork created by international and local artists; and~~

~~(5) Museums or other educational facilities focusing on the history and cultures of the various ethnic groups within Hawaii, including Hawaiian history."]~~

SECTION 10. (a) There is established within the Hawaii community development authority a Kakaako community development district working group to plan, coordinate, and facilitate the transfer of the Kakaako community development district and its



1 functions from the Hawaii community development authority to the
2 city and county of Honolulu.

3 (b) The working group shall:

4 (1) Identify all sources of funding, programs, and rules
5 and regulations relating to the Kakaako community
6 development district and determine whether a source of
7 funding, program, or rules and regulations shall:

8 (A) Remain under the jurisdiction of the Hawaii
9 community development authority;

10 (B) Remain under the jurisdiction of the respective
11 state agency;

12 (C) Be transferred to the city and county of
13 Honolulu; or

14 (D) Be transferred to any other appropriate state or
15 county department or agency or organization;

16 (2) In making the determinations pursuant to paragraph
17 (1), consider:

18 (A) The compatibility of the source of funding,
19 program, or rules and regulations with the other
20 ongoing responsibilities and functions of a
21 respective state or county department or agency;



1 (B) The efficient use of public funds;

2 (C) The consistency of the source of funding,
3 program, or rules and regulations with the
4 adopted long-range community plans and goals of a
5 respective state or county department or agency;
6 and

7 (D) Any applicable federal requirements or programs;
8 and

9 (3) Hold at least one public hearing to receive public
10 input on the proposed transfer and to solicit
11 recommendations from community stakeholders.

12 (c) The working group shall comprise the following
13 members:

14 (1) The executive director of the Hawaii housing finance
15 and development corporation or the executive
16 director's designee;

17 (2) The director of business, economic development, and
18 tourism or the director's designee;

19 (3) The director of the Hawaii community development
20 authority or the director's designee;



1 (4) The mayor of the city and county of Honolulu or the
2 mayor's designee;

3 (5) The director of the department of planning and
4 permitting of the city and county of Honolulu or the
5 director's designee; and

6 (6) The director of the department of transportation
7 services of the city and county of Honolulu or the
8 director's designee.

9 (d) The working group shall elect from among its members a
10 chairperson and a vice-chairperson.

11 (e) The members of the working group shall serve without
12 compensation but shall be reimbursed for expenses, including
13 travel expenses, necessary for the performance of their duties.

14 (f) No member of the working group shall be subject to
15 chapter 84, Hawaii Revised Statutes, solely because of the
16 member's participation in the working group.

17 (g) The Hawaii community development authority shall
18 provide administrative and logistical support to the working
19 group.

20 (h) The working group shall submit a report of its
21 findings and recommendations, including any proposed



1 legislation, to the legislature no later than twenty days prior
2 to the convening of the regular session of 2026. The report
3 shall include:

4 (1) A proposed transfer schedule and timeline; and

5 (2) A summary of the public hearing conducted pursuant to
6 this section, including any community feedback
7 received.

8 SECTION 11. In recognition that both the State and city
9 and county of Honolulu require time to effectuate a complete
10 transfer, all laws, rules, and regulations governing the Kakaako
11 community development district that are in effect as of the
12 effective date of this Act shall remain in full force and effect
13 for five years from the effective date of this Act. After the
14 expiration of the five-year period, any funding, programs, and
15 rules and regulations applicable to the Kakaako community
16 development district under part II of chapter 206E, Hawaii
17 Revised Statutes, shall be transferred to the city and county of
18 Honolulu.

19 SECTION 12. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2026-2027 for the Hawaii community development authority to
3 provide administrative and logistical support to the working
4 group established pursuant to section 11 of this Act.

5 The sums appropriated shall be expended by the Hawaii
6 community development authority for the purposes of this Act.

7 PART IV

8 SECTION 13. In codifying the new sections added by
9 section 2 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 14. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 15. This Act shall take effect on July 1, 2025;
15 provided that sections 7, 8, 9, and 10 of this Act shall take
16 effect on July 1, 2030.



Report Title:

HCDA; OHA; Kakaako Makai; Residential Development; Height Limit; Workforce Housing; Owner-Occupant; Hawaii Community Development Revolving Fund; Special Account; Kakaako Makai; Association Fee; Tax Increment Financing; Working Group; Report; Appropriations

Description:

Part I: Clarifies the process by which the Hawaii Community Development Authority may approve residential development on certain parcels of Kakaako Makai. Raises the building height limit and the maximum floor area ratio on certain parcels in the area. Requires a certain percentage of the residential units developed on certain parcels to be allocated to households at or below a certain income level in perpetuity, with priority given to certain essential workforce in the area. Limits the sale of residential units developed in certain residential developments to prospective owner-occupants. Requires the Office of Hawaiian Affairs to determine a Kakaako Makai association fee to be collected from residents, tenants, and lessees of certain parcels to be deposited into a special account in the Office of Hawaiian Affairs Special Fund to fund various services and projects in the Kakaako Makai area. Part II: Authorizes the HCDA to engage in tax increment financing with respect to the Kakaako Community Development District. Establishes a Kakaako Community Development District Working Group to plan, coordinate, and facilitate the transfer of the Kakaako Community Development District and its functions from the HCDA to the City and County of Honolulu. Requires a report to the Legislature. Appropriates funds. (Proposed SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

