

Reviewed and Approved by Executive Director:   
January 4, 2023

## FOR INFORMATION

### I. SUBJECT

Proposed Current Legislative Requests for the 2023 Legislative Session, summarized below:

- A. A 99-year Lease Bill. Amends Section 206E-14, HRS, to authorize entering into 99-year leases (for non-crown lands).
- B. Saratoga Road Energy Corridor Project. Request for capital improvement project (“CIP”) funds to construct electrical and communications infrastructure improvements in the Kalaeloa community development district.
- C. Kewalo Basin Harbor Wharf Improvements. Request for CIP funds to address a public safety issue by repairing a deeply deteriorated wharf at Kewalo Basin Harbor located in the Kakaako community development district.
- D. Heeia Infrastructure Development. Request for CIP funds to construct an access road to Heeia stream for maintenance and clearing.

### II. BACKGROUND

The Hawaii Community Development Authority (HCDA) is dependent on the Hawaii State Legislature to amend the Hawaii Revised Statutes and appropriate and authorize funds.

### III. DISCUSSION AND/OR ANALYSIS

This is the first presentation to the Authority of requests to be made to the Hawaii State Legislature during the 2023 Legislative Session.

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Attachment: Proposed Legislation and Capital Improvement Project Budget Requests for 2023

Proposed Legislation and Capital Improvement Project Budget Requests for 2023

Matter	Description
Legislation	<p><u>99-Year Lease Bill.</u> This bill will amend Hawaii Revised Statute (HRS) Section 206E-14 to authorize HCDA to lease property for ninety-nine years (for non-crown lands) instead of the current sixty-five years, creating additional options for housing development, including but not limited to rentals and for sale projects.</p> <p>To address the shortage of housing in the State of Hawaii, the State is exploring other ways of producing housing besides fee simple and rental housing. A 99-year for sale leasehold product will permit HCDA to determine if such a leasehold product is feasible in the market. If this proposal is approved, HCDA could execute 99-year leases with developers for a for sale leasehold product on state-owned non-ceded lands.</p>
Budget Request	<p><u>Saratoga Road Energy Corridor Project (Kalaeloa Community Development District).</u> Funds are needed to construct electrical and communication infrastructure improvements along Saratoga Avenue between Enterprise Avenue and Boxer Road to replace the aging Navy electrical distribution system in this area of the Kalaeloa Community Development District. <u>The request is for \$12,500,000 in CIP funds.</u> A portion of the cost of the project could be available through the Federal legislative process.</p> <p>During the last legislative session, this request was approved with American Rescue Plan Act (“ARPA”) funds as the means of financing. The Governor line-item vetoed ARPA funds from the State Budget. The funds were not restored.</p>
Budget Request	<p><u>Kewalo Basin Harbor Wharf Improvements (Kakaako Community Development District).</u> Funds are needed to address a public safety issue caused by a deeply deteriorated wharf at Kewalo basin harbor in the Kakaako Community Development District. The HCDA owns the wharf and is responsible for the improvements. The proposed funding is for planning, designing, and replacement of wharf concrete deck including repair of concrete spalling, bulkhead beams, pile caps, and piles, that have been deemed highly unsafe due to spalling. <u>The request is for \$25,000,000 in CIP funds.</u></p> <p>During the last legislative session, this request was deleted from the State Budget.</p>
Budget Request	<p><u>Infrastructure Development (Heeia Community Development District).</u> Funds are needed to construct an access road to Heeia stream for maintenance and clearing. The boundaries of the Heeia District include parts of the Heeia stream. The HCDA entered into a long-term lease with Kāko‘o ‘Ōiwi, a community-based non-profit corporation. Kāko‘o ‘Ōiwi’s primary mission is to restore the He’eia wetlands into a working agricultural and cultural district. HCDA, as the landowner is ultimately responsible for clearing Heeia stream, an obligation that has been passed through to Kāko‘o ‘Ōiwi. A new access road would allow machinery and vehicles to be used to perform stream maintenance and clearing. <u>The request is for \$400,000 in CIP funds.</u></p>

\*This table does not include operational or staffing budget requests.