

**FOR ACTION**

**I. SUBJECT**

Request to Approve the Kalaeloa Community Development District Operating Budget for the Fiscal Year 2026 – 2027 in the amount not to exceed \$375,000 and authorize the issuance of Land User Assessments in the amount not to exceed \$375,000, pursuant to Hawaii Revised Statutes § 206E-196.

**II. BACKGROUND**

Act 184, Session Laws of Hawaii 2002 (“Act”), established the Kalaeloa Community Development District (“KCDD” or “District”) and designated the Hawaii Community Development Authority (“HCDA” or “Authority”) to act as the local redevelopment authority to facilitate redevelopment of the KCDD.

The Act does not provide staff and operating funds for the HCDA to administer the KCDD, but HRS § 206E-196 authorizes the Authority to assess all landowners, except the federal government, for their proportionate share of the costs associated with administering and operating the KCDD. The assessments shall be based on each landowner's proportionate share of the total acreage of the KCDD. A copy of HRS § 206E-196 is provided as Exhibit A.

HRS § 206E-196(b) provides that the assessment shall be set by the Authority annually, based upon the operating budget for the District, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget.

**III. DISCUSSION**

Table 1, on the following page, is a summary of the fiscal year (“FY”) from July 1, 2026 through June 30, 2027 (“FY 27”) proposed Assessment Operating Budget. The FY 27 Assessment Operating Budget was prepared based on the prior FY expenditures.

**Table 1: Summary of Proposed FY 27 Assessment Operating Budget**

<b>Description</b>	<b>FY 27 Operating Budget (\$)</b>
Salary & fringe benefit	175,000
Personal Services	110,000
Supplies	5,000
Postage	1,000
Telephone	8,000
Transportation & travel	3,000
Equipment rental	5,000
Repair and maintenance	15,000
Service for a fee <sup>1</sup>	42,000
Insurance	5,000
Miscellaneous	1,000
Equipment purchase	5,000
Total	375,000

KCDD landowners, and their corresponding land holdings, were updated with information obtained from data on the Hawaii State GIS Program. Table 2, on the following page, summarizes proposed landowner assessment for FY 27.

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<sup>1</sup> Service for a Fee includes audit expense and temp services.

**Table 2: Proposed FY 27 Landowner Assessments**

<b>Landowner</b>	<b>Land Area* (Acres)</b>	<b>Share of Assessment* (%)</b>	<b>Proposed FY 27 Assessment (\$)</b>
City and County of Honolulu Board of Water Supply	20.03	1.10%	4,122.51
City and County of Honolulu Parks and Recreation	399.91	21.95%	82,308.14
State of Hawaii Department of Education	14.46	0.79%	2,976.11
Eagle River Investors Hawaii LLC	9.46	0.52%	1,947.03
Aloha Properties	0.94	0.05%	193.47
Hawai'i Community Development Authority	158.73	8.71%	32,669.28
Hawai'i Conference of Seventh Day Adventists	1.21	0.07%	249.04
Hawai'i Public Housing Authority	12.29	0.68%	2,529.49
State of Hawai'i Department of Hawaiian Home Lands	555.30	30.48%	114,289.99
Henkels and McCoy	2.04	0.11%	419.87
Hunt Communities Hawaii LLC	34.75	1.91%	7,152.13
Gentry Kalaeloa LLC	29.81	1.64%	6,135.39
HCHP1, LLC	10.34	0.57%	2,128.14
VA ALOHA, LLC	9.53	0.52%	1,961.43
Kaimana Kalaeloa Owner LLC	17.51	0.96%	3,603.85
Kalaeloa Ventures LLC	347.72	19.08%	71,566.57
Kalaeloa Water Company	3.66	0.20%	753.29
Kapolei Infrastructure LLC	20.96	1.15%	4,313.92
KVP6AC, LLC	50.57	2.78%	10,408.15
KPV 11 LLC	26.27	1.44%	5,406.80
Mahana Kalaeloa Owners LLC	15.92	0.87%	3,276.60
Makai Kalaeloa Owner LLC	43.38	2.38%	8,928.33
Cloudbreak Hawaii LLC	7.65	0.42%	1,574.50
University of Hawaii	4.52	0.25%	930.29
Wakea Garden Apartments	25.05	1.37%	5,155.71
<b>Total</b>	<b>1,822.01</b>	<b>100.00%</b>	<b>375,000</b>


\*These figures and the proportional ownership may adjust slightly due to parcel size and ownership adjustment/verification, but the total assessment amount will remain the same.

**IV. RECOMMENDATION**

Approve the Kalaeloa Community Development Authority Operating Budget for the Fiscal Year 2026 – 2027 in the amount not to exceed \$375,000 and authorize the issuance of Land User Assessments in the amount not to exceed \$375,000, pursuant to Hawaii Revised Statutes § 206E-196.

Attachment:

Exhibit A – HRS § 206E-196

Prepared By: Garet Sasaki, Chief Financial Officer 

Reviewed By: Ryan Tam, PhD, Director of Planning & Development 

Reviewed By: Craig K. Nakamoto, Executive Director *Craig K. Nakamoto*

## Exhibit A

**[\$206E-196] Assessment for operating costs.** (a) The authority shall have the power to assess all land users, except the federal government, for their fair share of the costs required to administer and operate the Kalaeloa community development district, which may include costs associated with staffing. Assessments shall be based on each landowner's proportionate share of the total acreage of the Kalaeloa community development district.

(b) The assessment shall be set by the authority annually, based upon the operating budget for the district, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget. The assessments shall be paid to the authority in semiannual payments commencing thirty days after the beginning of the fiscal year.

(c) The authority may charge interest or other fees on assessment amounts not paid on a timely basis, and may withhold services or approval of governmental permits for land users delinquent in payments.

(d) For the purposes of this section, "land user" includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land. [L 2002, c 184, pt of §2]