

TESTIMONY BY KALBERT K. YOUNG
INTERIM DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON WATER, LAND, AND OCEAN RESOURCES
AND HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 389, H.D. 1

February 16, 2011

RELATING TO LAND USE

House Bill No. 389 establishes the Heeia Community Development District and the Heeia Community Development Revolving Fund into which all revenues, income, and receipts of the authority for the district; moneys allocated from government agencies, private individuals, or organizations; and moneys appropriated to the fund by the Legislature shall be deposited.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 389, it is difficult to determine whether the fund will be self-sustaining.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR
RICHARD C. LIM
INTERIM DIRECTOR
MARY LOU KOBAYASHI
PLANNING PROGRAM ADMINISTRATOR
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Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES
AND
HOUSE COMMITTEE ON Hawaiian Affairs
Wednesday, February 16, 2011
10:30 AM
State Capitol, Conference Room 329

in consideration of
HB 389, HD 1
RELATING TO LAND USE

Chairs Chang and Hanohano, Vice Chairs Har and Lee, and Members of the House Committees on Water, Land and Ocean Resources, and Hawaiian Affairs.

HB 389, HD 1 establishes the Heeia community development district by adding a new part to Chapter 206E, HRS. We have no position on the establishment of a new community development district at Heeia, Koolaupoko, Oahu. However, we recommend that the responsibility for the administration of special management area (SMA) permits for this new community development district continue to be with the City and County of Honolulu.

We offer the following amendment to HB 389 under **§206E- Heeia community development district; policies to guide development:**

“(9) Special management area permit administration for the Heeia community development district shall continue to be under the authority of the City and County of Honolulu.”

The Office of Planning through the Coastal Zone Management Program is responsible for the administration of special management area permits in existing community development districts. The program’s ability to administer these permits in a new development district is constrained by staff resources.

Thank you for the opportunity to offer these comments.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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KALAELOA

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Chairperson

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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

WEDNESDAY, FEBRUARY 16, 2011

10:30 A.M.

State Capitol, Conference Room 329

H.B. 389, H.D. 1 – RELATING TO LAND USE.

Purpose: Establishes the Heeia Community Development District on 405 acres known as the Heeia Wetlands acquired by the Hawaii Community Development Authority (HCDA) in an exchange agreement with the Kamehameha Schools. Eighty acres adjacent to the Heeia Wetlands held by the Kamehameha Schools are also included in the community development district.

Position: The HCDA supports the passage of this proposal and provides the following comments.

Defer to the Kamehameha Schools with respect to the inclusion of approximately 80 acres of their lands into the Heeia Community Development District. The preamble of the proposal notes that eighty acres of land adjacent to the Heeia wetlands is under title to the Kamehameha Schools. The preamble further specifies, that this “eighty-acre parcel is included in the new Heeia Community Development District.” As the rest of the proposed district is overwhelmingly held by the HCDA, I defer to the Kamehameha Schools and any other landowner with respect to their land’s inclusion in the community development district.

Sections 1 and 2 – Wetlands Restoration, Elimination of Invasive Species and Establish an Agricultural and Educational Center to Benefit the Community at Large. The proposal establishes the HCDA as the local redevelopment authority to “facilitate culturally appropriate agriculture, education and natural-resource restoration and management of the Heeia Wetlands”. I note that these objectives are consistent with the 38 year lease that was recently entered into by the HCDA with Kakoo Oihi in March 2010. Therefore, this proposal simply memorializes in statute the objectives outlined in the March 2010 Kakoo Oihi lease. However, the passage of a proposal such as HB 389 guarantees that these objectives will remain in force even after the current 38 year lease expires and requires that the HCDA conduct appropriate planning, stakeholder coordination and public facility improvement projects.

Governance. I note that Section 2 (c) mandates that “two additional voting members” who shall be residents of Heeia or the immediately surrounding area be appointed to the Authority by the Governor to represent the district. However, §206E-3 specifies that “if an additional district is designated by the legislature, the total membership of the authority shall be increased as prescribed above by the appointment of three additional members . . .”. Accordingly, the proposal should be amended to conform to the provisions of this section.

Sections specifying policies to guide development and the establishment of a Heeia Community Development Fund are I believe, consistent with the community-based vision for the area and with respect to the creation of a fund are necessary to ensure public transparency and accountability.

Assessment for Operating Costs. It is my recommendation that the section establishing an assessment for operating costs is not necessary and should be deleted. The HCDA is currently operating as a function of a legislative capital improvement project (CIP) appropriation to cover the costs of 19 of the 23 agency staff. The costs for the remaining four staff are covered by special fund revenues. As the establishment of the Heeia Community Development District is not

expected to generate additional workload beyond the capacity of the existing staff, this assessment for operating costs is not needed at this time.

Thank you for the opportunity to provide testimony in support of the passage of this proposal.



KAHALUU NEIGHBORHOOD BOARD NO. 29

(He'eia Kea, 'Ahuimanu, Kahalu'u, Waihe'e, Ka'alaea, Waiahole, Waikane, Hakipu'u, Kualoa)

C/o Neighborhood Commission Office, Honolulu Hale, 530 South King Street, Room 406, Honolulu, Hawaii 96813
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: <http://www.honolulu.gov>

REP. JERRY L. CHANG, CHAIR
REP. SHARON E. HAR, VICE CHAIR
HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

REP. FAYE P. HANOHANO, CHAIR
REP. CHRIS LEE, VICE CHAIR
HOUSE COMMITTEE ON HAWAIIAN AFFAIRS

TESTIMONY RE: HOUSE BILL NO. 389, H.D. 1
RELATING TO LAND USE

February 16, 2011, 10:30 a.m.
Conference Room 329

Good morning Chairs Chang and Hanohano, Vice Chairs Har and Lee, and members of the committees:

My name is David Lane Henkin, and I testify in my capacity as Chair of the Kahalu'u Neighborhood Board No. 29. We appreciate the opportunity to offer this testimony in support of House Bill No. 389, H.D. 1, which would help return the He'eia wetlands to productive use. In particular, creation of the Hee'ia Community Development District would help implement the Mahuahua 'Ai o Hoi Project, which seeks to restore the wetlands, eliminate invasive species, and establish an agricultural and educational center that will benefit the community at large.

The Kahalu'u Neighborhood Board first heard a presentation on this project at our March 11, 2009 meeting. The Board then adopted a resolution to support the objectives of the Mahuahua 'Ai o Hoi Project: 1) To restore the cultural connection between Ko'olaupoko ahupua'a and the Hawaiian community; 2) To establish a land management program to restore 50% or more of the property into active, organic kalo fields and sustainable food crops, encouraging sustainable, organic food production in the State of Hawai'i and developing new farm-to-market strategies for local produce; 3) To restore a section as a natural wetland to allow for growth of native wetland flora and fauna; 4) To create educational programs that can use the living site of a functioning ahupua'a to transfer knowledge of traditional Hawaiian farming practices and customs to a new generation; 5) To establish a research program to study the role that traditional Hawaiian taro patches and fishpond aquaculture systems can play in the larger Kane'ohu Bay ecosystem by controlling flooding, relieving sediment build-up, and providing a habitat for native birds and aquatic species; and 6) To provide economic sustainability for the communities of Ko'olaupoko.

The Kahalu'u Neighborhood Board received an update on the Mahuahua 'Ai o Hoi Project at our February 9, 2011 meeting. The Board adopted a resolution reaffirming its support for the project and specifically supporting the legislation to create a development district like the one proposed in HB 389, H.D. 1. Accordingly, we respectfully urge you to pass this bill. Thank you again for the opportunity to offer this testimony.





Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 389 Relating to Land Use
House Committee on Water, Land and Ocean Resources
House Committee on Hawaiian Affairs
Wednesday, February 16, 2011, 10:30am, Room 329

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.

The Nature Conservancy supports H.B. 389 and its purpose to create the He'eia Community Development District. We believe the establishment of the development district will benefit the natural resource restoration and preservation efforts undertaken by the community for the He'eia ahupua'a and Kāne'ohē Bay.

The Conservancy's particular interest at He'eia had initially been to help protect the unique and important coral reefs and other marine resources of Kāne'ohē Bay. The Conservancy was already partnering with the State and the University of Hawai'i to remove invasive algae from the bay, but we soon learned that we should also be working with the community to reduce sedimentation flowing into the bay from the He'eia ahupua'a. In addition to the algae control work on the reef, we now have the good fortune to participate in and support an ambitious multi-partner project to restore a traditional Hawaiian wetland system. Begun by the Ko'olaupoko Hawaiian Civic Club, the restoration effort goes by the name *Mahuahua 'Ai o Hoi* and is led by the community non-profit Kako'o 'Ōiwi.

Kāne'ohē Bay is the largest bay in the Hawaiian Islands, and the only one in the main islands with all three types of reef habitat: a barrier reef, patch reefs and a broad fringing reef system along its shoreline. The bay also contains large sand flats, a number of extensive seagrass beds and some of the only remaining functioning estuarine (the convergence of river and ocean) habitats on O'ahu. As a result, the bay is home to some of the highest numbers and greatest diversity of fish, marine invertebrates and native marine algae anywhere on the island. It is frequented by green sea turtles, and used by sharks for birthing grounds, manta rays for foraging habitat and spinner dolphins for resting. The bay is also home to the only functioning rock-wall fishponds remaining on O'ahu.

The He'eia ahupua'a was once a thriving wetland, but today it is overrun with non-native grasses, trees and weeds. A Department of Defense dumpsite, surrounding development and two major highways that extend through the watershed contribute to urban sources of land-based pollution and sediment, which flow to the sea during heavy rains and choke the bay's reefs.

For the He'eia community and for the Conservancy, the goal is not only to reduce the amount and rate of sedimentation flowing into the bay and smothering coral reef habitat, but also provide alternative sources of food through taro cultivation and other crops, and a suite of agricultural and aquacultural jobs for local families. Together we hope that this project will not only protect and preserve the natural resources of the area, but also very importantly, transfer knowledge of traditional Hawaiian land management practices and customs to a new generation and strengthen the connection between people, their land and the sea.

BOARD OF TRUSTEES

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KAKO`O O`IWI

February 14, 2011

Rep. Jerry Chang, Chair/And Members
House Committee on Water, Land and Ocean Resources

Rep. Faye P. Hanohano, Chair/And Members
House Committee on Hawaiian Affairs

Subject: **Testimony in Support of H.B. 389, H.D. 1 – Relating to Land Use**

Aloha mai kakou! My name is Jerry Kaluhiwa. I am speaking in support of House Bill 389, House Draft 1. I am the president of Kako`o `Oiwī, a non-profit organization that has acquired a 38-year lease agreement with the Hawai`i Community Development Authority to bring this agricultural land back into productivity.

I am also a lifelong resident of the adjacent land of He`eia Kea. Our organization has been meeting for the past three years with our surrounding community and neighborhood boards, the Ko`olaupoko Hawaiian Civic Club, government agencies, schools and kupa`aina families to work on a master plan to make this a reality.

With the help of Castle Foundation and matching funds from the Office of Hawaiian Affairs, we have hired a firm to help us do this. They have made many public presentations for this conceptual plan.

Our State, as well as our City and County and Federal Government, have been lecturing us about sustainability and self-sufficiency for so many years. I think it is time for all of us to “walk the talk”.

I know this can be done, because it was very successful in the past and it can mean more economic benefits to our State in the future.

I am a native Hawaiian, an expert in lawaia and mahi`ai. I was the second eldest of 18 children. My father was a stevedore, my mother a housewife. We had to farm and fish to subsidize our livelihood. My parents did not believe in living on welfare; we took care of our own, which meant I also had to work while doing these chores with some of us older siblings, to make ends meet.

We have started planting taro with a handful of volunteers and working groups on weekends. We have a few acres that we have harvested four times now, and with a poi machine donated to us, we have successfully made a few hundred pounds of poi altogether – poi that is sweet and ono, which we have donated to our area kupuna and community organizations. Someday, we hope to have a certified

Page 2

Testimony by Jerry Kaluhiwa

H.B. 389, H.D.1

kitchen so that we would be able to offer this poi commercially. There are remnants of the old poi mill still in existence in the He`eia wetlands, where we are restoring the kalo fields.

So, this is a possibility, with your kokua, to bring economic benefits to our State.

Mahalo,

JERRY KALUHIWA

President

46-005 Kawa St., Suite 104

Kane`ohe, HI 96744

Ph. (808) 235-8111



KO'OLAUPOKO HAWAIIAN CIVIC CLUB

February 15, 2011

To: Rep. Faye P. Hanohano, Chair
And Members
House Committee on Hawaiian Affairs

Jerry Chang, Chair
And Members
House Committee on Water, Land and Ocean Resources

From: Alice P. Hewett, President
Ko'olaupoko Hawaiian Civic Club

Re: H.B. 389, H.D. 1 – Relating to Land Use
(He'eia Community Development District)

Aloha, Committee Chairs and Members.

The Ko'olaupoko Hawaiian Civic Club is in strong support of House Bill 389, House Draft 1, which would establish the He'eia Community Development District under the Hawai'i Community Development Authority.

Our civic club, established in 1937, encompasses nine ahupua'a around Kane'ohē bay. We have a tremendous interest in making sure that the few remaining open spaces, especially lands that can be productive in agriculture, are restored to good use and good health.

We have been working closely with the Authority for the past three years to develop a longrange vision for these lands, which were transferred under the control of HCDA some years ago in a land-exchange with the Bishop Estate/Kamehameha Schools.

It is our vision that the area known as He'eia Wetlands, for which we have the ancient names of Hoi, will be restored to productivity and health through the work of our non-profit partner, Kako'o 'Oiwī, and many others with whom we have been collaborating throughout our community and statewide.

Through a project we have developed, known as Mahuahua Ai o Hoi (Hoi flourishes again), we are pursuing four primary goals: to restore its agricultural productivity as an economic initiative; to remove alien species and repair environmental damage that has occurred in this area for many

Page 2

Testimony by Ko`olaupoko Hawaiian Civic Club

Alice Hewett, President

decades; to bring back the pono, the cultural balance and respect for this area that once enabled this `aina to thrive; and to provide opportunities for our communities to re-connect and to become educated by working in these fields and learning from the lands that – for so long – were not productive and not contributing to the health of our people.

In these lands, we can grow food again, food for our people, food for our island and for our State.

This legislation before you today can help us accomplish that vision. It will benefit the State through the production of food, through the cleaning of the lands and waters that affect Kane`ohe bay, and through uplifting the people of our community who will once again become a part of the `aina known as Hoi.

We ask that you pass this legislation, with the amendments that are being recommended.

Mahalo for this opportunity offer our mana`o.

P. O. Box 664
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koolaupokohcc.org

Jones `Ohana

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Kaneohe, HI 96744
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February 13, 2011

Rep. Jerry Chang, Chair/and Members
House Committee on Water, Land & Ocean Resources
Rep. Faye P. Hanohano, Chair/and Members
House Committee on Hawaiian Affairs
State House of Representatives
State Capitol
Honolulu, HI 96813

Subject: H.B. 389, HD1 – Relating to Land Use

Aloha mai kakou!

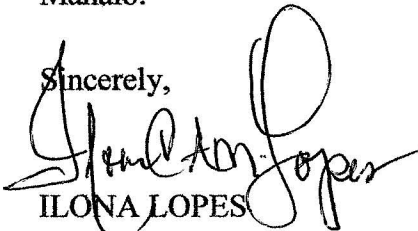
My name is Ilona Lopes, and I am president of the Jones `Ohana, a kupa`aina (native-born) family of the ahupua`a of He`eia, Ko`olaupoko. We have a membership of 300+ members. We are the descendants of Koa o Moku Moku o He`eia and Komomua, and William Jones and Maemae Kalilihao.

Our family has been in He`eia for over 200 years. We still own kuleana lands in He`eia, handed down from the Kingdom. Our families are one of the last surviving families that have history in this wetland area. The last poi factory was owned and run by our Uncle Steven McCabe, and remnants of this mill can still be found in the area where this kalo restoration project is being developed.

We support this bill to bring these lands back into productivity. This would benefit not only our immediate community, but it will someday be world-renowned. Please approve this bill and pass it out of committee.

Mahalo.

Sincerely,


ILONA LOPES
President

MAHEALANI CYPHER
45-342 Lilipuna Road, Ste. 308
Kane`ohe, HI 96744
Ph. (808) 226-4195
Email: malama pono@aol.com

TESTIMONY IN SUPPORT – H.B. 389, H.D. 1 – RELATING TO LAND USE

Feb. 16, 2011

Aloha, Chairs Chang and Hanohano, and Committee Members:

My name is Mahealani Cypher, immediate past president of the Ko`olaupoko Hawaiian Civic Club, and lifelong resident of Kane`ohe, moku Ko`olaupoko.

I urge your committees to act favorably on H.B. 389, H.D. 1, which would facilitate the restoration of active kalo farming in the He`eia wetlands area known as "Hoi". Our community has worked for several years with the Hawaii Community Development Authority to create a holistic and healthy vision for the future of this area, which has been relatively unproductive for many decades.

It is our view that these lands can again become a part of the "breadbasket" that helps to feed our island, just as Ko`olaupoko once did centuries ago.

We seek to make this area pono, healthy and wholesome, able to feed and nurture people both physically and spiritually. The multi-faceted vision for these valuable state lands will bring economic benefits to the State as well as cultural, health and educational benefits to our communities.

We have two small amendments to recommend to you for this bill:

1) In Section 1, line 2:

Change From:

“The legislature finds that the Heeia District is located in Kaneohe, Koolaupoko, Oahu in close proximity to Heeia Fishpond...”

Change To:

The legislature finds that there is an area in the Heeia ahupua`a, which is located in Koolaupoko, Oahu, in close proximity to the Heeia fishpond, that is commonly known as the "Heeia wetlands...”

2) In Section 2, subsection (b)4:

Change From: Heeia Wetlands Community Development District Master Plan

Change To: Heeia Community Development District Master Plan (to keep the title of the new district consistent with language elsewhere in the bill).

Mahalo for this opportunity to offer my mana`o.

Me kealoha pumehana,

A handwritten signature in black ink that reads "Mahealani Cypher". The signature is written in a cursive style with a prominent loop at the end of the last name.

Mahealani Cypher
P. O. Box 4749
Kaneohe, HI 96744
Ph. 226-4195

ESTELLE DREW
46-313 Halualani Place
Kaneohe, HI 96744

February 14, 2011

To: Rep. Jerry Chang, Chair
Committee on Water, Land & Ocean Resources
Rep. Faye Hanohano, Chair
Committee on Hawaiian Affairs
House of Representatives

From: Estelle Drew
Kupa`aina of Ahupua`a He`eia

Subject: House Bill 389, H.D. 1 - Relating to Land Use
Testimony in Support

My name is Estelle Drew, and I am speaking in favor of H.B. 389, H.D. 1. I am 89 years young, and for my lifetime, have been a resident of He`eia. I remember those kalo fields when it was still in operation at He`eia. My uncle was the last one to drive the rice and taro over to Honolulu by horse and buggy.

In fact, the auwai that came from Ioleka`a and Ha`iku ran right through my front yard. This water went all the way through to the farms and the He`eia fishpond.

My father, Solomon Halualani, and my uncles and other kupa`aina families had to sign off our water rights to close the auwae system when Crown Terrace subdivision was built. We couldn't fight the big landowners because it would have been too costly to go to court. My father was an accountant for the Honolulu Trust Company, and knew he and the rest of our kupa`aina families could possibly go bankrupt and lose their kuleana lands if forced to. So, they decided to comply, knowing the spring in Hoi would still be flowing.

Although the auwai was shut off from us, we found that in Hoi (the area now known as the "He`eia wetlands") remained green and lush because the fresh water springs still exist within that 400+ acres. We were told that there are many springs there. That means this `aina momona can be revived.

Please help to bring it back to life for our people and the whole State of Hawai`i. This is something we can all be proud of.

Mahalo.