



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON FINANCE

Monday, February 27, 2012

5:00 P.M.

State Capitol, Conference Room 308

in consideration of

**H. B. 2482 – RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY.**

Purpose: Extends the Hawaii Community Development Authority's ("HCDA") authority to sell or lease all or a portion of the real or personal property constituting a redevelopment project to all projects. BED-07(12)

Position: The HCDA supports passage of this administrative proposal.

The HCDA is charged with redeveloping community development districts identified by the State Legislature. Currently Section 206E-14 allows the Authority to enter into development agreements for real property constituting a "redevelopment project" for a term not to exceed sixty-five years. However, the definition for a "redevelopment project" found in Section 206E-2(4)(B) states that the commercial use of a redevelopment project may only be incidental in nature. This definition conflicts with the Authority's mandate to establish lasting change in its community development districts.

The proposal amends Section 206E-14 to clarify that notwithstanding any other law, except as prohibited by Section 206E-31.5, the Authority may without recourse to public auction or public notice for sealed bids enter into a development agreement for a term not exceeding sixty-five years upon such terms and conditions as may be approved by the Authority, if the project is in conformity with the community development plan.

- The amendment extends the application of Section 206E-14 to “all” projects and not just redevelopment projects.
- As Section 206E-14 currently allows that the project may be executed without recourse to public auction, the proposal further clarifies that the lease may be made without recourse to public notice for sealed bids.

The proposal provides necessary clarity to its legislative authorization and allows the Authority greater flexibility in implementing its master plan and community development. It is important to note that safeguards exist that require that prior to its approval, the Authority must:

- Determine that the project is consistent with duly established community development plans;
- Public comment is solicited prior to any action is taken by the Authority;
- The President of the Senate and the Speaker of the House must be notified of the public comment proceedings and any findings that are generated; and

- That only after these steps have been completed may any action be taken by the Authority.

For clarity and for efficiency in the Authority carrying out its mandate, the passage of this administrative proposal is requested. Thank you for the opportunity to testify on this matter.