



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAOKO
KALAELOA

Neil Abercrombie
Governor

Joseph L. Dwight, IV
Chairperson

Anthony J. H. Ching
Executive Director

STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

Friday, February 10, 2012

9:45 A.M.

State Capitol, Conference Room 325

in consideration of

**H. B. 2819 – RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY.**

Purpose: Requires the Hawaii Community Development Authority (“HCDA”) to determine the costs and benefits of selling and purchasing certain properties within the Kakaako Community Development District. Requires the report to be submitted to the Legislature 90 days after the effective date of this Act.

Position: The HCDA takes no position on the bill, but offers the following comments.

- Section 206E-31.5, Hawaii Revised Statutes (“HRS”), prohibits the Authority from selling or otherwise assigning the fee simple interest in any lands in the Kakaako Community Development District to which the Authority in its corporate capacity holds title, except with respect to:
 - Utility easements;
 - Remnants as defined in Section 171-52, HRS;

461 Cooke Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

- Grants to any State or County department or agency; or
 - Private entities for purposes of any easement, roadway or infrastructure improvements.
- Section 171-64.7, HRS, requires that prior to any sale of “all lands or interest therein owned or under the control of state departments or agencies classed as government or crown lands” together with lands which have been given the status of public lands under this chapter, legislative approval by concurrent resolution or each house by a two-thirds majority is required.
 - Section 206E-31.5, HRS, would have to be amended to allow the HCDA to sell any lands.
 - There are two circumstances where the prohibition to sell lands (other than to State or County agencies, for utilities, remnants or to private entities for easement, roadway or infrastructure improvement) might be appropriate. These circumstances include where the HCDA desired to sell a reserved housing unit purchased under a buyback option or where a parcel which was not contiguous to other State lands, had no public facility value and where sale might allow for other beneficial economic development to take place.
 - The HCDA is currently able to purchase and hold title to lands in its corporate capacity subject to the availability of funding and the approval of the Authority to take such action. No legislative action is necessary in this area.
 - Any report or analysis performed by the HCDA subject to the specifications of this proposal would also have to provide a description of the process under which the HCDA might sell any of its holdings.

- Should Section 206E-31.5, HRS, be amended, repealed or should the Legislature otherwise authorize the HCDA to sell or assign the fee simple interest of HCDA-owned lands, I believe that this would enable the HCDA to buyback and then sell reserved housing units to another qualified buyer and that small non-contiguous lots held by the HCDA may be sold and allow for consolidation into larger development lots for the purpose of economic development, as well as providing community amenities and facilities.
- As the proposal only directs that the Authority to determine the cost and benefits of selling and purchasing properties in the community development district, the enactment of a concurrent resolution might accomplish the same purpose.

Thank you for the opportunity to provide our comments on this proposal.