



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAAKO
KALAELOA

Neil Abercrombie
Governor

Joseph L. Dwight, IV
Chairperson

Anthony J. H. Ching
Executive Director

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STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON FINANCE

Thursday, March 29, 2012

1:30 P.M.

State Capitol, Conference Room 308

in consideration of

**S. B. 2742, S. D. 1, H.D. 1- RELATING TO THE HAWAII
COMMUNITY DEVELOPMENT AUTHORITY.**

Purpose: Changes the composition of the Hawaii Community Development Authority (HCDA) to nine voting members for each community development district and allow for ex-officio members to designate a voting representative if they are unable to attend a meeting.

Position: The HCDA supports the intent of the proposal and offers the following comments.

Existing 13 Member Authority and Kakaako Community

Development District. In 1976, the Legislature established a 13 member Authority and agency to direct the redevelopment of the Kakaako Community Development District. The responsibilities of the HCDA include, but are not limited to:

- Promulgating and administering land use rules to direct the redevelopment of a specific area in order to achieve specific objectives designated by the Legislature.
- Developing community master and infrastructure plans that promote economic and community development.
- Stewarding state resources and assets acting as a corporate instrumentality of the State of Hawaii.

Kalaeloa Community Development District. In 2002, the Legislature designated the HCDA as the agency of the State of Hawaii to serve as the local redevelopment authority to facilitate the redevelopment of the Kalaeloa Community Development District (fka the Barbers Point Naval Air Station). At that time, 5 additional members were added to the Authority to “represent the Kalaeloa community development district.” Together with the existing 13 members of the Kakaako Authority, these 5 members (18 members total) make up the Kalaeloa Authority. The Kalaeloa members include:

- The Chairperson of the Hawaiian Homes Commission.
- The Director of the City and County of Honolulu Department of Planning and Permitting.
- Two members representing the surrounding community, one of which shall be selected by the mayor of the City and County of Honolulu.
- One member who is a Hawaiian Cultural Specialist.

It is important to note that the Kalaeloa members shall be considered in “determining quorum and majority only on issues relating to the Kalaeloa community development district and may vote only on issues relating to the Kalaeloa community development district.” In addition, the two ex-officio Kalaeloa members were not allowed to designate their voting representative should they be unable to attend the meetings of the Kalaeloa Authority.

Heeia Community Development District. In 2011, the Legislature established the Heeia Community Development District. Three voting members were added to the Authority, but as with the Kalaeloa members, these three members may only vote only on matters relating to this district. Together with the existing 13 members of the Kakaako Authority, these 3 members (16 members total) make up the Heeia Authority. In addition, to ensure community based representation on the Authority, the Legislature established a residency requirement (resident of the district or the Koolaupoko District) for these members.

Current Situation

- There are currently 3 different Authority. There is one Authority for each of the community development districts (Kakaako, Kalaeloa and Heeia). Currently, a majority of all members (12 of the 21 members) that the Authority is entitled to must be assembled to approve its minutes and appoint its executive director.
- The Kakaako members are the only individuals who serve on all three Authority.
- The Kakaako Authority includes a requirement that two members represent area small business.
- Kakaako ex-officio members allowed to designate their voting representative should they are not able to attend the meeting of the Authority. Kalaeloa ex-officio members are not allowed this privilege.
- Heeia members are required to be residents of the district or appropriate sections of the Tax Map Division where the district is located.
- The logistics and dynamics of dealing with a governing board comprised of 13, 18 or 21 members is daunting.

Proposed Amendments

- The ex-officio members specified in the proposal eliminate the participation of the Director of Transportation (DOT) in favor of the Director of the Department of Hawaiian Homelands (DHHL) and the Director of the City and County Department of Planning and Permitting (DPP). *The DOT has statewide jurisdiction and effect and should continue as a member of the Authority.*
- *Aside from the Kalaeloa Community Development District, the DHHL should not uniformly serve on the Authority.*
- *As the Director DPP cannot represent neighbor islands interests, they should not serve as a core member of the Authority.*

- The cultural expert is established as an ex-officio member that may appoint their designated voting representative. *The cultural expert should simply be appointed by the Governor pursuant to section 26-34 and not considered to be an ex-officio member.*
- To ensure appropriate community based representation, all at-large members appointed by the local governing body of the county in which the community development district is situated, at least ~~two~~ *three* members shall represent small business with its principal place of operation within the physical boundaries of the community development district or *shall be residents of the community development district.*

DAG Testimony. The Department of the Attorney General has submitted testimony outlining technical amendments with respect to the following matters.

- Replacement of the term “initial designated” with “community development”.
- Recommending that the cultural expert appointed by the governor shall not be considered an ex-officio member.
- Recommending that section 206E-202, HRS subsection (c) be deleted.
- Recommending that subsection (b) of section 206E-3, HRS be amended for consistency to include the residency requirements for the Heeia Community Development District.

I defer to the testimony of the Department of the Attorney General as it relates to those technical issues raised in their testimony.

On a matter of such importance, it is important to note that given the timing of the hearing on this proposal, this testimony represents my view only. I will be at the earliest soliciting the comments and recommendations of the current Authority membership opportunity and will endeavor to provide their individual or collective comments to this committee as soon as practical.

To illustrate the current situation, SB 2742 SD1 HD1 and my proposed versions, I have attached a color coded exhibit. Thank you for the opportunity to provide these comments on this important topic and proposal.

CURRENT

Kakaako

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Senate President (1)**
Speaker (1)**
Gov at Large (4)**
County (3)

Kalaelo

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Senate President (1)**
Speaker (1)**
Gov at Large (4)**
County (3)
Cultural Specialist (1)
Ex Officio (2)
County at Large (1)
Gov at Large (1)

Heeia

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Senate President (1)**
Speaker (1)**
Gov at Large (4)**
County (3)
Gov at Large (3)

Other

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Senate President (1)**
Speaker (1)**
Gov at Large (4)**
County (3)
Gov at Large (3)

S.B. 2742 SD 1

Kakaako

Ex Officio (5) - DAGS, DB&F, DBEDT, DHHL, DPP
Cultural Specialist (1)
County at Large (3)**

Kalaelo

Ex Officio (5) - DAGS, DB&F, DBEDT, DHHL, DPP
Cultural Specialist (1)
County at Large (3)*

Heeia

Ex Officio (5) - DAGS, DB&F, DBEDT, DHHL, DPP
Cultural Specialist (1)
County at Large (3)**

Other

Ex Officio (5) - DAGS, DB&F, DBEDT, DHHL, DPP
Cultural Specialist (1)
County at Large (3)**

PROPOSED

Kakaako

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Cultural Specialist (1)
Gov at Large (1)
County at Large (3)***

Kalaelo

Ex Officio (5) - DAGS, DB&F, DBEDT, DOT, DHHL
Cultural Specialist (1)
County at Large (3)***

Heeia

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Cultural Specialist (1)
Gov at Large (1)
County at Large (3)***

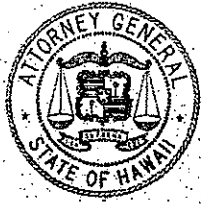
Other

Ex Officio (4) - DAGS, DB&F, DBEDT, DOT
Gov at Large (1)
County at large (3)***

* must be a resident

** two persons must be a small business representative

*** must be a small business representative or resident of the district



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. NO. 2742, S.D. 1, H.D. 1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, March 29, 2012 **TIME:** 1:30 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): David M. Louie, Attorney General, or
Lori N. Tanigawa, Deputy Attorney General

Chair Oshiro and Members of the Committee:

The Department of the Attorney General offers the following comments on this measure.

The bill amends the structure of the Hawaii Community Development Authority to provide for nine voting members for each community development district. However, the bill repeatedly references an "initial designated district" when providing for the appointment of voting members for each district. For example, on page 1, lines 15 to 16, the bill provides "The authority shall consist of [~~thirteen~~] nine voting members [-] for each initial designated district." These references occur on page 1, line 16, page 2, lines 14 and 17 to 18, and page 3, lines 7 to 8 and 15. Because the Kakaako Community Development District ("Kakaako") was the first district to be established under the Authority's jurisdiction, the term "initial designated district" could be interpreted to mean Kakaako only. For clarification, we recommend that the term "initial designated" be replaced with the term "community development" on page 1, line 16, page 2, lines 14 and 17 to 18, and page 3, lines 7 to 8 and 15. So that voting members are designated for each district, the bill would use the term "community development district" rather than "initial designated district."

On page 2, lines 3 to 5, the bill provides that a cultural expert appointed by the Governor shall serve as an ex officio voting member. An ex officio member is one who already holds a public office. It is unclear whether the Governor is to appoint a cultural expert who already holds a public office or if the Governor may appoint a cultural expert notwithstanding the fact

that the cultural expert does not hold a public office. If it is the later, we recommend that any reference to the cultural expert serving as an ex officio member be deleted.

Section 3, pages 5-7 of the bill, amends section 206E-191, Hawaii Revised Statutes (HRS), by deleting subsection (c), which provided for five additional voting members for the Kalaeloa Community District ("Kalaeloa"). Given that this bill provides for only three county members for Kalaeloa, two of which must be residents of Kalaeloa, this deletion is necessary to avoid any inconsistency. We recommend a similar deletion with respect to the Heeia Community Development District ("Heeia"). In particular, we recommend that the bill amend section 206E-202, HRS, by deleting subsection (c), which currently provides,

Three additional voting members shall, except as otherwise provided in this subsection, be appointed to the authority by the governor pursuant to section 26-34 to represent the district. These three members shall be considered in determining quorum and majority only on issues relating to the district and may vote only on issues related to the district. The three members shall be residents of the district or the Koolaupoko district which consists of sections 1 through 9 of zone 4 of the first tax map key division.

If it is the Legislature's intent to retain a residency requirement for Heeia voting members similar to Kalaeloa, we recommend that subsection (b) of section 206E-3, HRS, be amended to include the following language:

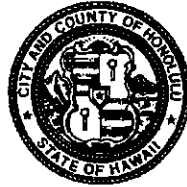
Notwithstanding anything to the contrary in this subsection, of the county members appointed to the authority for the Heeia community development district, two members shall be residents of the district of the Koolaupoko district which consists of sections 1 through 9 of zone 4 of the first tax map key division.

We respectfully recommend that the Committee make the suggested amendments.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR



DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

March 29, 2012

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Committee Members:

Subject: Senate Bill No. 2742, SD1, HD1
Relating to the Hawaii Community Development Authority

The Department of Planning and Permitting **supports** Senate Bill No. 2742, SD1, HD1, which adjusts the membership of the Hawaii Community Development Authority (HCDA). We specifically support the change that would add the director of the City and County of Honolulu, Department of Planning and Permitting as an ex-officio, voting member, who would be allowed to designate a representative.

As one of the ex-officio HCDA members for Kalaeloa only, there have been occasions when I could not attend meetings. It would have been worthwhile to HCDA and the public to hear the benefit of the City's perspectives at these meetings via a designated representative. Moreover, the City's perspectives can be helpful, particularly on matters of mutual interest, such as infrastructure and transit-oriented development.

Please pass Senate Bill No. 2742, SD1, HD1. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DKT:jmf
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