



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAOKO
KALAELOA

Neil Abercrombie
Governor

Joseph L. Dwight, IV
Chairperson

Anthony J. H. Ching
Executive Director

461 Cooke Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

Monday, March 19, 2012

9:00 A.M.

State Capitol, Conference Room 325

in consideration of

**S. B. 2742, S. 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.

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 Koolau-poko 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.

Comments Regarding the Proposed Structure

- The proposal perpetuates the structure (and challenges) requiring that each community development district have its own separate governing Authority.
- The ex-officio members specified in the proposal eliminate the participation of the State Comptroller and the Director of Transportation in favor of the Chairperson of the Hawaiian Homes Commission and the Director of the City and County Department of Planning and Permitting.

The State Comptroller and Director of Transportation have statewide jurisdiction and effect, while their replacements do not meet these universal qualifications. (some community development districts do not or will not have DHHL lands or issues. In the event that development districts are

established outside of the City & County of Honolulu, their representative cannot reflect that county's interests.)

- The construction of the proposal establishes the possibility that the cultural expert may appoint their designated voting representative.
- As each individual Authority may only act on matters relating to its district, much of the existing challenges relating to determining quorum remain.

Possible Elements of a Solution

- There should be only one Authority to govern all community development districts designated by the Legislature. The total number of members should not exceed twenty members.
- The core members of the Authority should consist of: (4) ex-officio members with statewide jurisdiction and effect with respect to community development; a cultural specialist appointed by the Governor; a member appointed by the Governor from a list of three submitted by the Senate President; a member appointed by the Governor from a list of three submitted by the Speaker of the House; (2) at-large members appointed by the Governor; a member appointed by the Governor from a list of three submitted by the Council of the City and County of Honolulu; a member appointed by the Governor who shall be a resident or small business representative of the Kakaako Community Development District; a member appointed by the Governor who shall be a resident or small business representative of the Kalaeloa Community Development District; and a member who shall be a resident or small business representative of the Heeia Community Development District.
- In the event that the Legislature establishes a community development district outside of the City and County of Honolulu, a member shall be appointed by the Governor from a list of three submitted by the local governing body of that county. A member shall also be appointed by the

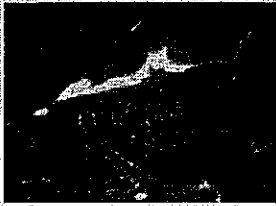
Governor who shall be a resident or small business representative of the new district.

- Given their statewide jurisdiction and effect upon community development, ex-officio members of the Authority shall include the Directors of the departments of Budget & Finance, Business, Economic Development and Tourism, Accounting and General Services and Transportation.
- Ex-officio members should be able to designate their voting representatives in the event that they are personally unable to attend the Authority meeting.

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 soliciting the comments and recommendations of the current Authority membership at the earliest opportunity and will endeavor to provide their individual or collective comments to this committee as soon as practical.

It is also my belief that the Department of the Attorney General has prepared and will be offering testimony outlining necessary statutory language to efficiently and effectively such a restructuring of the HCDA governing structure. I defer to that advice as it relates to legal and statutory issues created by any legislative action.

Thank you for the opportunity to provide these comments on this important topic and proposal.



Testimony by Alicia Maluafiti

SB 2742 – Relating to the Hawaii Community Development Authority
The House Committee on Water, Land and Ocean Resources
Monday, March 19, 2012
9 a.m., Room 325

Position: Strong Support

Aloha Chair Chang, Vice Chair Har, and members of the Committees:

My name is Alicia Maluafiti and I am testifying in strong support of SB 2742 to amend the composition of the Hawaii Community Development Authority board to nine voting members for each established district. For the purposes of disclosure, I am currently serving in an interim position on the HCDA Kalaeloa District board and am, waiting for Senate confirmation as the Mayor's representative.

I have been an active volunteer for the Kalaeloa district since 2008, serving on the Kalaeloa Advisory Team and Kalaeloa Community Network and working on the rules for the district. As an Ewa Beach resident just a stone's throw away from the district boundary and a board member for the Hoakalei Cultural Foundation, many of us in west Oahu recognize the potential in redeveloping Kalaeloa and its role in supporting the vision for our second city of Kapolei.

With over 3,000 acres, a new FBI building under construction, and a net zero project anticipated in the near future, its time to update the statute to properly reflect the growth of the district and its proper representation on the Authority board. Parity is necessary to ensure that decisions are being made in the best interests of the people, community and district being served. Those decisions should stay with the board members reflective of the community. SB 2742 appropriately designates board members and their kuleana to vote on the issues from within their own district.

I respectfully request your support and passage of SB 2742. Mahalo.