

Honolulu, Hawaii  
February 14, 2014

RE: H.B. No. 1866  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1866 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY, "

begs leave to report as follows:

The purpose of this measure is to enhance oversight of the Hawaii Community Development Authority by, among other things:

- (1) Amending the composition and appointment procedure of the Authority board, including the removal of all existing members and appointment of new members under the amended procedure;
- (2) Making certain Authority actions such as the lease, set aside, or sale of property; the issuance of special facility bonds; the expenditure of funds; and the adoption of rules be subject to legislative action; and
- (3) Repealing the Authority's power to allow for satisfaction of reserved housing requirements through development outside the District.

Friends of Kewalos; Life of the Land Hawaii; Malama Makaha and numerous individuals testified in support of this measure. The Chamber of Commerce Hawaii; Hawaii Building & Construction Trades Council, AFL-CIO; Executive Director of the Hawaii

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Community Development Authority; and an individual testified in opposition to this measure. The Department of the Attorney General; Department of Business, Economic Development & Tourism; Honolulu City Councilmember representing District VII; Alexander & Baldwin, Inc.; and The Pacific Resource Partnership provided comments.

Your Committee finds that certain fiscal issues, such as those relating to the issuance of bonds and to the regulation of Hawaii Community Development Authority contracts, may not have been thoroughly addressed and merit further consideration. Should the Committee on Finance consider this measure, your Committee respectfully requests that these issues be considered.

Your Committee has amended this measure by:

- (1) Removing the requirement for legislative approval for the adoption of rules, disposition of property, disposition of development and redevelopment projects, set-aside and other public land transactions, and special facility leases by the Authority;
- (2) Deleting provisions removing the Authority's authorization to exercise general executive function over its own operations, as necessary to fulfill its purpose;
- (3) Clarifying a developer's options to satisfy reserved housing requirements through either construction of housing within the development district or providing an equivalent cash payment;
- (4) Requiring that all rules adopted by the Authority comply with all existing laws, rules, and ordinances;
- (5) Applying, for projects under the Authority's jurisdiction, similar prohibitions on real estate speculation, or "flipping," and requirements for the development of affordable housing as those applicable to real property under the jurisdiction of the Hawaii Housing Finance and Development Corporation to workforce housing and reserved housing;



- (6) Eliminating the operating budget and capital investment for the Hawaii Community Development Authority for fiscal year 2014-2015;
- (7) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1866, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Water & Land,

  
CINDY EVANS, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: <b>HB 1866</b>	Committee Referral: <b>WAL, FIN</b>	Date: <b>2-11-14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. HANOHANO, Faye P.				✓
5. KAWAKAMI, Derek S.K.		✓		
6. LEE, Chris	✓			
7. SAY, Calvin K.Y.		✓		
8. NISHIMOTO, Scott Y.	✓			
9. FALE, Richard Lee		✓		
10. THIELEN, Cynthia	✓			
TOTAL (10)	6	3		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, <u>WAL, FIN</u> did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Mimi E. H.</u>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				