

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 1866
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1866, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to enhance oversight of the Hawaii Community Development Authority.

Specifically, the measure:

- (1) Prohibits the Hawaii Community Development Authority from assigning its powers and duties to any person or agency regarding variances, exemptions, or modifications relating to community development plans or rules;
- (2) Amends requirements related to public hearings, notice, and the vesting of rights for development permits;
- (3) Establishes procedures for intervention in development permit applications, including contested case hearings;
- (4) Requires applicants with proposed projects valued at \$250,000 or more to mail notice to owners and lessees within a three hundred foot radius of the proposed project;



- (5) Provides that reserved housing conveyed by the Hawaii Community Development Authority shall not be subject to legislative approval;
- (6) Authorizes the Hawaii Community Development Authority to assign the fee simple interest in Kakaako reserved housing to which it holds title;
- (7) Authorizes the Hawaii Community Development Authority to permit cash payments in lieu of providing reserved housing;
- (8) Repeals the authority of the Governor to set aside public lands within a development district to the Hawaii Community Development Authority;
- (9) Establishes a maximum aggregate cap of \$3,641,818 per fiscal year on receipts and revenues that may be deposited into the Hawaii community development revolving fund, with excess amounts transferred to the general fund;
- (10) Establishes a height limit of four hundred eighteen feet in Kakaako; and
- (11) Establishes legislative oversight of special facility revenue bond issuances by the Hawaii Community Development Authority.

Your Committee received written comments in support of this measure from Sky Ohana, U. Okada and Company Ltd., Malama Makaha, two individuals from Kakaako United, the Kakaako Makai Community Advisory Council, Friends of Kewalos, and thirty-eight individuals. Written comments in opposition were received from the Hawaii Community Development Authority, The Chamber of Commerce of Hawaii, the Koolaupoko Hawaiian Civic Club, the Land Use Research Foundation of Hawaii, the Building Industry Association of Hawaii, and one individual. The Department of the Attorney General, Alexander and Baldwin, the Howard Hughes Corporation, the Hawaii Construction Alliance, Hawaii's Thousand Friends, and two individuals submitted written comments.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to facilitate long-range planning and implementation of improved



community development. Your Committee further finds that concerns have been expressed regarding the apparent lack of public and legislative oversight of the Hawaii Community Development Authority. Your Committee believes that this measure will provide greater accountability and transparency in the Hawaii Community Development Authority's approval process for proposed projects.

Your Committee further finds that the Hawaii Community Development Authority should consider a proposed development project's impact on maintaining resources relevant to the State's economy, including public health issues such as sewers, roads, and water.

Your Committee also notes that this measure amends section 206E-7, Hawaii Revised Statutes, by providing that development rights under a master plan permit and master plan development agreement issued and approved by the Hawaii Community Development Authority are vested under the community development district rules in effect at the time of initial approval. Your Committee finds that this provision is not intended to result in the extension of development rights beyond the length of time specified in the agreement issued and approved by the Hawaii Community Development Authority.

Your Committee has amended this measure by:

- (1) Deleting the provisions of section 1 regarding public hearings, intervention, and contested case hearings, and instead, inserting related provisions into section 6;
- (2) Inserting language that amends the composition of and appointment of members to the Hawaii Community Development Authority and reconstitutes the Authority on March 1, 2015;
- (3) Requiring the Hawaii Community Development Authority, prior to approving a proposed project, to find that the proposed project is reasonable and consistent with the development rules and policies of the relevant development district, and providing criteria for the Authority's consideration;
- (4) Deleting the provisions of sections 8 and 9, which establish an annual cap for deposits of revenues into the Hawaii community development revolving fund;



- (5) Specifying that the four hundred eighteen feet height limitation applies to buildings and structures in the Kakaako Mauka area;
- (6) Changing the effective date from July 1, 2050, to July 1, 2014; and
- (7) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1866, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1866 HDZ SD1	EGH, WAM	4-3-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.		✓		
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	11	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes