

STAND. COM. REP. NO. 2407

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 2697
S.D. 1

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

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred S.B. No. 2697 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:

- (1) Amend the procedures of the Hawaii Community Development Authority to require additional public notice and public input for development projects and rule changes;
- (2) Establish additional requirements for the Hawaii Community Development Authority before granting approval for development projects; and
- (3) Create an appeal process for the actions and decisions of the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from the Historic Hawaii Foundation; Malama Makaha; UNITE HERE, Local 5; Hawaii's Thousand Friends; and forty-five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Construction Alliance, The Howard Hughes Corporation, and Laborers' International Union of North America Local 368. Your Committee received comments on this measure from the Department of the Attorney General; The Chamber of Commerce of Hawaii; Building Industry Association of Hawaii; The Pacific

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Resource Partnership; Kamehameha Schools; Alexander & Baldwin, Inc.; Hawaii Regional Council of Carpenters; and three individuals.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to plan new and innovative forms of urban redevelopment and renewal to meet certain community needs, especially the provision of low- and moderate-income housing located in residential and mixed-use areas with sufficient public facilities and services. To ensure that comprehensive and coordinated development plans were executed by and for the community, the Authority was explicitly required to engage affected communities in area development plans and projects.

Your Committee further finds that development projects that do not comply either with legislative goals or the applicable development plans established for community development districts have been permitted, sometimes on an accelerated basis. The approval processes for proposed projects also lack accountability and transparency which are to the detriment of the communities affected.

Your Committee has amended this measure by:

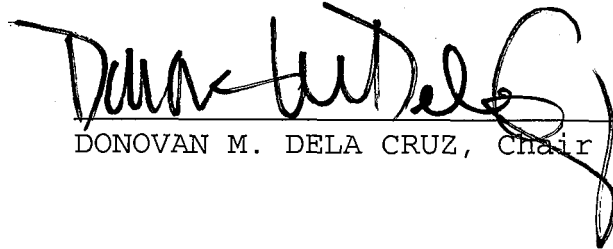
- (1) Inserting language to require the Hawaii Community Development Authority to hold at least one public hearing for each proposed project in the evening or on the weekend;
- (2) Inserting language to require the Hawaii Community Development Authority to give ten-day notice to the public for at least one of its public hearings for each proposed project;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2697, as amended



herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Government
Operations and Housing,



DONOVAN M. DELA CRUZ, Chair



