



STATEMENT OF
AEDWARD LOS BANOS, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the
HOUSE COMMITTEE ON FINANCE

Thursday, April 4, 2019
2:00 P.M.

State Capitol, Conference Room 308

in consideration of

SB 1530, SD3, HD2 PROPOSED
RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Hawaii Community Development Authority (HCDA) **opposes** SB 1530, SD3, Proposed HD2 because of the immediate adverse impact on HCDA staff and capacity. However, the HCDA supports a study to assess the status of the Kakaako community development district to inform an orderly transition. It may not be in the best interest of the State to transfer all the state's Kakaako assets and responsibilities to the City and County of Honolulu.

As proposed, SB1530 SD3 HD2 is inconsistent with HB2 HD1 SD1 CD1 appropriates funds for the operating budget of the Executive Branch for fiscal years 2019-2020 and 2020-2021. HB2 HD1 SD1 CD1 indicates that 11 permanent positions and 2 temporary positions from general funds and 10 permanent positions from revolving funds.

SB 1530, SD3, HD2 Proposed “makes the conversion of the means of financing for the HCDA staff from the Hawaii community development revolving fund to the general fund contingent upon the HCDA developing and submitting a

HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAAKO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

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plan to transfer its control of the Kakaako development district to the City and County of Honolulu.” To comply with the proposal HCDA may be required to reduce its staff by 13 positions on July 1, 2019.

Reducing the staff by 13 positions in a few months would make it impossible for HCDA to implement HRS 206E.

Thank you for the opportunity to testify on SB 1530, SD3, HD2 Proposed.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1530, S.D. 3, PROPOSED H.D. 2

**April 4, 2019
2:00 p.m.
Room 308**

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Senate Bill No. 1530, S.D. 3, Proposed H.D. 2, makes the conversion of the means of financing for the Hawaii Community Development Authority (HCDA) staff from revolving funds to general funds contingent upon the HCDA developing and submitting a plan to transfer its control of the Kakaako Development District to the City and County of Honolulu.

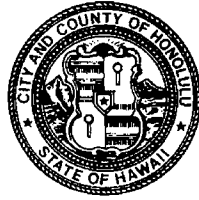
The department has concerns that HCDA will be unable to fund all of its staff and operational expenditures with its limited revolving funds if the agency is unable to utilize its general fund appropriation for the first half of FY 20 while the agency is developing the comprehensive transition plan.

Thank you for your consideration of our comments.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

April 4, 2019

The Honorable Sylvia Luke, Chair
and Members of the Committee on Finance
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Luke and Committee Members:

**SUBJECT: Senate Bill 1530, SD 3, HD 1, Proposed HD 2
Relating to Hawaii Community Development Authority**

The Department of Planning and Permitting (DPP) **supports, with one amendment,** Senate Bill No. 1530 SD 3, HD1, Proposed HD2. This Bill begins a process to transfer regulatory responsibilities for Kakaako to the City and County of Honolulu.

As we understand it, the proposed HD 2 would require the Hawaii Community Development Authority (HCDA) to develop a transition plan and report it to the Legislature by next session. The plan must reflect a completion date for the transition of December, 31, 2021. Included in the process are provisions for the transfer of authority staff from the HCDA revolving fund to the state general fund.

We request that the transition period be at least 3 years, rather than the proposed 18 months. It may take a year to develop the transition plan, another year to budget for its implementation, and then another year to execute the transition. This transition will have to address many issues, including disposition of outstanding obligations and assets, adoption of new ordinances, and perhaps environmental reviews.

We enthusiastically ask that this Bill be adopted with the 3-year extended time for implementation.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink that reads "Kathy Sokugawa".

Kathy K. Sokugawa
Acting Director



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HOUSE COMMITTEE ON FINANCE
Thursday, April 4, 2019, 2 PM Hearing in Conference Room 308

SB 1530, SD 3, HD 1, Proposed HD 2, Relating to the Hawaii Community Development Authority

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Luke and Committee Members:

The subject of the Proposed HD 2 has no rational connection to the subject of HB 1530, SD 3, HD 1. We are concerned that if the Legislature enacts the Proposed HD 2, the subject of the Proposed HD 2 will not have 3 readings in both the House and Senate as required under Article III, Sections 14 and 15 of the State Constitution.

Thank you for the opportunity to submit testimony.

ARTICLE III

LEGISLATIVE POWER

Section 14. . . . Each law shall embrace but one subject. . . .

Section 15. No bill shall become law unless it shall pass three readings in each house. . . .

LATE

SB-1530-HD-1

Submitted on: 4/3/2019 8:46:32 PM

Testimony for FIN on 4/4/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
lynne matusow	Individual	Oppose	No

Comments:

SHAME. Another last minute gut and replace givig the affected commuity and others no time to mobilize and react. Gut and replace is shameless and must be ddefeated. ALWAYS. How dar you at the last minute make a ove to get rid of the Kaka'aka section which has performed well. This idiocy was defeated last year and should not be resurrected. Please vote no. Take out this section.

SB-1530-HD-1

Submitted on: 4/4/2019 8:13:56 AM

Testimony for FIN on 4/4/2019 2:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Takamine	Kaka'ako Makai Community Planning Advisory Council	Oppose	No

Comments:

Kaka'ako Makai Community Planning Advisory Council

Testimony In Strong Opposition

SB1530 SD3 HD1

NOTICE OF HEARING

Thursday, April 4, 2019, 2:00 P.M.

Conference Room 308

415 South Beretania Street

Report Title: HCDA; Means of Financing Conversion; Kakaako Development District; City and County of Honolulu

Description: Makes the conversion of the means of financing for the Hawaii Community Development Authority staff from the Hawaii community development revolving fund to the general fund contingent upon the Hawaii Community Development Authority developing and submitting a plan to transfer its control of the Kakaako development district to the City and County of Honolulu. (SB1530 HD2 Proposed)

[COMMITTEE ON FINANCE](#)

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Rep. Stacelynn K.M. Eli	Rep. Nadine K. Nakamura
Rep. Cedric Asuega Gates	Rep. Scott Y. Nishimoto
Rep. Troy N. Hashimoto	Rep. Chris Todd
Rep. Daniel Holt	Rep. Tina Wildberger
Rep. Lisa Kitagawa	Rep. Kyle T. Yamashita
Rep. Bertrand Kobayashi	Rep. Bob McDermott
Rep. Scot Z. Matayoshi	

Aloha Chair Sylvia Luke and Vice Chair Ty J.K. Cullen:

My name is Wayne Takamine and I served as the chairman and spokesman for the Kaka'ako Makai Community Planning Advisory Council (CPAC). My involvement in community planning for Kaka'ako Makai began in late 2005 when the Kaka'ako community, stakeholders, environmental groups and ocean recreational park user groups began to understand the plans for 3 condominiums of 200 feet to be built in Kaka'ako Makai. I witness the disappointment of park users and Kaka'ako Makai stakeholders when a former HCDA Executive director said over a public address system, "the public cannot stop this project!" 6 months later, the A & B Condominium RFP was repealed and a new law was created prohibiting residential development in Kaka'ako Makai and the sale of state land in Kaka'ako.

The Legislature also created HCR 30 2006 that required the HCDA to create a community working group that became CPAC to organize, plan and implement a Master Plan for Kaka'ako Makai. 4 years later in 2010 I became the CPAC Chair and in 2011 with the support of hundreds of community participants, the HCDA Board approved the Kaka'ako Makai Master Plan.

The Kaka'ako Makai Community Planning Advisory Council (CPAC) in accordance with Legislative reforms to the Hawaii Community Development Authority (HCDA) under Act

61, 2012, in the public's interest, recognizes Governor Ige's excellent choices for the present HCDA Board members under HRS 206E-3 (b) as confirmed by the State Senate. The current HCDA Board has addressed many issues that were neglected by the previous administration. Among the most pressing are the homeless encampments in Kaka'ako and securing the parks for public use in Kaka'ako Makai. Although there are no easy fixes for the homeless problems I have seen drastic improvements in Kaka'ako Makai.

1. discussions with Kaka'ako Stakeholders', **SB1530 SD3 HD1 fails** to include critical community input for such a drastic transformations for Kaka'ako Planning. fact the term "Blindsided" was mentioned by several community leaders in discussion since SB1530 SD3 HD1 was GUT & REPLACE proposed on 4/2/2019 for today's hearing 4/4/2019.

During the evolutions of the HCDA Board, there have been numerous legislation actions to insure public participation in Kaka'ako planning and also strong laws including those that Prohibits Residential Development of Kaka'ako Makai and the Sale of State lands in Kaka'ako.

CPAC believes the HCDA and its established interaction with community and development interest is needed more at this time as critical decisions for Kaka'ako as issues are coming to the forefront. These include Transit Oriented Development, Homeless and the Preservation and improvements of our precious Public Shoreline and Ocean Recreational areas in Kaka'ako Makai.

CPAC Strongly Opposes SB1530 SD3 HD1.

Mahalo,

Wayne Takamine

Kaka'ako Makai CPAC

Here are some Before and After Pictures of Gateway Park Kaka'ako Makai:



Before Act 61, 2012 Reform



Gateway Park February 2018



Gateway Park February 2018



Gateway Park 2017

LATE

SB-1530-HD-1

Submitted on: 4/4/2019 9:03:41 AM

Testimony for FIN on 4/4/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Rachelle Nobriga	Individual	Oppose	No

Comments: