

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON FEBRUARY 25, 2022 AT 12:30PM VIA VIDEOCONFERENCE

**HB 1827, HD1, RELATING TO THE
PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

February 25, 2022

Aloha Chair Luke, Vice Chair Yamashita, and members of the Committee:

Thank you for the opportunity to testify in support of House Bill 1827, HD1, which establishes the Pulehunui community development district, board, and special fund.

The Department of Hawaiian Home Lands (DHHL) has been leading an effort to develop a regional infrastructure master plan to serve certain State lands in Pulehunui in a manner that is financially and environmentally efficient, maximizing the use of State funds while minimizing environmental impacts to the extent practicable. The Pulehunui community development district proposed in this bill does not include the parcels DHHL owns in Pulehunui, but are adjacent to DHHL lands. DHHL supports any effort toward obtaining funds to develop in this area.

Thank you for your consideration of our testimony.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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DAVID Y. IGE
GOVERNOR

SUSAN TODANI
CHAIRPERSON

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE
Executive Director
Hawaii Community Development Authority
before the

HOUSE COMMITTEE ON FINANCE

Friday, February 25, 2022
12:30 p.m.
Videoconference, State Capitol, Conference Room 308

In consideration of

HB 1827, HD1
RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT.

Chair Luke, Vice Chair Yamashita, and members of the Committee.

The Hawaii Community Development Authority (HCDA), **supports HB 1827, HD1.**

This measure establishes the Pulehunui community development district and board to be placed within HCDA and administratively attached to the Department of business, economic development, and tourism, to facilitate the development and improvement of state-owned lands in Pulehunui, Maui.

Thank you for the opportunity to testify in support.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1827, H.D. 1

February 25, 2022
12:30 p.m.
Room 308 and Videoconference

RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT

The Department of Budget and Finance (B&F) offers comments on this bill.

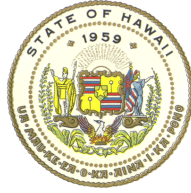
House Bill (H.B.) No. 1827, H.D. 1: establishes the Pulehunui Community Development District (PCDD) for the redevelopment of public lands on the island of Maui; provides for redevelopment of the district; establishes the PCDD Board under the Hawai'i Community Development Authority (HCDA) to manage the district; and creates the PCDD Special Fund that would generate revenues through the income, revenues and receipts of HCDA for the district, funds directed to the district from government agencies or private entities, and legislative appropriations. H.B. No. 1827, H.D. 1, does not appropriate any funds.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and

charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1827, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
WATER & LAND**

**Friday, February 25, 2022
12:30 PM**

State Capitol, Conference Room 308, Via Videoconference

**In consideration of
HOUSE BILL 1827, HOUSE DRAFT 1
RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

House Bill 1827, House Draft 1 proposes to establish the Pulehunui Community Development District, Board and Special Fund. **The Department of Land and Natural Resources (Department) appreciates and supports the intent this measure and offers the following comments.**

The Department desires to develop an approximately 280-acre portion of the property identified as Tax Map Key (2) 3-8-008:001 for a light industrial and business park. The Department intends to lease a variety of small, medium and large lots to private lessees for the purpose of generating income to support the Department's resource protection programs. This project will also require the provision of necessary infrastructure, including water and wastewater systems, at significant costs. The Department is working with other State and county agencies in order to address these issues. The establishment of the Pulehunui Community Development District would authorize its managing Pulehunui Community Development District authority board to obtain various forms of federal funding for planning, design, construction, maintenance, and development projects in the Pulehunui Community Development District. The Department supports this measure due to its potential to address the significant infrastructure costs for its proposed industrial and business park as well as other State projects located within the Pulehunui Community Development District.

The Department does have concerns that the measure excludes the Department as a land managing stakeholder agency from membership of the Pulehunui Community Development District authority board governing the development district. This would deprive the Department of the ability to participate in the entity granted the authority to enter into agreements which would greatly impact the planning and development of lands under the Department's management. Furthermore, the exclusion of the Department as a stakeholder agency from membership in the authority board would result in creating an additional layer of bureaucracy beyond existing state and county land use regulations.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

To address this issue, the Department requests the following amendment (highlighted in yellow) adding a new subsection (5) on page 3, line 16 to include the Chairperson of the Board of Land and Natural Resources or Chairperson's designee as a member of the Pulehunui Community Development District:

(5) The chairperson of the board of land and natural resources or the chairperson's designee;

For the purposes of consistency, the Department also requests amendments to page 4, line 10 and page 5, line 14 to include the Chairperson as a member of the board.

Thank you for the opportunity to comment on this measure.

HB-1827-HD-1

Submitted on: 2/24/2022 12:21:26 PM

Testimony for FIN on 2/25/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kevin Moore	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

HB-1827-HD-1

Submitted on: 2/24/2022 12:23:04 PM

Testimony for FIN on 2/25/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Russell Tsuji	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



HOUSE COMMITTEE ON FINANCE

Friday, February 25, 2022 8:30 am, Conference Room 308 & Videoconference
HB 1827, HD1

Relating to the Pulehunui Community Development District

TESTIMONY

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

Chair Luke and Committee Members:

The League of Women Voters opposes HB 1827, HD1.

Regardless of whether HB 1827, HD1 would violate the State Constitution, the League's position is that it is simply, obviously wrong for the Legislature to encourage people who might develop or lease public lands at Pulehunui to "play politics" to gain special unfair treatment. HB 1827, HD1 proposes a politically-appointed Pulehunui community development district board with authority to "manage" (and override county zoning for) "underutilized" public lands at Pulehunui but not to "manage" (and override county zoning for) "underutilized" public lands anywhere else in the State. However, Article XI, Section 5 of the Hawaii Constitution prohibits enactment of a "special" law which only applies to public lands at one specific location and nowhere else in the State. This requirement is explained in the Attorney General's February 1, 2022 testimony on HB 1788.

Thank you for the opportunity to submit testimony.