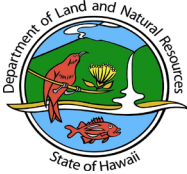


DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
WAYS AND MEANS
and
JUDICIARY**

**Wednesday, March 2, 2022
9:30 AM**

State Capitol, Conference Room 211, Via Videoconference

**In consideration of
SENATE BILL 2398, SENATE DRAFT 1
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT DISTRICT**

Senate Bill 2398, Senate Draft 1 proposes to: 1) create the Pulehunui Community Development District to allow for planning, development and maintenance of public lands in Pulehunui, Maui, 2) amend the Hawaii Community Development Authority (HCDA) membership to include the Director of the Office of Planning and Sustainable Development and the Director of the Office of Planning and Permitting of each county, or their designee, in which a community development district is located, 3) amend community representatives on each board from three to two at-large members, and 4) establish membership for quorum on matters related to the Pulehunui Community Development District. **The Department of Land and Natural Resources (Department) appreciates and supports this measure.**

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.

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

The Department appreciates that the measure has been amended to include the Department as a land managing stakeholder agency in the membership of the Pulehunui Community Development District authority board governing the development district. The Department requests a corrective amendment to Section 206E-3(b), Hawaii Revised Statutes in SECTION 2 of the bill by adding the Chairperson of the Board of Land and Natural Resources to page 14, line 9 for the purposes of consistency.

Thank you for the opportunity to comment on this measure.

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 SENATE COMMITTEES ON WAYS AND MEANS AND JUDICIARY
DECISION MAKING ON MARCH 2, 2022 AT 9:30AM VIA VIDEOCONFERENCE

SB 2398. SD1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

March 2, 2022

Aloha Chair Dela Cruz, Chair Rhoads, and members of the Committees:

Thank you for the opportunity to testify in support of Senate Bill 2398, which creates the Pulehunui Community Development District to allow for planning, development, and maintenance of public lands in Pulehunui, Maui.

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.

DHHL must note that since there are Hawaiian Home Lands located in the Kalaeloa community development district, the Chairman of the Hawaiian Homes Commission or the Chairman's designee should be allowed to continue to serve in an ex officio nonvoting capacity in that district.

Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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 SENATE COMMITTEES ON WAYS AND MEANS AND JUDICIARY
ON
SENATE BILL NO. 2398, S.D. 1

**March 2, 2022
9:30 a.m.
Room 211 and Videoconference**

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

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

Senate Bill (S.B.) No. 2398, S.D. 1, creates the Pulehunui Community Development District (PCDD) under the administration of the Hawai'i Community Development Authority (HCDA) to plan, develop, and maintain public lands in Pulehunui on the island of Maui; amends the membership of HCDA to include the Director of the Department of Business, Economic Development and Tourism and the Directors of Planning and Permitting of each county in which a community development district (CDD) is located; amends the number of community representatives on each board from three to two at-large members; establishes membership and quorum requirements for the PCDD; and establishes the PCDD Special Fund.

B&F defers to HCDA on the merits and impacts of establishing the PCDD but points out that although Section 2 of S.B. No. 2398, S.D. 1, amends the number of at-large members and community representatives for each CDD from three to two, the measure does not amend these member counts for the Kaka'ako CDD on page 12, lines 14 and 15.

Finally, 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 S.B. No. 2398, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
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DAVID Y. IGE
GOVERNOR

SUSAN TODANI
CHAIRPERSON

CRAIG K. NAKAMOTO
INTERIM EXECUTIVE DIRECTOR

Statement of
CRAIG NAKAMOTO
Interim Executive Director
Hawaii Community Development Authority
before the

SENATE COMMITTEE ON WAYS AND MEANS
and the
SENATE COMMITTEE ON JUDICIARY

Wednesday, March 2, 2022
9:30 A.M.
State Capitol, Conference Room 211, & Videoconference

In consideration of

SB 2398, SD1
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and members of the Committees. The Hawaii Community Development Authority (HCDA) **supports SB 2398, SD1 with amendments.**

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.

Passage of SB 2398 SD1 would allow HCDA to facilitate and lead regional infrastructure planning between several State agencies and ensure the most efficient use of State funds.

Because the bill also makes changes to the governance structure of the HCDA board and other community development district boards, we suggest the following amendments for clarity:

1. On page 12, line 14 and line 15, please make the following change:

Replace “three” with “two”.

2. Please delete the word “and” on page 14, line 7.
3. On Page 14, line 9, following the director of the department of business, economic development and tourism;” please insert the following language:

“...and the chairperson of the board of land and natural resources”.

4. On page 14, line 19, please make the following change:

Replace “five” with “three”.

This measure would enable HCDA to engage with the U.S. Department of Agriculture’s Rural Development division about potentially utilizing federal infrastructure funds to finance regional infrastructure improvements as well as the new correctional facility.

The HCDA has considerable experience in implementing infrastructure improvements and facilitating development and welcomes the opportunity to use its development expertise in facilitating development and improvement in Pulehunui.

Thank you for the opportunity to testify in support of this measure.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 28, 2022

TO: Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

Honorable Karl Rhoads, Chair
Senate Committee on Judiciary

FROM: Alice L. Lee
Council Chair

DATE: February 28, 2022

SUBJECT: **SUPPORT FOR SB 2398, SD1, RELATING TO THE HAWAII
COMMUNITY DEVELOPMENT AUTHORITY**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure creates the Pulehunui Community Development District to allow for planning, development, and maintenance of public lands in Pulehunui, Maui.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **SUPPORT** this measure for the following reasons:

1. This measure would help support the development of much-needed housing units in Maui County.
2. This measure would help ensure skilled employees stay in Maui County, providing economic and social benefits to the community, instead of leaving because of a lack of housing options.
3. Redeveloping, renovating, or improving these public lands to provide suitable recreational, residential, educational, industrial, governmental, and commercial areas where the public can live, congregate, recreate, attend schools, and shop as part of a thoughtfully integrated experience is in the best interest of Maui County.

For the foregoing reasons, I **SUPPORT** this measure.

SB-2398-SD-1

Submitted on: 2/25/2022 5:31:25 PM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mike Golojuch, Sr.	Individual	Comments	No

Comments:

As a former community member of HCDA for Kalaeloa, I have no problem with the proposed Pulehunui Community Development District. However, I totally disagree with reducing the number of at-large community representatives from three to two. You need that grassroots input that can't be overshadowed by State or County officials who do not know the local area.

Mike Golojuch, Sr.



SENATE COMMITTEE ON WAYS AND MEANS
SENATE COMMITTEE ON JUDICIARY

Wednesday, March 2, 2022 9:30 am, Conference Room 211 & Videoconference
SB 2398, SD1

Relating to the Hawaii Community Development Authority

TESTIMONY

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

Chair Dela Cruz, Chair Rhoads, and Committee Members:

The League of Women Voters opposes SB 2398, SD1.

Regardless of whether SB 2398, SD1 would comply with 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. Besides changing who is included on the board of the HCDA, SB 2398, SD1 proposes to authorize specified HCDA board members (**but not all board members**) to regulate (and override county zoning for) "underutilized" public lands at Pulehunui but not to regulate (and override county zoning for) similar "underutilized" public lands at any other location. In simple terms, SB 2398, SD1 proposes politically-appointed board members with regulatory jurisdiction restricted to public lands at Pulehunui. 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 11, 2022 testimony on SB 2833.

Thank you for the opportunity to submit testimony.