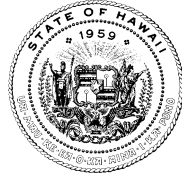


DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

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 ENERGY, ECONOMIC DEVELOPMENT,  
AND TOURISM & WATER AND LAND  
HEARING ON FEBRUARY 16, 2022 AT 3:05PM VIA VIDEOCONFERENCE

**SB 2398 RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

February 16, 2022

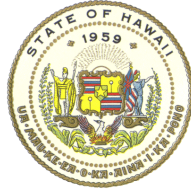
Aloha Chair Wakai, Chair Inouye, and members of the Committees:

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.

Thank you for your consideration of our testimony.

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  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
and  
WATER AND LAND**

**Wednesday, February 16, 2022  
3:05 PM**

**State Capitol, Conference Room 224, Via Videoconference**

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

Senate Bill 2398 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 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.

**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 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. Furthermore, the Department defers to HCDA with respect to the amendments that affect its membership and administrative duties.

The Department notes that the Pulehunui Community Development District Special Fund established by the measure, states that "all revenues, income, and receipts for the district" shall be deposited into the fund. The Department understands the provision does not extend to any revenues, income and receipts generated by the properties located within the Pulehunui Community Development District. If the Department's understanding is correct, the Department respectfully requests that the committees consider amending the measure to clarify the scope of that provision. If the intent is for the special fund to receive revenues generated from the use of lands located with the district, then the Department opposes the diversion of funds due to the detrimental impact on the Department's ability to fund its resource management and protection programs.

Finally, the Department requests the following amendment (highlighted in yellow) adding a new subsection (E) 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:

(4) For matters affecting the Pulehunui community development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

(A) The director of finance or the director's designee;

(B) The director of transportation or the director's designee;

(C) The director of the office of planning and sustainable development or the director's designee;

(D) The director of planning and permitting for the county in which the Pulehunui community development district is located or the director's designee;

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

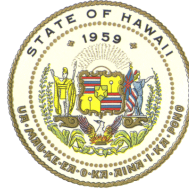
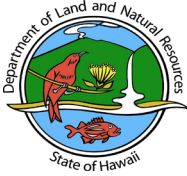
[(-E)] (F) The cultural specialist;

[(-F)] (G) The two at-large members; and

[(-G)] (H) The two representatives of the Pulehunui community development district.

Thank you for the opportunity to comment on this measure.

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  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
and  
WATER AND LAND**

**Wednesday, February 16, 2022  
3:05 PM**

**State Capitol, Conference Room 224, Via Videoconference**

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

Senate Bill 2398 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 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.

**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  
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ENGINEERING  
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HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

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. Furthermore, the Department defers to HCDA with respect to the amendments that affect its membership and administrative duties.

The Department notes that the Pulehunui Community Development District Special Fund established by the measure, states that "all revenues, income, and receipts for the district" shall be deposited into the fund. The Department understands the provision does not extend to any revenues, income and receipts generated by the properties located within the Pulehunui Community Development District. If the Department's understanding is correct, the Department respectfully requests that the committees consider amending the measure to clarify the scope of that provision. If the intent is for the special fund to receive revenues generated from the use of lands located with the district, then the Department opposes the diversion of funds due to the detrimental impact on the Department's ability to fund its resource management and protection programs.

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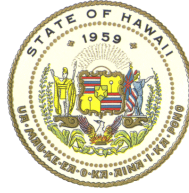
[(-E)] (F) The cultural specialist;

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Thank you for the opportunity to comment on this measure.

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  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
and  
WATER AND LAND**

**Wednesday, February 16, 2022  
3:05 PM**

**State Capitol, Conference Room 224, Via Videoconference**

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SENATE BILL 2398  
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT DISTRICT**

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

**ROBERT K. MASUDA**  
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[(-E)] (F) The cultural specialist;

[(-F)] (G) The two at-large members; and

[(-G)] (H) The two representatives of the Pulehunui community development district.

Thank you for the opportunity to comment on this measure.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813  
Telephone: (808) 594-0300 Fax: (808) 587-0299  
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE  
GOVERNOR

SUSAN TODANI  
CHAIRPERSON

DEEPAK NEUPANE, P.E., AIA  
EXECUTIVE DIRECTOR

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

**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**  
and the  
**SENATE COMMITTEE ON WATER AND LAND**

Wednesday, February 16, 2022  
3:10 p.m.  
State Capitol, Conference Room 224, & Videoconference

In consideration of  
**SB 2398**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.**

Chairs Wakai and Inouye, Vice Chairs Misalucha and Keith-Agaran, and members of the Committees. The Hawaii Community Development Authority (HCDA), **supports SB 2398 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.

The bill also makes changes to the governance structure of the HCDA board and community development district boards.

We suggest the following amendment pertaining to the composition of the authority to make the membership align with the other related measures. On page 6, lines 11 and 12, page 8, lines 11 and 12, page 10, lines 1 to 3, page 11, lines 3 to 5, page 12, lines 7 to 9, page 13, lines 9 to 11, and page 14, lines 5 and 6 please make the following change:

Replace “the director of the office of planning and sustainable development or the director's designee” with “the director of the department of business, economic development, and tourism or the director’s designee”. Note: the additional language, “or the director’s designee”, will not need to be inserted in every instance.

Please delete the extraneous language on page 14, lines 10 to 12 as follows:

“ . . . provided that the initial terms of all voting members initially appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall commence on March 1, 2015...”

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

It would also 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](http://www.MauiCounty.us)

February 15, 2022

TO: Honorable Glenn Wakai, Chair  
Senate Committee on Energy, Economic Development, and Tourism

Honorable Lorraine R. Inouye, Chair  
Senate Committee on Water and Land

FROM: Alice L. Lee  
Council Chair

DATE: February 15, 2022

SUBJECT: **SUPPORT FOR SB 2398, 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.



SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
SENATE COMMITTEE ON WATER AND LAND  
Wednesday, February 16, 2022 3:05 pm, Conference Room 224 & Videoconference  
SB 2398  
Relating to the Hawaii Community Development Authority  
**TESTIMONY**  
Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Wakai, Chair Inouye and Committee Members:

The League of Women Voters opposes SB 2398.

Regardless of whether SB 2398 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 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. 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.

**SB-2398**

Submitted on: 2/12/2022 12:28:00 PM

Testimony for EET on 2/16/2022 3:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
lynne matusow	Individual	Oppose	No

Comments:

This is a very BAD bill. It reduces transparency and participation at the grass roots level. It is the community members, residents and businesses, who will feel the impacts and they need greater, not less say. Do not reduce the number of community members in the district, do not replace the nominating authority of the county councils with that of the now scandalized legislature (thanks to English and Cullen). What does it say about the legislature that none of the other members suspected that English and Cullen were crooks?

Better still, defer this bill. Now. A'ole imua.

Find another way to set up the Pulehunui communith development district.