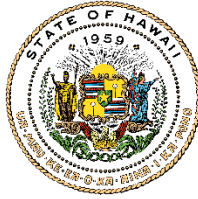
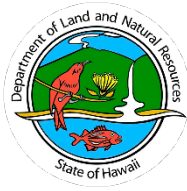


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the Senate Committee on
WATER AND LAND**

**Wednesday, March 13, 2024
1:00 P.M.**

State Capitol, Conference Room 229 & Videoconference

**In consideration of
HOUSE BILL 1781, HOUSE DRAFT 2
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

House Bill 1781, House Draft 2 proposes to establish the Panaewa Community Development District under the Hawaii Community Development Authority. **The Department of Land and Natural Resources provides the following comments on the bill.**

The following table shows the size and current disposition of the five parcels listed in the bill that would constitute the proposed development district:

Tax Map Key:	Acreage	Current Disposition
(3) 2-4-049:016	34.954	Unencumbered in conservation district
(3) 2-4-049:017	12.683	Executive Order (EO) 4300 to the Department of Agriculture (DOA) for agriculture purposes
(3) 2-4-049:018	10.875	EO 3524 to the Department of Public Safety for Hale Nani Work Release Center
(3) 2-4-049:032	9.079	EO 4300 to DOA for agriculture purposes
(3) 2-4-049:033	4.264	Unencumbered in conservation district

Mahalo for the opportunity to testify on this measure.

HB-1781-HD-2

Submitted on: 3/11/2024 8:39:01 AM

Testimony for WTL on 3/13/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Russell Tsuji	Testifying for Department of Land and Natural Resources	Comments	Remotely Via Zoom

Comments:

Written testimony from DLNR previously submitted on another Capitol account. Request for a Zoom link for additional DLNR staff testifying remotely for HB1781 HD2.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

CHASON ISHII
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
SENATE COMMITTEE ON WATER AND LAND

Wednesday, March 13, 2024
1:00 p.m.
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB 1781, HD 2
RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chairperson Inouye, Vice Chairperson Elefante, and members of the Committee.
The Hawai'i Community Development Authority (HCDA) **supports** HB 1781, HD 2.

HB 1781 establishes the Panaewa community development district ("District") to allow for planning and development of public lands in Panaewa, Hilo, Hawai'i, by the HCDA. The bill does not include funding or staff positions—such funding or staff positions could be provided in the future.

Due to the funding horizon, we offer a suggestion related to the two proposed Panaewa community representative positions. Our suggestion will help HCDA reduce the administrative burdens of administering several boards, including the general authority board. If this bill becomes law as currently drafted, the two community representatives of the District (See, Page 8, Line 20/21 and Page 9, Lines 1 to 4) will be counted toward quorum on the general authority board despite the positions being vacant because they are **eligible voting** members. Thus, we suggest that language be added stating that the two community representatives of the District will **not** be counted towards establishing quorum of the general authority board until the date the Governor initially appoints one community representative of the District and that community

Senate Committee on Water and Land

H.B. 1781, H.D. 2

March 13, 2024

Supporting Testimony of the Hawai'i Community Development Authority

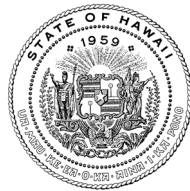
Page 2

representative is confirmed by the Senate. Accordingly, we suggest adding a new Section 3 to this bill as follows:

“Section 3. Notwithstanding Section 206E-3(g), Hawaii Revised Statutes, until the date the Governor initially appoints at least one of the community representatives of the District as set forth in Section 206E-3(b)(13), and such community representative is confirmed by the Senate, both District community representatives shall not qualify as eligible voting members as defined in Section 206E-3(g); provided, however, once the first District community representative is initially appointed and confirmed, this section shall no longer apply and both District community representatives shall qualify as eligible voting members as defined in Section 206E-3(g), regardless of whether both District community representative positions are vacant.”

If the committee adopts our suggestion, we also request that the committee report be drafted to reflect this intent.

Thank you for the opportunity to provide our comments.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

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

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WATER AND LAND
ON
HOUSE BILL NO. 1781, H.D. 2

March 13, 2024
1:00 p.m.
Room 229 and Videoconference

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

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

House Bill (H.B.) No. 1781, H.D. 2, establishes the Panaewa Community Development District (PCDD) under the Hawai'i Community Development Authority (HCDA) to allow for the planning, development, and maintenance of public lands in Panaewa, Hawai'i; establishes the Panaewa Community Development District Special Fund (PCDDSF) for HCDA to administrate and operate the PCDD; and amends the membership of the HCDA to include representatives for the PCDD. The PCDDSF would generate revenue from the PCDD, legislative appropriations, and by collecting other funds from government agencies and private individuals or organizations.

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. 1781, H.D. 2, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.