



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

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Statement of  
**Chris J. Sadayasu, Director**  
Department of Business, Economic Development & Tourism  
before the  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**

Tuesday, March 21, 2023  
2:00 PM

State Capitol, Conference Room #325 & Videoconference

In consideration of  
**SB1286, SD1, HD1**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.**

Chair Tarnas, Vice Chair Takayama and Members of the Committee. The Department of Business, Economic Development & Tourism (DBEDT) **supports with amendments** SB1286, SD1, HD1, that allows the Hawaii Community Development Authority (HCDA) to conduct a pilot program to lease real property on one parcel in the Kaka'ako Community Development District for a term of ninety-nine years.

Addressing Hawaii's housing shortage will take all of us working together and coming up with a variety of housing options for the many diverse needs of the people of Hawaii.

This pilot program creates a new option for HCDA to use in developing affordable housing, and DBEDT is very supportive of innovative development initiatives like this because they not only stimulate Hawaii's economy by increasing construction and related non-construction jobs, but we are hopeful that it will lead to future housing development projects that will help to increase the State's housing inventory, providing much needed homes to Hawaii's families. HCDA will be submitting testimony suggesting a non-substantive, technical amendment that changes "one parcel" to "one redevelopment project" because the land proposed for the 99-year lease pilot project is actually two (2) contiguous parcels but will be one redevelopment project. We defer to HCDA on requested amendments.

This pilot program supports DBEDT's mission of creating affordable workforce housing units in high-quality living environments like the live, work, play community in Kaka'ako.

Thank you for the opportunity to testify.



**HAWAI'I COMMUNITY  
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.  
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CHAIRPERSON

CRAIG K. NAKAMOTO  
EXECUTIVE DIRECTOR

Statement of  
**Craig K. Nakamoto, Executive Director**  
Hawai'i Community Development Authority

before the  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**

Tuesday, March 21, 2023  
2:00 PM  
State Capitol, Conference Room 325 & Videoconference

In consideration of  
**SB1286, SD1, HD1**  
**RELATING TO THE HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY.**

Chair Tarnas, Vice Chair Takayama, and members of the Committee.

The Hawai'i Community Development Authority (HCDA) **supports SB1286, SD1, HD1**, that allows HCDA to conduct a pilot program to lease real property on one parcel in the Kaka'ako Community Development District for a term of ninety-nine years.

As the need for affordable housing grows, so does the need for innovative ways of creating new homes that the people of Hawai'i can afford.

This pilot program gives HCDA the option to offer a sustainable long-term lease, for housing, will enhance HCDA's ability to produce housing for our island residents for generations, something that is a challenge with a shorter duration.

We respectfully suggest the following amendments:

Change the language from "on one parcel" to "for one project" because the test project consists of two contiguous parcels so more technically correct to describe it as one project. (On page 3, line 4; page 3, line 13; and in the description.)

Change the language on page 3, line 13 from "constituting a redevelopment project" to "constituting only one (1) redevelopment project"

Also, add the language "of the leasehold interest" after the word "sale" throughout the bill.

With a proven track record, in recent years, HCDA partnered with private developers to build affordable rental housing on state land in the successful Nohona Hale micro-unit project on Cooke Street that was completed in 2020 with over 100 units on 10,000 sq. ft. of land. The project utilizes the State's first vertical PV system on the side of the building powering common areas. Rents in Nohona Hale range from \$600 to \$1,100 that is 60% and below the AMI (area median income).

A second example is the Ola Ka 'Ilima Artspace Lofts for low-income artists and their families, designed with high ceilings and large windows with natural lighting for artists to utilize. These projects are for qualified individuals earning between 30 and 60% of the AMI.

Together we all can help to address Hawai'i's housing shortage.

Thank you for the opportunity to testify.



**SB1286 SD1 HD1**  
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
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The Office of Hawaiian Affairs (OHA) offers **COMMENTS** on SB1286 SD1 HD1, which would propose a mechanism for ninety-nine year leases of public lands. **OHA takes care to note its appreciation for the Legislature in accepting OHA’s recommendations to include an exemption for “Crown and Government lands” belonging to the Hawaiian Kingdom. OHA’s concerns stemmed from instances where public lands were permanently alienated from the Public Land Trust in so far as they were connected with very long leases.**

Crown and Government lands of the Hawaiian Kingdom, often referred to as “Ceded Lands” of the Public Land Trust corpus, are continuously held in trust for the betterment of the conditions of Native Hawaiians.<sup>1</sup> In addition to its codification within the Hawai‘i Admissions Act, lawmakers sought to ensure the continuous uplifting of Native Hawaiian socio-economic status through the creation of OHA and the enacting of these principles into State law.<sup>2</sup> OHA serves as the principal public agency of the State responsible for the programs and activities of Native Hawaiians,<sup>3</sup> whose well-being is often positively impacted by the programs and services funded by revenue from the public land trust. OHA maintains that the Native Hawaiian people continue to assert their claim to Crown and Government lands; claims that have yet to be settled.

OHA appreciates the opportunity to provide comments on this measure and wishes, once again, to express its appreciation for the Legislature in amending SB1286 SD1 HD1 to include OHA’s recommendations. Mahalo nui loa.

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<sup>1</sup> Pub. L. 86-3, 73 Stat. 4; Hawai‘i Admissions Act of 1959.

<sup>2</sup> HRS §10-3.

<sup>3</sup> Id.