



**HAWAI'I COMMUNITY  
DEVELOPMENT AUTHORITY**

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GOVERNOR

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LT. GOVERNOR

CHASON ISHII  
CHAIRPERSON

CRAIG K. NAKAMOTO  
EXECUTIVE DIRECTOR

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

Tuesday, January 30, 2024  
9:00 a.m.  
VIA Videoconference, State Capitol, Conference Room 430

In consideration of  
**HB 1781**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.**

Chair Ichiyama, Vice Chair Poepoe, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** this bill which establishes the Panaewa community development district to allow for planning, development, and maintenance of public lands in Panaewa, Hilo, Hawai'i. We respectfully suggest two technical amendments:

First, on Page 5, Lines 5 to 6, for clarity, that existing special funds are also part of the state treasury, we respectfully recommend revising that language to read as follows:

“ . . . (1) All revenues, income, and receipts of the authority for the district, **notwithstanding any other law to the contrary, including section 206E-16; . . .**” [our suggested revisions are bolded for ease of reference]

Second, on Page 9, Lines 10 to 11. The nomination process is not specified in “this subsection” so that language should be clarified. We would respectfully recommend revising that language to read as follows:

“ . . . . The two at-large members nominated by the president of the senate and speaker of the house of representatives shall each be invited to serve

and appointed by the governor from a list of three nominees submitted for each position by the nominating authority ~~[pursuant to]~~ **specified** in ~~[this]~~ subsection [.] **(b)**. . . .” [our suggested revisions are bolded for ease of reference]

If this bill becomes law, we look forward to working with the bill’s supporters to understand their vision for the new community development district.

Thank you for the opportunity to share our thoughts.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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LUIS P. SALAVERIA  
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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 HOUSE COMMITTEE ON WATER AND LAND  
ON  
HOUSE BILL NO. 1781

**January 30, 2024**  
**9:00 a.m.**  
**Room 430 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 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, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

**HB-1781**

Submitted on: 1/28/2024 4:24:11 PM

Testimony for WAL on 1/30/2024 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Douglass S. Adams	Department of Research & Development, County of Hawaii	Support	Written Testimony Only

Comments:

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee on Water & Land:

Thank you for the opportunity to testify in SUPPORT of HB1781, which establishes the Panaewa community development district to allow for planning, development and maintenance of public lands in Panaewa, Hawaii Island.

The Department of Research & Development, County of Hawaii, encourages the Committee to recommend passage of HB1781 by the House of Representatives.

very respectfully,

Douglass S. Adams, Director