



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

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

Friday, March 28, 2025
10:02 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB1007, HD2, SD1
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports in part**, and **opposes in part**, HB1007, HD2, SD1 for the reasons stated below.

SUPPORT

We strongly support the H.D. 2 version and the provisions added by the Committee on Transportation and Culture and the Arts committee that: 1) allow the Agency to use its powers outside its districts, page 6, lines 4 to 9; and 2) allow the Agency to issue bonds, page 2, line 10 to page 3, line 4.

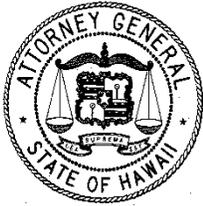
OPPOSE

We oppose the addition of essentially the contents of SB 1669, SD 2, HD 2, into HB 1007 as a new Part II starting at Page 25 Line 3, for the following reasons: (i) creates an unwieldy and unworkable governance structure within HCDA, (ii) creates unnecessary redundancy because most of the functions within SB 1669 can be done by HCDA currently, and (iii) raises legal issues and concerns about whether Part II is germane.

Further, we have concerns that the addition of Part II will raise questions and could impede agreement on the bill should the bill go to conference.

We recommend removing the Part II language from HB 1007, HD 2, SD 1.

Thank you for the opportunity to provide testimony.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 1007, H.D. 2, S.D. 1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Friday, March 28, 2025

TIME: 10:02 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Kevin C. Tongg,
Deputy Attorney General, at 808-586-1180)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

The original purposes of this bill were to: (1) authorize the Hawaii Community Development Authority (Authority) to cooperate with private and public sector entities to engage in projects that improve the State; and (2) amend the Transit-Oriented Development Infrastructure Improvement District established under chapter 206E, part X, Hawaii Revised Statutes (HRS), which is governed by a Transit-Oriented Development Infrastructure Improvement District board placed under the Authority for administrative purposes, into a program under the Authority (Program).

S.D. 1 of this bill added a new part II (page 25, line 3, to page 74, line 18) that would add a new chapter to the HRS to establish the Transit-Oriented Community Improvement Partnership (Partnership), a body corporate and an instrumentality and agency of the State, to be placed within the Authority for administrative purposes only. The purpose of the Partnership is to prioritize and implement community improvements and amenities to create communities for local residents to live, work, and play within. In contrast, the purpose of the Program is to facilitate the construction of infrastructure (i.e., roads, sewers, water, power, communication, and storm water management systems) to support development. The Partnership would not implement the Program

and has no direct relationship to the Program. Accordingly, the Department has concerns that the amendment in part II of this bill may be subject to challenge as a non-germane amendment to the original bill because it does not appear to be related to the original purpose of the bill.

In League of Women Voters of Honolulu v. State, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), the Hawai'i Supreme Court held that the constitutional requirement that a bill must pass three readings in each house "begin[s] anew after a non-germane amendment changes the object or subject of a bill so that it is no longer related to the original bill as introduced." As part II of S.D. 1 of this bill does not appear to relate to the original purpose of this bill, there is a risk that a court would conclude that these amendments are outside the scope of the purpose of the original bill and that the amended bill will violate article III, section 15, of the Hawai'i Constitution if it does not receive three additional readings in each house.

To address this issue, the Department recommends deleting part II from this bill, and combining parts I and III into a single part, similar to the structure of H.D. 2 of this bill.

Thank you for the opportunity to provide comments.



Testimony of the Oahu Metropolitan Planning Organization

Committee on Ways and Means

March 28, 2025 at 10:02AM

Conference Room 211 & Videoconference

HB 1007 HD 2 SD1

Relating to Hawaii Community Development Authority

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB 1007 HD 2 SD 1**, which authorizes the Hawai'i Community Development Authority to cooperate with or assist public and private sector entities to engage in projects that improve the State, establishes the Transit-oriented Development Infrastructure Improvement Program under the HCDA, repeals the Transit-oriented Development Infrastructure Improvement District and Board, authorizes the HCDA to issue bonds to finance the development of infrastructure outside of HCDA's community development districts, establishes the Transit-Oriented Community Improvement Partnership within the HCDA, establishes the Community Improvement Special Fund, requires annual reports to the Legislature, and appropriates funds into and out of the special fund for the Partnership and positions.

Streamlining transit-oriented development infrastructure improvements will allow more housing to be built more quickly, and therefore more people to live closer to future rail stations. This will encourage more walkable, connected communities where residents drive far less each day than their counterparts in more sprawling locations.¹ In addition, when more mixed-use and transit-oriented housing is provided, it makes it easier for people to get around without their car which can reduce emissions in the near term, reduce transportation costs, provide more opportunities for physical activity, and improve access to necessities for both people who don't have a car and those with cars.²

According to the State Climate Commission Report, "Drivers of VMT and priority reduction strategies in Hawaii", households in suburban areas drive around 37 percent more than those in urban centers and households on the suburban fringe drive 68 percent more.³ Limiting outward growth and concentrating more growth in urban infill areas and those near high quality transit, will be critical for Hawaii to meet its climate and energy goals. This is because mixed use development results in shorter trips, fewer trips,

¹ <https://smartgrowthamerica.org/wp-content/uploads/2020/10/Driving-Down-Emissions-FINAL.pdf>

² IBID.

³ https://climate.hawaii.gov/wp-content/uploads/2023/07/USCA_Hawaii_VMT_strategies_Feb22.pdf

and more trips taken by lower-carbon modes.⁴ With more compact development, people drive 20 to 40 percent less, at minimal or reduced cost, while reaping other fiscal and health benefits.⁵ Whether people care about reducing their own emissions or not, by providing more opportunities for them to live where emissions are naturally lower per person, we can work within the market to help address climate change.

The bill is also consistent with the State Climate Commission's *Investing in Transportation Choices Toolkit*⁶ and *Drivers of VMT and Priority Reduction Strategies for Hawaii*, which identified infill and mixed-use development, and parking management, as key strategies to reduce greenhouse gas emissions, vehicle miles traveled and improve transportation choices for Hawaii residents.

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for active and public transportation, promoting an equitable transportation system, and improving air quality and protecting environmental and cultural assets. Providing more housing in and around high-quality public transportation and where people can meet their daily needs without a car, can help residents save on their transportation costs, improve their quality of life, and reduce transportation emissions and traffic congestion.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution (23 CFR 450.300).

OahuMPO notes the comments from HCDA and OPSD, and respectfully requests the committee consider and adopt them.

Thank you for the opportunity to provide testimony on this measure.

⁴ <https://smartgrowthamerica.org/wp-content/uploads/2020/10/Driving-Down-Emissions-FINAL.pdf>

⁵ https://www.nrdc.org/sites/default/files/cit_07092401a.pdf

⁶ <https://climate.hawaii.gov/wp-content/uploads/2023/07/Investing-in-Transportation-Choices-V6.pdf>

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor

JAMES KUNANE TOKIOKA
DBEDT Director

DANE K. WICKER
DBEDT Deputy Director



An Agency of the State of Hawaii

BRENNON T. MORIOKA
Chair, Stadium Authority

CHRIS J. SADAYASU
interim Stadium Manager

Statement of
CHRIS J. SADAYASU
Interim Stadium Manager
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Friday, March 28, 2025
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In consideration of
H.B. 1007, HD2, SD1
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee.

The Stadium Authority appreciates this opportunity to submit testimony in support of House Bill 1007, HD1, SD1 with respect to the provision that creates a new section in Hawaii Revised Statutes Chapter 206E that allows the Hawaii Community Development Authority (HCDA) to issue bonds for the development of infrastructure for land within the stadium development district and for the implementation of a transit-oriented development infrastructure program.

Aloha Halawa District Partners, the preferred offeror for the development of the New Aloha Stadium Entertainment District (NASED), has indicated that the infrastructure costs for the NASED project will cost over \$150M and that they are exploring all financing options to pay these costs. This transit-oriented development adjacent to the Skyline's Halawa Station is a prime example of a project that would

benefit from bond funds to finance infrastructure costs. The NASED project will provide workforce housing opportunities and an entertainment-based gathering place for Hawaii's residents and visitors. The project is also projected to generate approximately \$17M in real property taxes and \$6M in transient accommodations taxes annually that justifies the expenditure of bond funds for infrastructure costs. The Stadium Authority supports the concept of creating these infrastructure financing options that can benefit transit-oriented developments like the NASED project.

Thank you for this opportunity to testify.