

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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 CONSUMER PROTECTION AND COMMERCE
ON
HOUSE BILL NO. 818, H.D. 1

February 13, 2025
2:00 p.m.
Room 329 and Videoconference

RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT

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

House Bill (H.B.) No. 818, H.D. 1, amends Chapter 206E, HRS, to: 1) establish the Waiakea Peninsula Community Development District (WPCDD); 2) create a nine-member WPCDD Committee to provide policy direction and prepare a community development plan; and 3) establish the Waiakea Community Development District Special Fund (WCDDSF) that would generate revenues through income, revenues and receipts from the district, legislative appropriations, grants, gifts, awards, donations, and landowner assessments.

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. 818,
H.D. 1, it is difficult to determine whether the proposed WCDDSF would be self-sustaining.

Thank you for your consideration of our comments.



**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. 818, H.D. 1, RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT.

BEFORE THE:

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

DATE: Thursday, February 13, 2025 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Kevin C. Tongg or Christopher J.I. Leong, Deputy Attorneys
General

Chair Matayoshi and Members of the Committee:

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

The purposes of this bill are to: (1) establish the Waiakea community development district to be governed by the Hawaii Community Development Authority (Authority); (2) set forth development guidance policies that generally govern the Authority's actions in the district; (3) allow the Authority to secure financial aid from the federal government for the planning, design, building, construction, and maintenance work that the Authority is authorized to undertake for the district; (4) grant additional powers to the Authority to establish a district improvement and maintenance program to establish a mechanism to improve and maintain the district, and adopt rules pursuant to chapter 91, HRS, to implement the program; and (5) establish a special fund for the Waiakea community development district.

The Department has concerns that by establishing a special fund for the Waiakea community development district, this bill does not comply with the requirements of section 37-52.3, HRS. Currently, this bill does not explain why the Waiakea community development district could not be implemented with general funds. Section 37-52.3, HRS, provides that the Legislature "shall ensure that the special fund: (1) [s]erves a need, as demonstrated by: . . . (C) [a]n explanation of why the program

cannot be implemented successfully under the general fund appropriation process[.]"
Thus, we recommend amending this bill to include an explanation of why the Waiakea community development district cannot be implemented successfully with general funds and must instead utilize the Waiakea community development district special fund.

Thank you for the opportunity to provide comments.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
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

Testimony of
DAWN N.S. CHANG
Chairperson

Before the House Committee on
CONSUMER PROTECTION & COMMERCE

Thursday, February 13, 2025
2:00 PM

State Capitol, Conference Room 329 & Videoconference

In consideration of
HOUSE BILL 818, HOUSE DRAFT 1
RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT

House Bill 818, House Draft 1 proposes to establish the Waiakea Peninsula Community Development District (WPCDD). **The Department of Land and Natural Resources (Department) provides comments on this measure and requests amendments.**

The Department requests that pages 14 and 15 of the measure be amended to add the Chairperson of the Board of Land and Natural Resources or designee as a member of the proposed development district board. As most of the lands within the proposed development district are owned by the State, the Department believes that it is appropriate to have representation on the board. This is similar to the Pulehunui Community Development District, enacted pursuant to Act 190, Session Laws of Hawaii 2022. The Department notes that the Chairperson is a member of that board where the majority of lands included in the development district are owned by the State.

Additionally, the Department requests that page 7, lines 7 through 9 be amended as follows to clarify that the revenues generated by the Department's leases on Banyan Drive will be retained by the Department and not deposited into the proposed Waiakea community development district special fund:

- (1) All revenues, income, and receipts of the authority for the district, notwithstanding any other law to the contrary, including section 206E-16, but excluding all revenues, income, and receipts paid to other agencies;

Thank you for the opportunity to comment on this measure.

Ashley L. Kierkiewicz
County Council District IV

*Chair – Policy Committee on Planning,
Land Use & Economic Development*



(808) 961-8265
ashley.kierkiewicz@hawaiiicounty.gov

*Vice-Chair – Policy Committee on
Public Works & Mass Transit*

HAWAI'I COUNTY COUNCIL
25 Aupuni Street • Hilo, Hawai'i 96720

LATE

February 13, 2025

Support for HB 818

House Committee on Consumer Protection & Commerce

Rep. Scot Matayoshi, Chair
Rep. Cory Chun, Vice-Chair

Aloha, Chair Matayoshi, Vice-Chair Chun, and Members of the CPC Committee:

Mahalo for the opportunity to testify in **strong support of HB 818**, which would establish the Waiākea Community Development District and transfers landownership to the Hawai'i Community Development Authority.

As someone born and raised on Hawai'i Island, I fondly remember a time when Banyan Drive was a vibrant destination. In recent years, I have been saddened to see it fall into disrepair. The Waiākea Peninsula holds immense potential to elevate local culture, support regenerative tourism, and provide open space for recreation. It is truly the crown jewel of Hilo.

I am hopeful of discussions and collaboration with the Dept. of Land and Natural Resources regarding the land transfer and to work toward a community-driven revitalization. HB 818 will empower the community to reimagine and restore this treasured place in a way that honors its history and enhances its future.

I strongly urge the passage of HB 818 and look forward to supporting efforts to bring this vision to life. Mahalo for your time and consideration.

Cheers,

Ashley Lehualani Kierkiewicz
COUNCIL MEMBER, DISTRICT IV
HAWAI'I COUNTY



**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/>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Thursday, February 13, 2025
2:00 PM
State Capitol, Conference Room 329 & Videoconference

In consideration of
HB 818, HD1
RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT.

Chair Matayoshi, Vice Chair Chun, and members of the Committee:

The Hawai'i Community Development Authority (HCDA) **supports HB 818, HD1**, that would establish a new community development district within Chapter 206E, Hawaii Revised Statutes, under the HCDA.

The HCDA supports the establishment of a community development district that will permit HCDA to conduct long-range planning for the district, and facilitate development through, among other things, promulgating zoning rules, with community input.

This is not the first instance that proposals like this have been brought up in the Legislature. In the 2023 legislative session, then Representative Mark Nakashima, introduced a similar bill. The bill, with the concurrence of Representative Nakashima, Department of Land and Natural Resources' (DLNR) Chairperson Chang, and the undersigned agreed to defer the bill to permit DLNR and HCDA to perform a site assessment and strategic market outlook for the peninsula. PBR Hawaii Inc. was selected to perform the work. Along with PBR Hawaii Inc., representatives of DLNR's land division, HCDA staff, and community leaders, community engagements were conducted. A final report was completed in January 2024, *PBR Hawaii & Associates Inc., January 2024*.

If this bill becomes law, we look forward to working with Chairperson Chang, DLNR, the community, and others.

Thank you for the opportunity to provide testimony on this important legislation.

HB-818-HD-1

Submitted on: 2/12/2025 9:11:32 AM

Testimony for CPC on 2/13/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

I am in **STRONG SUPPORT** of this bill. The Waiakea penninsula needs attention and improvement to reach its full potential. Mahalo!

HB-818-HD-1

Submitted on: 2/12/2025 11:28:09 AM

Testimony for CPC on 2/13/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joy Dillon	Individual	Support	Written Testimony Only

Comments:

Aloha, Chairs, Vice Chairs and members of the CPC, WAL and FIN Committees.

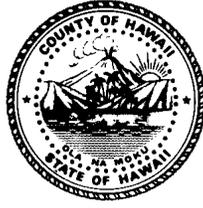
I strongly support the passage of HB 818 to establish the Waiakea Peninsula Community Development District. The Waiakea peninsula and Banyon Drive have long been mired in bureaucratic discussions that have not produced any results. The peninsula and Banyon Drive in particulat have continued to deteriorate and are long overdue for improvements.

Please support this bill and pass it.

Thank you for your consideration,

Joy Dillon, Hilo Resident

Jennifer Kagiwada
Council Member District 2 South Hilo



Office: (808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI‘I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai‘i 96720

DATE: February 12, 2025
TO: House Committee on Consumer Protection & Commerce
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: HB 818 HD1

Aloha Chair Matayoshi, Vice Chair Chun, and Committee Members,

I am testifying in support of HB 818 HD1, which establishes the Waiākea Peninsula Community Development District. The Waiākea Peninsula, located between downtown Hilo and the cruise ship port, holds great potential as a vibrant center for commerce, culture, and recreation. By establishing a Community Development District this can help revitalize the area by encouraging a mix of hotel, commercial, public, and cultural spaces, while preserving historic landmarks, within Lili‘uokalani park, the banyan trees, the tsunami clock, etc. to honor the area’s cultural heritage. Improvements to infrastructure, such as better lighting, landscaping, and pedestrian supports, will increase public safety and accessibility. This legislation balances economic development with cultural values, encouraging investments that align with the community’s history. It also addresses the growing need for climate-resilient infrastructure, considering factors like sea-level rise, and aims to create a sustainable model for development in Hawai‘i.

An important inclusion in the bill is the involvement of the local community in decision-making, ensuring that the development reflects the needs of residents and small business owners. Additionally, the creation of a district improvement and maintenance program will ensure the long-term sustainability of the project. The bill outlines a clear process for transferring land and authority to the Hawaii Community Development Authority (HCDA), facilitating the project’s timely progression. With the ability to secure federal aid and issue bonds, HCDA will have the resources needed for planning, design, and construction.

The establishment of the Waiākea Peninsula Community Development District represents an important step toward revitalizing East Hawai‘i. HB 818 HD1 promotes economic growth, cultural preservation, and environmental sustainability, making it a well-rounded approach to community development.

Mahalo for the opportunity to testify in support of this bill,

A handwritten signature in black ink, appearing to read 'Jenn Kagiwada'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Jenn Kagiwada