

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
HONOLULU, HAWAII 96809

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
WATER AND LAND

Tuesday, January 30, 2023
9:00 AM
State Capitol, Conference Room 430

In consideration of
HOUSE BILL 2724
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

House Bill 2724 proposes to establish the Kona community development district under the Hawaii Community Development Authority (HCDA). **The Department of Land and Natural Resources (Department) offers the following comments and defers to HCDA as to the substance of this measure.**

The Honokōhau Small Boat Harbor, under the jurisdiction of the Department's Division of Boating and Ocean Recreation, would be included in the Kona community development district proposed by this measure. The harbor is identified on page 2 of this bill as Tax Map Key Nos. (3) 7-4-008:003, (3) 7-4-008:040, (3) 7-4-008:041, (3) 7-4-008:042, (3) 7-4-008:046, (3) 7-4-008:050, (3) 7-4-008:071, and (3) 7-4-008:075. The Department looks forward to working with HCDA to develop and improve underutilized public lands in Kona should this measure pass.

Mahalo for the opportunity to provide testimony on this measure.

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

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

DEAN D. UYENO
ACTING 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



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

CHASON ISHII
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawaii Community Development Authority
before the
HOUSE COMMITTEE ON WATER & LAND

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

In consideration of
HB 2724
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Chair Ichiyama, Vice Chair Poepoe, and members of the Committee. The Hawaii Community Development Authority (HCDA) **supports** this bill which establishes the Kona community development district to allow for planning, development, and maintenance of public lands in Kona, Hawaii, and work with the Department of Corrections and Rehabilitation to pursue grants and loans from the U.S. Department of Agriculture to fund the development of a correctional facility or community correctional center within the district. We respectfully suggest two technical amendments:

First, at Page 5, Lines 16 to 17, 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, at Page 8, Lines 15 to 16. 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 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 on pursuing federal government loans, and further 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
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 HOUSE COMMITTEE ON WATER AND LAND
ON
HOUSE BILL NO. 2724

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. 2724 establishes the Kona Community Development District (KCDD) under the Hawai'i Community Development Authority (HCDA) to allow for the planning, development, and maintenance of public lands in Kona, Hawai'i; establishes the Kona Community Development District Special Fund (KCDDSF) for HCDA to administer and operate the KCDD; and amends the membership of the HCDA to include representatives for the KCDD. The KCDDSF would generate revenue from the KCDD, 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. 2724, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

HB-2724

Submitted on: 1/30/2024 8:19:33 AM

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

Submitted By	Organization	Testifier Position	Testify
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 HB2724, which establishes the Kona community development district to allow for planning, development and maintenance of public lands in Kona, Hawai'i Island, amends the Hawai'i community development authority membership to include members of Kona, and requires the Hawai'i Community Development Authority and the Department of Corrections and Rehabilitation to seek federal grants and loans from the United States Department of Agriculture's Community Facilities Direct Loan and Grant Program for the construction of a correctional project within the new development district.

We encourage the Committee to move HB2724 forward with a POSITIVE recommendation for House passage.

very respectfully,

Douglass S. Adams

Director, Department of Research & Development

County of Hawai'i

HB-2724

Submitted on: 1/28/2024 10:35:32 AM

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

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Oppose	Written Testimony Only

Comments:

Oppose correctional facility