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Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Friday, February 25, 2011
4:00 PM
State Capitol, Conference Room 308

in consideration of
HB 389, HD2
RELATING TO LAND USE

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance.

HB 389, HD2 establishes the Heeia community development district by adding a new part to Chapter 206E, HRS. We have no position on the establishment of a new community development district at Heeia, Koolaupoko, Oahu. We support the amendments in HD 2 which provide that special management area (SMA) and shoreline setbacks for the Heeia community development district continue to be administered by the City and County of Honolulu.

As an additional amendment, to maintain consistency in the statute, we recommend that **§206E-8.5 Developments within special management areas and shoreline setback** be amended by amending its subsection (a) to read as follows:

"(a) Notwithstanding chapter 205A, all requests for developments within a special management area and shoreline setback variances for developments on any lands within a community development district, for which a community

development plan has been developed and approved in accordance with section 206E-5, shall be submitted to and reviewed by the lead agency as defined in chapter 205A. In community development districts ~~[for which a community development plan has not been developed and approved in accordance with section 206E-5,]~~ that were established after 2010, parts II and III of chapter 205A shall continue to be administered by the applicable county authority. ~~[until a community development plan for the district takes effect.]~~"

When Chapter 205A, HRS, was first formulated, the decision was made to have the regulatory function at the county level. As the lead agency, the Coastal Zone Management (CZM) Program of the Office of Planning's (OP) duties and responsibilities are primarily in the areas of policy and program development. Its duties and responsibilities include developing the ocean and resources management plan, providing support and assistance in the administration of the CZM Program, reviewing federal consistency with the CZM Program, and administering CZM grants. In 1990, the law was amended to provide that OP administer SMA and shoreline setbacks for community development districts. OP's ability to administer SMAs and shoreline setbacks in new community development districts is constrained by staff resources. In addition, an expansion of OP's regulatory duties would not be consistent with its primary functions.

Thank you for the opportunity to testify.

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 389, H.D. 2

February 25, 2011

RELATING TO LAND USE

House Bill No. 389, H.D. 2, establishes the Heeia Community Development District and the Heeia Community Development Revolving Fund into which all revenues, income, and receipts of the authority for the district; moneys allocated from government agencies, private individuals, or organizations; and moneys appropriated to the fund by the Legislature shall be deposited.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 389, H.D. 2, it is difficult to determine whether the fund will be self-sustaining.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR

DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

February 25, 2011

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

**Subject: House Bill No. 389, HD2
Relating to Land Use**

The Department of Planning and Permitting (DPP) is **opposed** to House Bill No. 389, HD2 which would place almost 500 acres in Heeiea under state jurisdiction with respect to land use planning and zoning. While we support the goal of restoring the wetland and establishing an agricultural presence on the lands already owned by the state, we are opposed to HD2 which would add 80 acres of land owned by Kamehameha Schools. It is unclear what the purpose is for adding these lands. This is a "home rule" issue.

Please note that the city does have a regional plan that directs private and public investment in the area. The Koolau Poko Sustainable Communities Plan (SCP) already designates the subject Heeiea area for preservation and open space purposes. Current zoning is in compliance with this plan. We are in the process of updating the plan and all stakeholders are invited to participate in this update. Therefore, we see no need for state intervention in land use planning and zoning. If the state must take over zoning jurisdiction, we ask that the Hawaii Community Development Authority (HCDA) abide by the SCP which provides a comprehensive regional perspective.

Again, we are not opposed to the rejuvenation of the Heeiea wetland, but are concerned with the growth of HCDA over county matters. Given its limited resources, we would prefer it concentrate on Kalaheo, rather than expand to new areas.

In short, please hold House Bill No. 389, HD2. Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DKT:jmf
hb389hd2-LandUseHeeiea-ks.doc



KAHALU'U NEIGHBORHOOD BOARD NO. 29

(He'eia Kea, 'Ahuimanu, Kahalu'u, Waihe'e, Ka'alaea, Waiahole, Waikane, Hakipu'u, Kualoa)

C/o Neighborhood Commission Office, Honolulu Hale, 530 South King Street, Room 406, Honolulu, Hawaii 96813
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: <http://www.honolulu.gov>

REP. MARCUS R. OSHIRO, CHAIR
REP. MARILYN B. LEE, VICE CHAIR
HOUSE COMMITTEE ON FINANCE

TESTIMONY RE: HOUSE BILL NO. 389, H.D. 2
RELATING TO LAND USE

February 25, 2011, 4:00 p.m.
Conference Room 308

Good morning Chair Oshiro, Vice Chair Lee, and members of the committee:

My name is David Lane Henkin, and I am testifying in my capacity as Chair of the Kahalu'u Neighborhood Board No. 29. We appreciate the opportunity to offer this testimony in support of House Bill No. 389, H.D. 2, which would help return the He'eia wetlands to productive use. In particular, creation of the He'eia Community Development District would help implement the Mahuahua 'Ai o Hoi Project, which seeks to restore the wetlands, eliminate invasive species, and establish an agricultural and educational center that will benefit the community at large.

The Kahalu'u Neighborhood Board first heard a presentation on this project at our March 11, 2009 meeting. The Board then adopted a resolution to support the objectives of the Mahuahua 'Ai o Hoi Project: 1) To restore the cultural connection between Ko'olaupoko ahupua'a and the Hawaiian community; 2) To establish a land management program to restore 50% or more of the property into active, organic kalo fields and sustainable food crops, encouraging sustainable, organic food production in the State of Hawai'i and developing new farm-to-market strategies for local produce; 3) To restore a section as a natural wetland to allow for growth of native wetland flora and fauna; 4) To create educational programs that can use the living site of a functioning ahupua'a to transfer knowledge of traditional Hawaiian farming practices and customs to a new generation; 5) To establish a research program to study the role that traditional Hawaiian taro patches and fishpond aquaculture systems can play in the larger Kane'ohe Bay ecosystem by controlling flooding, relieving sediment build-up, and providing a habitat for native birds and aquatic species; and 6) To provide economic sustainability for the communities of Ko'olaupoko.

The Kahalu'u Neighborhood Board received an update on the Mahuahua 'Ai o Hoi Project at our February 9, 2011 meeting. The Board adopted a resolution reaffirming its support for the project and specifically supporting the legislation to create a development district like the one proposed in HB 389, H.D. 2. Accordingly, we respectfully urge you to pass this bill. Thank you again for the opportunity to offer this testimony.





HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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KALAELOA

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Governor

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Chairperson

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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

HOUSE COMMITTEE ON FINANCE

FRIDAY, FEBRUARY 25, 2011

4:00 P.M.

State Capitol, Conference Room 308

H.B. 389, H.D. 2 – RELATING TO LAND USE.

Purpose: Establishes the Heeia Community Development District on 405 acres known as the Heeia Wetlands acquired by the Hawaii Community Development Authority (HCDA) in an exchange agreement with the Kamehameha Schools. Eighty acres adjacent to the Heeia Wetlands held by the Kamehameha Schools are also included in the community development district.

Position: The HCDA supports the passage of this proposal and provides the following comments.

Defer to the Kamehameha Schools with respect to the inclusion of approximately 80 acres of their lands into the Heeia Community Development District. The preamble of the proposal notes that eighty acres of land adjacent to the Heeia wetlands is under title to the Kamehameha Schools. The preamble further specifies, that this "eighty-acre parcel is included in the new Heeia Community Development District." As the rest of the proposed district is overwhelmingly held by the HCDA, I defer to the Kamehameha Schools and any other landowner with respect to their land's inclusion in the community development district.

Sections 1 and 2 – Wetlands Restoration, Elimination of Invasive Species and Establish an Agricultural and Educational Center to Benefit the Community at Large. The proposal establishes the HCDA as the local redevelopment authority to “facilitate culturally appropriate agriculture, education and natural-resource restoration and management of the Heeia Wetlands”. I note that these objectives are consistent with the 38 year lease that was recently entered into by the HCDA with Kakoo Oihi in March 2010. Therefore, this proposal simply memorializes in statute the objectives outlined in the March 2010 Kakoo Oihi lease. However, the passage of a proposal such as HB 389, HD2 guarantees that these objectives will remain in force even after the current 38 year lease expires and requires that the HCDA conduct appropriate planning, stakeholder coordination and public facility improvement projects.

Governance. I note that Section 2 (c) mandates that “three additional voting members” who shall be residents of Heeia or the immediately surrounding area be appointed to the Authority by the Governor to represent the district. Given the history and significance of the area, suggest that the governance mechanism specify that the additional voting members be residents of the Heeia Ahupua’a or the Koolaupoko District.

Sections specifying policies to guide development and the establishment of a Heeia Community Development Fund are I believe, consistent with the community-based vision for the area and with respect to the creation of a fund are necessary to ensure public transparency and accountability.

Thank you for the opportunity to provide testimony in support of the passage of this proposal.



Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 389 HD 2 Relating to Land Use
House Committee on Finance
Friday, February 25, 2011, 4:00PM, Room 308

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.

The Nature Conservancy supports H.B. 389 HD2 and its purpose to create the He'eia Community Development District. We believe the establishment of the development district will benefit the natural resource restoration and preservation efforts undertaken by the community for the He'eia ahupua'a and Kāne'ohe Bay.

The Conservancy's particular interest at He'eia had initially been to help protect the unique and important coral reefs and other marine resources of Kāne'ohe Bay. The Conservancy was already partnering with the State and the University of Hawai'i to remove invasive algae from the bay, but we soon learned that we should also be working with the community to reduce sedimentation flowing into the bay from the He'eia ahupua'a. In addition to the algae control work on the reef, we now have the good fortune to participate in and support an ambitious multi-partner project to restore a traditional Hawaiian wetland system. Begun by the Ko'olaupoko Hawaiian Civic Club, the restoration effort goes by the name *Mahuahua 'Ai o Hoi* and is led by the community non-profit Kako'o 'Ōiwi.

Kāne'ohe Bay is the largest bay in the Hawaiian Islands, and the only one in the main islands with all three types of reef habitat: a barrier reef, patch reefs and a broad fringing reef system along its shoreline. The bay also contains large sand flats, a number of extensive seagrass beds and some of the only remaining functioning estuarine (the convergence of river and ocean) habitats on O'ahu. As a result, the bay is home to some of the highest numbers and greatest diversity of fish, marine invertebrates and native marine algae anywhere on the island. It is frequented by green sea turtles, and used by sharks for birthing grounds, manta rays for foraging habitat and spinner dolphins for resting. The bay is also home to the only functioning rock-wall fishponds remaining on O'ahu.

The He'eia ahupua'a was once a thriving wetland, but today it is overrun with non-native grasses, trees and weeds. A Department of Defense dumpsite, surrounding development and two major highways that extend through the watershed contribute to urban sources of land-based pollution and sediment, which flow to the sea during heavy rains and choke the bay's reefs.

For the He'eia community and for the Conservancy, the goal is not only to reduce the amount and rate of sedimentation flowing into the bay and smothering coral reef habitat, but also provide alternative sources of food through taro cultivation and other crops, and a suite of agricultural and aquacultural jobs for local families. Together we hope that this project will not only protect and preserve the natural resources of the area, but also very importantly, transfer knowledge of traditional Hawaiian land management practices and customs to a new generation and strengthen the connection between people, their land and the sea.

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KO'OLAUPOKO HAWAIIAN CIVIC CLUB

February 25, 2011

Rep. Marcus Oshiro, Chair/and Members
House Finance Committee
State Capitol
Honolulu, HI 96813

Re: H.B. 389, H.D.2, Relating to Land Use

Aloha, Chair Oshiro and Members of the Committee:

The Ko'olaupoko Hawaiian Civic Club strongly urges your support of House Bill 389, House Draft 2, which would allow the establishment of the He'eia Community Development District.

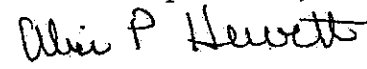
Our civic club, which was established in 1937, encompasses all of the nine ahupua'a around Kane'ohe bay – one of which is the large ahupua'a of He'eia. We are deeply committed to the restoration of the lo'i kalo lands on acreage belonging to the Hawai'i Community Development Authority in He'eia and leased to our non-profit partner, Kako'o 'Oiwī.

It is our view that restoration of these lands to agricultural productivity would be in the best interest of our state, our city and county, and our community. This bill does not require any financial investment by the state's general funds, and its enactment will instead result in potential future tax revenues and economic recovery. The lands have been dormant and unproductive for many decades, and it is time to stimulate this recovery through legislation such as this one.

We ask that you pass this bill out of committee.

Mahalo for this opportunity to offer our mana'o.

Me kealoha pumehana,


ALICE P. HEWETT
President

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February 25, 2011

Rep. Marcus Oshiro, Chair
And Members
House Committee on Finance
State Capitol
Honolulu, HI 96813

Subject: H.B. 389, H.D. 2 – Relating to Land Use (He`eia Community Development District)

Aloha Rep. Oshiro and Committee Members:

As a native Hawaiian and lifelong resident of the Kane`ohe-He`eia area, I would like to offer my strong support for the passage of H.B. 389, H.D. 2, which would establish the He`eia Community Development District for lands controlled by the Hawai`i Community Development Authority (HCDA) in the He`eia wetlands.

This project provides an excellent opportunity for community collaboration to restore this important agricultural property to its full productivity, repair decades of environmental damage, ensure cultural and educational values are integrated as part of the restoration of this `aina, and provide economic opportunities that benefit the State of Hawai`i.

I urge your committee's support of this legislation and passage on the House Floor.

Mahalo for allowing me to offer my mana`o.

A hui hou,



MAHEALANI CYPHER

TESTIMONY IN SUPPORT OF H.B. 389, H.D.2
Feb. 25, 2011

To the Chair Marcus Oshiro and Members, House Committee on Finance, State Capitol, Honolulu, Hawaii, I say ALOHA!

My name is Caroline Bright, and I am a kupaaaina descendant of Heeia. I am speaking in favor of House Bill 389, House Draft 2.

I am 87 years young, and spent most of my life with my grandparents in Heeia. My grandfather, Ulysses Jones, was the overseer (luna) for the Territory of Hawaii, and one of the few attorneys in Koolaupoko. He used to drive a horse and buggy through these farmlands, because he was also the Konohiki of the water (auwai's) that had to remain clean and clear of debris.

He also collected rent for the Territory.

I have seen how beautiful these farms were, and how healthy our kalo was. My own aunties and uncles worked in the fields, in the area which we call Hoi, every day before they attended St. Ann's School.

We ate this taro every day of our lives – and I still eat poi every day.

This bill will help us to put this land back to how it was supposed to be. That is how Akua made it, and that is how it should be. I believe that is why it has not been covered in concrete or homes for all these years.

Please pass this bill. Mahalo.

Caroline Bright
46-317 Halualani Pl.
Kaneohe, HI 96744

Leialoha "Rocky" Kaluhiwa
P. O. Box 4870
Kaneohe, HI 96744

House Committee on Finance

To: Chair Marcus Oshiro and Members

Testimony in Support – H.B. 389, H.D.2 – Relating to Land Use

Aloha. My name is Leialoha Rocky Kaluhiwa. I am speaking in support of H.B. 389, H.D. 2, which would allow for a community development district to be established in He`eia. I am a kupa`aina descendant of Heeia and presently live in the ili of Heeia Kea, ahupuaa Heeia, moku Koolaupoko.

I have spent much of my life fighting for the preservation of this area, also known as the He`eia wetlands but called Hoi in ancient times. Our community is now engaged in the restoration of this one flourishing agricultural area. Our goal is to bring back the kalo and other food products that were once grown there. We have already had four harvests in a portion of the land that we have been able to plant.

But we have a long ways to go. This legislation would help us achieve that goal, for the good of our community and the state of Hawai`i. We ask for your kokua now.

Please pass this bill.

Mahalo.

/s/ Leialoha Rocky Kaluhiwa



Testimony of Kāko'o 'Ōiwi
Supporting H.B. 389 Relating to Land Use
House Committee on Finance
Wednesday, February 25, 2011, 4:00pm, Room 308

Kāko'o 'Ōiwi
EIN: 57-1236490

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Kāko'o 'Ōiwi supports H.B. 389 HD2 and its purpose to create the He'eia Community Development District. We believe the establishment of the development district will be in the best interest of the community and increase our ability to manage the Heeia wetlands through the restoration of Lo'i kalo, orchards, cultural areas, wetlands and streams.

Kāko'o 'Ōiwi's vision is that He'eia wetlands or Hoi is an abundant food-producing land: native forests, lo'i kalo, organic farms, fishponds, and the ocean extend as far as the eye can see. Agricultural production serves to educate, feed, and sustain the community. Families gather for celebration, learning, and healing. Traditional and modern arts and sciences strengthen the He'eia community. Our ability to implement this vision is greatly enhanced with the passage of HB 389.

The He'eia ahupua'a was once a thriving lo'i system with streams, pools, a wetland, and an estuary for juvenile fish habitat, but today it is overrun with non-native grasses, trees and weeds. Surrounding development and two major highways that extend through the watershed contribute to urban sources of land-based pollution and sediment, which flow to the sea during heavy rains and choke the bay's reefs.

For the He'eia community and for Kāko'o 'Ōiwi, the goal is not only to malama these lands and ocean, but also provide alternative sources of food through taro cultivation, other crops, and a suite of agricultural and aquacultural jobs for our local families. Increase the presence of native species in our natural resources and increase our ability to educate and provide opportunities for the future generations on what resource we have, and the actions we need to take to preserve these precious resources and food supply. Mahalo for the opportunity to submit my testimony.

J. Kanekoa Kukea-Shultz
Executive Director

To: Representative Marcus R. Oshiro, Chair, Committee on Finance
Representative Marilyn B. Lee, Vice Chair

Date: February 25, 2011

From: Kaipo C. Kukahiko

Subject: Support of House Bill 389, HD2: RELATING TO LAND USE
Establishes the Heeia Community Development District in Koolau-poko, Oahu

I am writing in support of House Bill 389 and its purpose to create the Heeia Community Development District.

For generations my family has resided in the Kahaluu/Kaalaea area. Thinking back, I can remember a time when my grandpa would take us to the ocean to fish, and to the lo'i to work. In his entire life my grandpa never ate at a McDonalds, and until his passing at the age of 93 he never visited the doctor. Instead, through working and harvesting the land he was able to lead a healthy life providing for our large family.

Sadly however, this kind of access to land for sustenance has been lost to our people. I see first hand within my community the result of the disconnection from the land. It is not coincidence that there has been decrease performance in schools by our keiki, increase of drug usage, and crime. I feel strongly that initiative like this one in Heeia is the answer. By restoring cultural pride and among our people, and once again turning our hands down, huli ka lima i lalo. I know that our children will not look to the nefarious influences readily available to them, but instead be fed by the richness of the land.

I believe that the establishment of the development district will benefit the natural resource restoration and preservation efforts undertaken by the community and create the "green" paradise that has become the goal worldwide.

Sincerely,


Kaipo C. Kukahiko