



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2599, S.D. 1, RELATING TO DEVELOPMENT.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Wednesday, February 25, 2026      **TIME:** 10:55 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)

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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) redesignate the Stadium Development District, which is established under part IX, chapter 206E, Hawaii Revised Statutes (HRS), as the Halawa Community Development District; (2) amend the respective responsibilities of the Stadium Authority and Hawaii Community Development Authority (HCDA) to establish the HCDA as the zoning and entitlement agency for the district; (3) clarify the HCDA's consultation and permitting powers with respect to public projects within community development districts; (4) establish the Halawa Community Development District Special Fund; and (5) appropriate moneys for the purpose of this bill.

S.D. 1 of this bill added a new part II (page 37, line 5, to page 57, line 7) that would add a new part to chapter 206E, HRS, to designate a new Banyan Drive Community Development District in the Waiakea peninsula area in east Hawaii island. The purpose of the Banyan Drive Community Development District is to revitalize the Waiakea peninsula area. In contrast, the general purpose of the original bill is to regulate land use within the Halawa Community Development District and promote the development of infrastructure and public facilities for the district. 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 renumbering parts III, IV, and V, to parts II, III, and IV, respectively; or in the alternative, if the Committee passes this bill with part II included, then three new readings in each house be given on this bill.

Thank you for the opportunity to provide comments.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

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

Wednesday, February 25, 2026  
10:55 a.m.  
State Capitol, Conference Room 211 & Videoconference

In consideration of  
**SB 2599, SD 1**  
**RELATING TO DEVELOPMENT.**

Chairperson Dela Cruz, Vice Chairperson Moriwaki, and members of the Committee. The Hawai'i Community Development Authority (HCDA) respectfully provides **comments** on S.B. 2599 SD1, Relating to Development. This bill incorporates the contents of Senate Bill #'s 2001, 2599, 2604, and 3327, SD 1. However, all page and line references herein refer to SB 2599.

**Part I, Section 1-11 (contents of S.B. 2599)**

This Part I, among other things, establishes the Halawa community development district within the HCDA, sets forth the respective responsibilities of the HCDA and stadium authority, and enumerates certain powers, including creating a master plan and rules, which rules, when promulgated, shall supersede the zoning and entitlement powers of the city and county of Honolulu.

Two TOD Experts on the Board. The stricken language on page 18, lines 1 to 2, should be restored so that the language on Page 18, lines 1 to 2 reads as follows:

“ . . . . and, for the purposes of part X of this chapter only, two experts on transit-oriented development, to be appointed one each by the president of the senate and the speaker of the house of representatives; . . . . “

The stricken language on page 18, lines 1 to 2, would make the two transit-oriented development experts members of the 17-member general authority board.

That board has specific responsibilities, which do not include governance over Chapter 206E, Part X.

Act 252 (SLH, 2025) created a “sub-board” for matters affecting Part X of Chapter 206E, HRS, codified in Section 206E-3(b)(5), HRS.

**Part II, Section 12-17 (contents of S.B. 2001)**

Last year, HCDA commenced a multi-year effort to develop a community-driven master plan for the Waiākea Peninsula in Hilo, Hawai‘i. This reflects the Legislature’s intent to initiate plans for the purpose of redeveloping the State lands in the Waiākea Peninsula as enabled by an appropriation in Act 230, Session Laws of Hawai‘i, 2024. HCDA is invested in this planning process, especially in anticipation of a bill passing the legislature this session that will establish the district within the HCDA. HCDA’s comments for the committee’s consideration, are as follows:

1. Adopt a simplified name for the proposed community development district by replacing all references to “Banyan Drive” with “Waiākea.” HCDA understands the importance of nā inoa, or place names, in elevating history, promoting cultural awareness, and educating communities. HCDA’s other community development districts have geographic place names in ‘Olelo Hawai‘i, including Kaka‘ako, Kalaeloa, He‘eia, and Pūlehunui. The name of this district should reflect its geographic location and also strengthen a sense of place in the community. HCDA also understands that some names may not always be culturally appropriate or desirable. The history of important place names within the district, such as Makaokū or Banyan Drive, should be thoroughly studied and vetted through research and community processes. Appropriate methods to recognize the history and relative importance of these names can be addressed in a cultural landscape or historic preservation plan, which should be developed with input from the community, the State Historic Preservation Division, and other stakeholders as the district is revitalized.

2. Align the proposed district to be consistent with the organizational structure of HCDA’s other districts by deleting Lines 5 to 14, on Page 39. In HCDA’s existing community development districts, the composition and jurisdiction of the authority members are established as a subset of the general authority board in §

206E-3, HRS. Each community development district is not established as a separate agency, but the voting membership of each community development district is limited to a subset of the authority that includes the designated resident and small business representatives of that community.

The proposed community development district is established on Page 38, lines 15 to 21 and continues to Page 39, lines 1 to 4. The composition and jurisdiction of the authority members is established on Page 44, line 8 thru Page 55, line 21, which amends § 206E-3, HRS.

As such, the language on Page 39, Lines 5 to 14, which establishes a separate Banyan Drive redevelopment agency, conflicts with these other provisions and is unnecessary.

3. Replace references to the “chairperson of the Banyan Drive redevelopment agency” with “the chairperson of the Banyan Drive Hawai‘i Redevelopment Agency, County of Hawai‘i or designee.” The Banyan Drive Hawai‘i Redevelopment Agency (BDHRA) was created in 2016 by the County of Hawai‘i pursuant to the Urban Renewal Law, § 53, HRS, to redevelop the Banyan Drive Peninsula. HCDA suggests that the BDHRA chairperson or designee should have an ex-officio position on the Authority and be eligible to vote on matters affecting this district. Among the relevant references that would need to be changed or deleted include:

- Revise the language as provided above: Page 44, lines 17 to 18;
- Revise the language as provided above: Page 47, lines 3 to 4;
- Revise the language as provided above: Page 53, lines 14-15;
- Delete the language starting from Page 53, lines 20 to 21, continuing to page 54, lines 1 to 3; and
- Revise the language as provided above: Page 54, lines 13 to 14.

4. Add new subsection (c) after Page 41, line 6 which adds provisions for a community advisory committee that is selected by the authority and includes at least one lineal or cultural descendant with ties to the Waiākea ahupua‘a that is selected with input from the Office of Hawaiian Affairs. Specific proposed language is as follows:

***(c) The authority shall establish a community advisory committee to provide guidance and assure effective citizen participation in the redevelopment of the district. The community advisory committee shall consist of community stakeholders that are selected by the authority and include at least one lineal or cultural descendant with ties to the Waiākea ahupua‘a that is selected with input from the Office of Hawaiian Affairs.***

The HCDA is undergoing a master planning process for the Waiakea peninsula that will result in a community master plan. The community master plan will shape the future of the area. We suggest that the lineal or cultural descendants have a place on the community advisory committee that we are forming for the master planning effort. Having lineal or cultural descendants on a community advisory committee will be more impactful on the future of the Waiakea peninsula than if they were serving on the authority. In addition, HCDA's board already includes a cultural specialist, who provides guidance to the Authority.

**Part III, Section 18-20 (contents of S.B. 2604)**

This part makes the appropriation of \$49,500,000 from the stadium authority special fund contingent upon the stadium authority submitting district land use and project readiness report to the President of the Senate and the Speaker of the House of Representatives. See, Page 59, Line 9.

The HCDA defers to the stadium authority's position on this bill. The HCDA's role within the stadium development district is limited by statute. The development guidance policies under Hawaii Revised Statutes (HRS) section 206E-224 govern the stadium authority's actions in the district rather than the HCDA. The stadium authority currently has sole jurisdiction regarding matters affecting the stadium development district. See, section 206E-225, HRS.

The development of the new aloha stadium and the NASED area is a monumental project for the state. The HCDA's role is currently advisory only, however HCDA is willing to help in ways other than advisory if asked to do so.

**Part IV, Section 21-22 (contents of S.B. 3327, S.D. 1)**

The bill amends Section 206E-6, Hawaii Revised Statutes, relating to “District-Wide Improvement Program”. The amendments to this section will be applicable to all of the HCDA districts: Kakaako, Heeia, Kalaeloa, and Pulehunui.

While the goals of complete communities are commendable, certain aspects of the bill could present challenges for the timely delivery of critically needed affordable housing. For example, HCDA is currently developing a senior supportive affordable rental housing project on a small 12,000-square-foot parcel with approximately 50 units.

Requiring specific infrastructure, such as community-based economic development hubs or pet-friendly spaces, regardless of site constraints or local context, could limit HCDA’s flexibility to respond to community needs and project feasibility.

Additionally, requiring infrastructure that enables at least seventy percent of daily commutes to occur by walking or biking may not be realistic given the geographic distribution of employment centers and residents’ needs. Establishing this standard in statute could unintentionally delay or halt otherwise viable housing developments.

The bill also anticipates that public properties will generate revenue to fund infrastructure but relying on speculative lease revenues carries risk. Combined with this measure’s expanded infrastructure requirements, this could increase project costs, which may ultimately be passed on to residents, impacting affordability.

Overall, increasing project complexity through non-negotiable requirements may reduce the number of affordable housing projects that can move forward, slowing the delivery of urgently needed homes.

The statutory mandates under this bill are contrary to building a community, as building a community also means building the community that its residents want and need, not what is legislatively required.

HCDA has been committed to building better communities since 1976 and urges careful consideration by your committee in moving forward with this bill to ensure that flexibility, realistic standards, and prudent financial planning are maintained so that affordable housing and other needs of the community can continue to be delivered efficiently and effectively. Thank you for the opportunity to provide comments.

**Josh Green, M.D.**  
Governor

**Sylvia Luke**  
Lt. Governor

**James Kunane Tokioka**  
DBEDT Director

**Dane K. Wicker**  
DBEDT Deputy Director

**Walter Thoemmes**  
Stadium Authority Chair

**Michael R. Yadao**  
Stadium Authority Executive Director



Statement of  
**MICHAEL R. YADAO**  
Stadium Authority  
Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 25, 2026  
10:55 AM  
State Capitol, Conference Room 211

In consideration of  
**S.B. 2599, SD1**  
**RELATING TO DEVELOPMENT.**

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

The Stadium Authority supports Senate Bill 2599, SD1 which redesignates the Stadium Development District as the Halawa Community Development District and refines the governance and operational framework necessary to realize the New Aloha Stadium Entertainment District (NASSED).

S.B. 2599, SD1 clarifies the roles of the Stadium Authority and the HCDA, reducing administrative friction and accelerating project timelines. The creation of a dedicated Special Fund ensures that revenues generated within the district stay in the district to support long-term maintenance and infrastructure. By refining permitting powers, the bill facilitates the delivery of much-needed housing and its integration with the Skyline rail system.

Thank you for the opportunity to testify.



**TESTIMONY WITH COMMENTS ON SENATE BILL 2599 SD1**

RELATING TO DEVELOPMENT

Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai  
(Senate Committee on Ways and Means)

Ke Kapitala ‘o Hawai‘i  
(Hawai‘i State Capitol)

Pepeluai 25, 2026

10:55AM

Lumi 211

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Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The leadership of the Office of Hawaiian Affairs (OHA) provides **COMMENTS** on SB2599 SD1, which will, among other actions: (1) establish the Banyan Drive Community Development District (Banyan Drive District) within the Hawai‘i Community Development Authority (HCDA); (2) establish a special fund for improvements in Banyan Drive District; and (3) specify the powers and duties of HCDA as it relates to this new Banyan Drive District.

OHA respectfully recommends amendments to ensure stronger representation of the community and Native Hawaiian interests given that the bulk of this district is comprised of former crown and government lands of the Hawaiian Kingdom. Specifically, OHA requests: (1) to be included as a member of the HCDA with jurisdiction over the Banyan Drive District; and (2) inclusion of a lineal descendant as voting member, appointed after consultation with OHA.

OHA’s Constitutional and Statutory Mandates.

There are several constitutional and statutory provisions that warrant OHA’s inclusion in the new Banyan Drive District, and that support OHA having a consultation role in the nomination of the Banyan Drive District’s cultural specialist and lineal descendant authority members.

First, to carry out the requirements of the Hawai‘i Admission Act, Art. XII Sec. 4 of the Hawai‘i State Constitution makes clear that the Public land trust must be administered for the betterment of the conditions of native Hawaiians and for the general public.

Meanwhile, under Art. XII Secs. 5 and 6, OHA was “created and charged with managing proceeds derived from the [public land trust],”<sup>1</sup> and to otherwise formulate policy relating to native Hawaiian and Hawaiian affairs. Accordingly, OHA has a constitutional interest in ensuring that the state upholds its fiduciary obligations under the public land trust, including by acting with prudence and due diligence in making its trust corpus productive and maximizing its benefits for the Trust’s Native Hawaiian and public beneficiaries.

At the same time, the bulk of the land managed held by the state, including land in the Banyan Drive District, is former government or crown land that was unlawfully seized in 1893 and then “ceded” by the Republic of Hawai‘i to the United States in 1898, “without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government[.]”<sup>2</sup> Given that Native Hawaiians have never relinquished their claims to this “ceded” land corpus, and that “ceded” land may eventually serve as a land base for a Native Hawaiian self-governing entity, OHA has long sought to ensure that the state does not alienate “ceded” land, and that it also maintains these lands to ensure the corpus’ viability and availability for the future lāhui, consistent with its constitutional and moral obligations.<sup>3</sup>

#### OHA’s Inclusion In Banyan Drive District Decision-making.

Insofar as the new Banyan Drive District is made up of public land trust lands, OHA is willing and able to assist the HCDA in fulfilling the state’s constitutional obligations, by serving as a member of the HCDA with jurisdiction over the Banyan Drive District.<sup>4</sup> Additionally, as much of the Banyan Drive District also made up of government or crown land that was unlawfully seized, OHA membership will ensure that Native Hawaiian claims and interests in the Banyan Drive District’s Hawaiian government or

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<sup>1</sup> Office of Hawaiian Affairs v. State of Hawai‘i, 96 Hawai‘i at 401, 31 P.3d at 914.

<sup>2</sup> P.L. 103-150 (1993).

<sup>3</sup> Haw. Const. Art. XI Sec. 1; Haw Const. Art. XII Sec. 4; Ching v. Case, 145 Hawai‘i 148 (2008)

<sup>4</sup> See also HRS § 10-1 (b) (“It shall be the duty and responsibility of all state departments and instrumentalities of state government providing services and programs which affect native Hawaiians and Hawaiians to actively work toward the goals of this chapter and to cooperate with and assist wherever possible the office of Hawaiian affairs.”), § 10-3 (OHA’s statutory duties include “[a]ssessing the policies and practices of other agencies impacting on native Hawaiians and Hawaiians, and conducting advocacy efforts for native Hawaiians and Hawaiians.”).

crown lands are not unnecessarily compromised, including lack of attention to the maintenance of its environmental, cultural, economic, and other values.

### Including a Makaokū Lineal Descendant as an Agency Voting Member is Critical to Honor Place & Redevelopment Success

As reflected in the ‘ōlelo noeau, “Ua hilo ‘ia ke aho a ke aloha”<sup>5</sup> (“Braided with the cords of love), the ‘āina of Hilo carries a beloved history and cultural significance that should be thoughtfully uplifted in any redevelopment of the Banyan Drive District. Such recognition and guidance are particularly salient when viewed alongside the more recent experiences of nearby Hawaiian homestead communities, which have borne disproportionate environmental and social impacts over time. The construction of Hilo Airport, which divided long-standing community connections, and the subsequent industrialization of surrounding areas continue to shape lived experiences today. A redevelopment approach that acknowledges this history offers an opportunity not only to honor place, but also to move forward in a way that is more balanced, restorative, and responsive to community well-being.

OHA appreciates the inclusion of a cultural specialist, and also recommends the inclusion of a Makaokū lineal descendant.<sup>6</sup> The inclusion of this Makaokū lineal descendant is critical to ensuring the cultural integrity vision of this bill, and OHA believes that these provisions can be strengthened by allowing OHA to assist in nominating these individuals. OHA brings demonstrated expertise in recruitment, evaluation, and nomination of candidates to state board and commissions through its existing kuleana to nominate candidates for the Island Burial Councils.<sup>7</sup> Notably, because the OHA Board of Trustees is governed by HRS chapter 92, Hawai‘i’s Sunshine Law, all candidates nominated by OHA must be confirmed at a publicly noticed meeting - ensuring transparency and meaningful opportunities for community input.

HCDA has also pledged their commitment to ensuring a community driven planning process, and their stated purpose is “to establish community development plans.” **However, HCDA’s recommendation adopted last week in HB2616 removed**

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<sup>5</sup> Historic Hawai‘i Foundation Story Map, available at <https://storymaps.arcgis.com/stories/b378b80d74054f51816d820581905ba4> (December 10, 2021).

<sup>6</sup> “Makaokū” is the recognized traditional name for this area as defined with the bill to establish the Banyan Drive District. *Id.*

<sup>7</sup> See HRS § 6E-43.5.

**lineal descendant from voting members to place these important representatives in a community advisory council. This dilutes their role, and runs counter to HCDA's commitment to a community driven plan.** The best community driven process for this Banyan Drive District will involve appropriate representation by Native Hawaiian communities who know this area best, are most impacted by this redevelopment, and reside in the neighboring communities. Building off of the unique nature of these lands being "ceded" lands, and the rich history of this place, OHA reiterates its support for the inclusion of the cultural specialist and lineal descendant as voting members of the Agency.

Accordingly, should the Committee choose to advance this measure, OHA recommends including the following amendments to 1) allow OHA to serve as a member of the HCDA with jurisdiction over the Banyan Drive District and 2) for the governor to appoint the cultural specialist and lineal descendant members after consulting with OHA:

(1) Amending the language beginning at page 46 line 13 to read as follows:

"All members except the director of finance; director of transportation; county directors of planning or planning and permitting; director of business, economic development, and tourism; chairperson of the board of land and natural resources; the two experts on transit-oriented developed appointed by the president of the senate and speaker of the house of representatives, respectively; the chairpersons of the respective senate and house of representatives standing committees having jurisdiction over transportation; the chairpersons of the respective senate and house of representatives standing committees having jurisdiction over housing; or where relevant, their respective designees; [~~and~~] the chairperson of the Banyan Drive

redevelopment agency; ~~[-]~~ administrator of the Office of Hawaiian Affairs; and the cultural specialists and lineal descendant member, shall be appointed by the governor pursuant to section 26-34."

(2) Amending the language beginning on page 47, line 11, to read as follows:

"The president of the senate and the speaker of the house of representatives shall each submit a list of six nominees for each district to the governor to fill the two district representative position for each community development district ~~[-]~~, with the exception of the cultural specialist and lineal descendant members. For the cultural specialist and lineal descendant members, the governor shall appoint these members following consultation with the office of Hawaiian affairs, and shall consider any recommendations submitted by the office of Hawaiian affairs."

(3) Amending the language starting at page 53 line 20 to read:

community development district; and

"(J) The chairperson of the office of Hawaiian affairs, or the chairperson's designee; and

(K) A lineal descendant of the Makaokū area."

Mahalo nui for the opportunity to testify. OHA respectfully urges this committee to incorporate our recommended amendments if it chooses to move forward with SB2599 SD1. Please note this testimony represents a recommendation by OHA leadership that is subject to full OHA Board of Trustees' approval.

**SB-2599-SD-1**

Submitted on: 2/23/2026 9:27:19 PM

Testimony for WAM on 2/25/2026 10:55:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry

Comment 2599 SB RELATING TO DEVELOPMENT.

TO INCLUDE DHHL DEVELOPMENT