

STATE OF HAWAII  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
Kakaako, Kalaeloa & Heeia  
Honolulu, Hawaii 96813

January 8, 2020

Chairperson and Members  
Hawaii Community Development Authority  
State of Hawaii  
Honolulu, Hawaii

HCDA Board Members:

**SUBJECT:** Shall the Authority Adopt Positions on Anticipated Proposals for the 2020 Legislative Session?

**SUMMARY:**

Every Legislative Session, bills are introduced affecting the HCDA. As the Board meets monthly and bills are heard daily, it is logistically impossible for the Board to respond in a timely manner. Staff recommends the Board consider general positions on legislation that may affect HCDA to provide staff with guidance on how they should proceed to draft testimony and provide comments on certain items.

**BACKGROUND:**

The 2020 Regular Session of the Hawaii State Legislature convenes on January 15, 2020.

There are no changes proposed to HCDA's budget in the executive request submitted to the legislature last month. All existing staff positions are currently fully funded for the second year of the biennium.

No Capital Improvement Project funding is being requested as part of the executive budget for the second year of the biennium. While the HCDA did submit certain requests for consideration by the Governor, none of the requests were approved.

In recent years, bills have been introduced to give HCDA responsibility over state lands for redevelopment, whether its transit-oriented development or specific geographic areas such as Aloha Stadium, east Kapolei, or Banyan Drive on the island of Hawaii.

It would be reasonable to expect similar legislation might be introduced again this session.

## **ANALYSIS:**

HCDA is a small but nimble agency that has been able to facilitate a wide array of capital improvements including infrastructure, affordable housing, parks and small boat harbors. Many look upon such successes as a resource that should be available in more areas than its designated Community Development Districts.

Community Development Districts require the authority to establish community development rules and a community development plan.

In the past several years, various attempts have been made to increase HCDA's areas of responsibility. The latest proposals have HCDA as implementing Capital Improvement Projects without designating a Community Development District.

There has also been interest in having HCDA coordinate infrastructure improvements and redevelopment where the state or county is the landowner, and where plans already exist making any additional planning or rulemaking duplicative.

Staff anticipates bills may be introduced to expand HCDA's responsibilities to include transit oriented development, as well as the redevelopment of underutilized State land in other areas of the state. HCDA currently does not have the capacity to take on this work without funding and full time equivalent (FTE) positions. The authority may wish to reaffirm the position it took last year that it would support taking on additional responsibilities only if it came with the necessary staff and funding.

Staff anticipates a bill or bills to bring more clarity to the Stadium Development District. Staff intends to bring those bills to the board once they are introduced.

As HCDA staff has been working on the Stadium Development District using existing employees, authority members have noted that they would prefer that the new district not take away resources from the Authority's other priorities. At the request of the board, staff has prepared a bill that would request approval for additional funding in the amount of \$750,000 and five additional staff positions to address that additional workload. The draft legislation is attached as Exhibit A.

Staff will continue to update the board using the matrix used last year at least monthly and sooner if necessary.

## **RECOMMENDATION**

HCDA staff recommends that the Board adopt the following positions:

1. The HCDA Board supports any measure that would support infrastructure improvement projects within its jurisdiction as long as it is supported with staffing and funding to support implementation.
2. The HCDA Board is unable to support any measure that expands HCDA's development districts unless it is coupled with staffing and funding to support implementation or that would jeopardize its current resources.

3. Endorse draft legislation to secure additional funding in the amount of \$750,000 and five additional staff positions.

Respectfully submitted,



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Garett Kamemoto  
Interim Director of Planning and Permitting --  
Kakaako

APPROVED FOR SUBMITTAL:



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Aedward Los Banos, Executive Director

## RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

SECTION 1. The Hawaii community development authority was established in 1976 and assigned the Kakaako community development district. Since then the authority has delivered \$210 million in infrastructure improvements and over 35-acres of new park space, while approving over 11,000 new housing units and new commercial space to realize a walkable mixed-use community in the urban core.

At its peak, the authority's staffing levels were at 35 full-time positions to work on Kakaako alone. Since then, three additional community development districts have been established that include the Kalaeloa community development district in 2002, Heeia in 2011, and Aloha Stadium in 2019.

Despite the additional responsibilities, the authority's staffing levels has been cut by a third. In order to fulfill the objectives of the well-funded Stadium Development District additional resources are necessary. Fulfilling the legislative direction to sunset the Kakaako community development district otherwise draws upon the authority's current resources, further hampering efforts to devote appropriate staffing to the Aloha stadium district.

The purpose of this act is to provide the Hawaii Community Development Authority with additional five additional staff resources and the requisite funding of \$750,000 for the five additional positions and salary increases to fill vacant hard-to-fill positions and retain existing staff. The requested funding is intended to cover payroll, fringe benefits and related administrative costs for the fiscal year ending June 30, 2021.

The five additional positions include:

- (1) A project management specialist assigned to the stadium development district;
- (2) Two planning specialists to analyze and manage the additional workloads;
- (3) A fiscal officer to analyze and monitor compliance with anticipated complex financing documents; and
- (4) A clerical position to process the additional volume inherent with a new development district.

SECTION 2. There is appropriated out of the Hawaii community development revolving fund the sum of \$750,000 or so much thereof as may be necessary for fiscal year 2020-2021 to pay for five additional positions full time equivalent positions (5 FTE) for the Hawaii community development authority.

The sum appropriated shall be expended by the Hawaii community development authority for the purposes of this act.

SECTION 3. This act shall take effect on July 1, 2020.