

JAN 24 2018

A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that under existing law,
2 the Honolulu city council, as the council of the county in which
3 all of the Hawaii community development authority community
4 development districts are located, nominates individuals to be
5 appointed by the governor to the Hawaii community development
6 authority to represent the Heeia, Kalaeloa, and Kakaako
7 community development districts. The Hawaii community
8 development authority includes among its membership three
9 representatives of the Kakaako community development district,
10 including two residents of the district and one owner of a small
11 business or one officer or director of a nonprofit organization
12 in the district. The legislature further finds that in 2017,
13 confusion arose amongst Honolulu city council members regarding
14 the nomination process for the authority members representing
15 the Kakaako community development district. Given the important
16 responsibility of these members in determining the development
17 of designated areas of the State, the legislature finds that the



1 nomination process of these members and the members representing
2 the other community development districts should be amended.

3 The purpose of this Act is to:

- 4 (1) Clarify the interests that must be represented by
5 members of the Hawaii community development authority
6 representing community development districts; and
7 (2) Replace the county council with the speaker of the
8 house of representatives and the president of the
9 senate as the nominating authorities for Hawaii
10 community development authority members who are
11 representatives of the several community development
12 districts.

13 SECTION 2. Section 206E-3, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§206E-3 Hawaii community development authority;**
16 **established.** (a) There is established the Hawaii community
17 development authority, which shall be a body corporate and a
18 public instrumentality of the State, for the purpose of
19 implementing this chapter. The authority shall be placed within
20 the department of business, economic development, and tourism
21 for administrative purposes.



(b) The authority shall consist of the following members:

(1) The director of finance or the director's designee;

~~[the]~~

(2) The director of transportation or the director's

designee; [a]

(3) A cultural specialist; [an]

(4) An at-large member; [an]

(5) An at-large member [nominated] appointed by the
governor from a list of three nominees submitted by

the [senate] president [an] of the senate;

(6) An at-large member [nominated] appointed by the
governor from a list of three nominees submitted by

the speaker of the house [three] of representatives;

(7) Three representatives of the Heeia community

development district, [comprising two] which shall

consist of the following:

(A) Two residents of that district or the Koolaupoko

district, which consists of sections 1 through 9

of zone 4 of the first tax map key division, [and

one] -- one appointed from a list of no less than

three nominees submitted by the president of the



1 senate, and one appointed from a list of no less
2 than three nominees submitted by the speaker of
3 the house of representatives; and

4 (B) One owner or active manager of a small business
5 or one officer or director of a nonprofit
6 organization [in] located and doing business
7 within the physical boundaries of the Heeia
8 community development district or Koolaupoko
9 district, [nominated by the county council of the
10 county in which the Heeia community development
11 district is located; three] appointed from a
12 combined list of no less than two nominees
13 submitted by the president of the senate and no
14 less than two nominees submitted by the speaker
15 of the house of representatives;

16 (8) Three representatives of the Kalaeloa community
17 development district, [comprising two] which shall
18 consist of the following:

19 (A) Two residents of the Ewa zone (zone 9, sections 1
20 through 2) or the Waianae zone (zone 8, sections
21 1 through 9) of the first tax map key division,



1 ~~[and one]~~ -- one appointed from a list of no less
2 than three nominees submitted by the president of
3 the senate, and one appointed from a list of no
4 less than three nominees submitted by the speaker
5 of the house of representatives; and

6 (B) One owner or active manager of a small business
7 or one officer or director of a nonprofit
8 organization [in] located and doing business
9 within the physical boundaries of the Ewa or
10 Waianae zone, [nominated by the county council of
11 the county in which the Kalaeloa community
12 development district is located; three] appointed
13 from a combined list of no less than two nominees
14 submitted by the president of the senate and no
15 less than two nominees submitted by the speaker
16 of the house of representatives;

17 (9) Three representatives of the Kakaako community
18 development district, [comprising two] which shall
19 consist of the following:

20 (A) Two residents of the district [and one] -- one
21 appointed from a list of no less than three



1 nominees submitted by the president of the
2 senate, and one appointed from a list of no less
3 than three nominees submitted by the speaker of
4 the house of representatives; and

5 (B) One owner or active manager of a small business
6 or one officer or director of a nonprofit
7 organization ~~[in]~~ located and doing business
8 within the physical boundaries of the district,
9 ~~[nominated by the county council of the county in~~
10 ~~which the Kakaako community development district~~
11 ~~is located; the]~~ appointed from a combined list
12 of no less than two nominees submitted by the
13 president of the senate and no less than two
14 nominees submitted by the speaker of the house of
15 representatives;

16 (10) The director of planning and permitting of each county
17 in which a community development district is located
18 or the director's designee, who shall serve in an ex
19 officio, nonvoting capacity; and ~~[the]~~



1 (11) The chairperson of the Hawaiian homes commission or
2 the chairperson's designee, who shall serve in an ex
3 officio, nonvoting capacity.

4 For the nine representatives of the several community
5 development districts, no person shall be nominated for more
6 than one seat.

7 All members except the director of finance, director of
8 transportation, county directors of planning and permitting, and
9 chairperson of the Hawaiian homes commission or their designees
10 shall be appointed by the governor pursuant to section 26-34.

11 ~~[The two at-large members nominated by the senate president and~~
12 ~~speaker of the house and the nine representatives of the~~
13 ~~respective community development districts shall each be~~
14 ~~appointed by the governor from a list of three nominees~~
15 ~~submitted for each position by the nominating authority~~
16 ~~specified in this subsection.]~~

17 (c) The authority shall be organized and shall exercise
18 jurisdiction as follows:

19 (1) For matters affecting the Heeia community development
20 district, the following members shall be considered in



determining quorum and majority and shall be eligible to vote:

(A) The director of finance or the director's designee;

(B) The director of transportation or the director's designee;

(C) The cultural specialist;

(D) The three at-large members; and

(E) The three representatives of the Heeia community development district;

provided that the director of planning and permitting of the relevant county or the director's designee shall participate in these matters as an ex officio, nonvoting member and shall not be considered in determining quorum and majority;

(2) For matters affecting the Kalaeloa community development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

(A) The director of finance or the director's designee;



(B) The director of transportation or the director's
designee;

(C) The cultural specialist;

(D) The three at-large members; and

(E) The three representatives of the Kalaeloa
community development district;

provided that the director of planning and permitting
of the relevant county and the chairperson of the
Hawaiian homes commission, or their respective
designees, shall participate in these matters as ex
officio, nonvoting members and shall not be considered
in determining quorum and majority;

(3) For matters affecting the Kakaako community
development district, the following members shall be
considered in determining quorum and majority and
shall be eligible to vote:

(A) The director of finance or the director's
designee;

(B) The director of transportation or the director's
designee;

(C) The cultural specialist;



1 (D) The three at-large members; and

2 (E) The three representatives of the Kakaako
3 community development district;

4 provided that the director of planning and permitting
5 of the relevant county or the director's designee
6 shall participate in these matters as an ex officio,
7 nonvoting member and shall not be considered in
8 determining quorum and majority.

9 (d) In the event of a vacancy, a member shall be appointed
10 to fill the vacancy in the same manner as the original
11 appointment within thirty days of the vacancy or within ten days
12 of the senate's rejection of a previous appointment, as
13 applicable.

14 The terms of the director of finance, director of
15 transportation, county directors of planning and permitting, and
16 chairperson of the Hawaiian homes commission or their respective
17 designees shall run concurrently with each official's term of
18 office. The terms of the appointed voting members shall be for
19 four years, commencing on July 1 and expiring on June 30;
20 provided that the initial terms of all voting members initially
21 appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall



1 commence on March 1, 2015. The governor shall provide for
2 staggered terms of the initially appointed voting members so
3 that the initial terms of four members selected by lot shall be
4 for two years, the initial terms of four members selected by lot
5 shall be for three years, and the initial terms of the remaining
6 five members shall be for four years.

7 The governor may remove or suspend for cause any member
8 after due notice and public hearing.

9 (e) Notwithstanding section 92-15, a majority of all
10 eligible voting members as specified in this subsection shall
11 constitute a quorum to do business, and the concurrence of a
12 majority of all eligible voting members as specified in this
13 subsection shall be necessary to make any action of the
14 authority valid. All members shall continue in office until
15 their respective successors have been appointed and qualified.
16 Except as herein provided, no member appointed under this
17 subsection shall be an officer or employee of the State or its
18 political subdivisions.

19 (f) For purposes of this section, "small business" means a
20 business ~~[which]~~ that is independently owned and ~~[which is not~~
21 ~~dominant in its field of operation.]~~ has less than



employees on payroll within the physical boundaries of the
district where its principal place of operations takes place.

~~[(e)]~~ (g) The authority shall appoint the executive
 director who shall be the chief executive officer. The
 authority shall set the salary of the executive director, who
 shall serve at the pleasure of the authority and shall be exempt
 from chapter 76.

~~[(d)]~~ (h) The authority shall annually elect the
 chairperson and vice chairperson from among its members.

~~[(e)]~~ (i) The members of the authority appointed under
 subsection (b) shall serve without compensation, but each shall
 be reimbursed for expenses, including travel expenses, incurred
 in the performance of their duties."

SECTION 3. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2018.

INTRODUCED BY: _____

Handwritten signature: R. O. O. J. L.
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S.B. NO. 2951

Report Title:

Hawaii Community Development Authority; Small Business; County Council; Nomination; Heeia; Kalaeloa; Kakaako

Description:

Clarifies the interests that must be represented by members of the HCDA representing community development districts. Requires the senate president and the speaker of the house of representatives to nominate representatives of the several community development districts to the HCDA, and requires those representatives to be nominated only as a resident representative or a small business owner or nonprofit organization representative, but not both.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

