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# A BILL FOR AN ACT

RELATING TO DEVELOPMENT DISTRICTS.

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

1 PART I

2 SECTION 1. Section 206E, Hawaii Revised Statutes, is  
3 amended by adding a new part to be appropriately designated and  
4 to read as follows:

5 "PART . PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT

6 **§206E-A Pulehunui community development district; purpose;**  
7 **findings.** The legislature finds that public lands in Pulehunui,  
8 Maui, are underutilized. Redeveloping, renovating, or improving  
9 these public lands to provide suitable recreational,  
10 residential, educational, industrial, governmental, and  
11 commercial areas where the public can live, congregate,  
12 recreate, attend schools, and shop as part of a thoughtfully  
13 integrated experience is in the best interest of the State.

14 **§206E-B Definitions.** As used in this part, unless the  
15 context otherwise requires:

16 "District" means the Pulehunui community development  
17 district established by this part.



1 "District authority board" means the Pulehunui community  
2 development district board established by section 206E- .

3 **§206E-C District; established; boundaries.** The Pulehunui  
4 community development district is established and shall be  
5 composed of the following properties:

- 6 (1) TMK 2-3-8-008-001;
- 7 (2) TMK 2-3-8-008-007;
- 8 (3) TMK 2-3-8-008-037; and
- 9 (4) TMK 2-3-8-009-038.

10 **§206E-D Development policies.** The following development  
11 policies shall govern the district authority board's actions in  
12 the district:

- 13 (1) The district authority board may engage in planning,  
14 designing, and construction activities within and  
15 outside the district; provided that activities outside  
16 the district shall be those the district authority  
17 board deems necessary to carry out the development of  
18 the district established in this part, including  
19 infrastructure development, area-wide drainage  
20 improvements, roadway realignment and improvements,  
21 business and industrial relocation, and other related



1 activities. The district authority board may  
 2 undertake studies or coordinating activities in  
 3 conjunction with the county or appropriate state  
 4 agencies and may address facility systems, the need  
 5 for industrial relocation, and other issues;

6 (2) Archaeological, historical, and cultural sites shall  
 7 be preserved and protected in accordance with chapter  
 8 6E;

9 (3) Endangered species of flora and fauna shall be  
 10 preserved to the extent required by law;

11 (4) Land use and development activities within the  
 12 district shall be coordinated with and, to the extent  
 13 possible, complement existing county and state  
 14 policies, plans, and programs affecting the district;  
 15 and

16 (5) Public facilities within the district shall be  
 17 planned, located, and developed to support the  
 18 development policies established by this part and any  
 19 rules adopted pursuant to this chapter.

20 **§206E-E Financial aid from and contracts with the federal**  
 21 **government.** (a) The district authority board may:

- 1           (1) Borrow money or accept grants from the federal  
2           government for or in aid of any development project  
3           the district authority board is authorized to  
4           undertake pursuant to this part;
- 5           (2) Issue bonds or other evidence of indebtedness and  
6           pledge revenues and other assets as security for  
7           indebtedness incurred pursuant to this section;
- 8           (3) Repay any indebtedness incurred pursuant to this  
9           section, including any interest thereon;
- 10          (4) Procure insurance or loan guarantees from the federal  
11          government for the payment of any debts or parts  
12          thereof secured by mortgages made or held by the  
13          district authority board;
- 14          (5) Comply with any conditions required by the federal  
15          government in any contract for federal assistance; and
- 16          (6) Execute contracts with the federal government.
- 17          (b) It is the purpose and intent of this section to  
18 authorize the district authority board to do all things  
19 necessary to secure the cooperation of and financial aid from  
20 the federal government for any planning, design, construction,





1 development district authority boards to govern each of the  
2 community development districts specified in chapter 206E. The  
3 district authority boards shall carry out the duties and  
4 responsibilities set forth in this chapter and as further  
5 delegated by the department of business, economic development,  
6 and tourism and the authority.

7 (b) Except as otherwise provided by law, the district  
8 authority boards may make and execute contracts and all other  
9 instruments necessary or convenient for planning and developing  
10 the respective community development districts.

11 (c) Upon establishment, a district authority board shall  
12 assume custodial care of all:

13 (1) Financial assets;

14 (2) Real property, including land, structures, and  
15 fixtures; and

16 (3) Other physical assets, such as personal property,  
17 including furnishings, equipment, and inventory,  
18 of the authority within its regional system.

19 No sale or encumbrance of any real property or other  
20 financial assets or physical assets of the authority shall be  
21 permitted without the mutual consent of the authority and the



1 appropriate district authority board. No additional debts or  
2 liabilities or superior debts shall be added by the authority to  
3 any district authority board that would negatively impact the  
4 holders of bond notes. Each district authority board shall be  
5 liable for any liabilities arising from financial assets, real  
6 property, or personal property within its custodial care.

7 (d) Each district authority board shall comprise nine  
8 members to be appointed by the governor pursuant to section  
9 26-34, or as provided in this section, as follows:

10 (1) The governor shall appoint the following members, who  
11 shall each serve for a term of four years; provided  
12 that the governor shall provide for staggered terms of  
13 the initially appointed voting members so that the  
14 initial terms of two members selected by lot shall be  
15 for two years, the initial terms of two members  
16 selected by lot shall be for three years, and the  
17 initial terms of the remaining member shall be for  
18 four years:

19 (A) Two residents of the district, one of whom shall  
20 be selected from a list submitted by the  
21 president of the senate and one of whom shall be



1                   selected from a list submitted by the speaker of  
2                   the house of representatives;

3           (B) One cultural specialist; and

4           (C) Two members representing small businesses in the  
5                   respective development district, one of whom  
6                   shall be selected from a list submitted by the  
7                   president of the senate and one of whom shall be  
8                   selected from a list submitted by the speaker of  
9                   the house of representatives;

10          (2) The director of planning and permitting of the county  
11                   in which the community development district is  
12                   located, or the director's designee, who shall serve  
13                   for a term of four years; and

14          (3) The director of finance, or the director's designee;  
15                   director of transportation, or the director's  
16                   designee; and director of the office of planning, or  
17                   the director's designee, who shall serve in an ex  
18                   officio, nonvoting capacity, for terms to run  
19                   concurrently with each official's term of office.



1       (e) Each district authority board shall select one member  
2 to represent the community development district on the authority  
3 for a term to be determined by each district authority board.

4       (f) If a vacancy occurs, a member shall be appointed to  
5 fill the vacancy in the same manner as the original appointment  
6 within thirty days of the vacancy or within ten days of the  
7 senate's rejection of a previous appointment, as applicable.

8       (g) The governor may remove or suspend for cause any  
9 member after due notice and a public hearing.

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

20       (i) The members of each district authority board shall  
21 serve without compensation, but each shall be reimbursed for



1 expenses, including travel expenses, incurred in the performance  
2 of their duties.

3 (j) For the purposes of this section, "small business"  
4 means a business that is independently owned and that is not  
5 dominant in its field of operation."

6 SECTION 3. Section 206E-2, Hawaii Revised Statutes, is  
7 amended as follows:

8 1. By adding a new definition to be appropriately  
9 inserted and to read:

10 "District authority board" means a community development  
11 district board established by section 206E- ."

12 2. By amending the definition of "authority" to read:

13 "Authority" means the Hawaii community development  
14 authority established by section 206E-3[-], except if the  
15 context clearly indicates otherwise in this chapter."

16 SECTION 4. Section 206E-3, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 **"§206E-3 Hawaii community development authority;**  
19 **established.** (a) There is established the Hawaii community  
20 development authority, which shall be a body corporate and a  
21 public instrumentality of the State, for the purpose of



1 implementing this chapter. The authority shall be placed within  
2 the department of business, economic development, and tourism  
3 for administrative purposes.

4 ~~[(b) The authority shall consist of the director of~~  
5 ~~finance or the director's designee; the director of~~  
6 ~~transportation or the director's designee; a cultural~~  
7 ~~specialist; an at large member; an at large member nominated by~~  
8 ~~the senate president; an at large member nominated by the~~  
9 ~~speaker of the house; three representatives of the Heeia~~  
10 ~~community development district, comprising two residents of that~~  
11 ~~district or the Koolaupoko district, which consists of sections~~  
12 ~~1 through 9 of zone 4 of the first tax map key division, and one~~  
13 ~~owner of a small business or one officer or director of a~~  
14 ~~nonprofit organization in the Heeia community development~~  
15 ~~district or Koolaupoko district, nominated by the county council~~  
16 ~~of the county in which the Heeia community development district~~  
17 ~~is located; three representatives of the Kalaeloa community~~  
18 ~~development district, comprising two residents of the Ewa zone~~  
19 ~~(zone 9, sections 1 through 2) or the Waianae zone (zone 8,~~  
20 ~~sections 1 through 9) of the first tax map key division, and one~~  
21 ~~owner of a small business or one officer or director of a~~

1 ~~nonprofit organization in the Ewa or Waianae zone, nominated by~~  
2 ~~the county council of the county in which the Kalaeloa community~~  
3 ~~development district is located; three representatives of the~~  
4 ~~Kakaako community development district, comprising two residents~~  
5 ~~of the district and one owner of a small business or one officer~~  
6 ~~or director of a nonprofit organization in the district,~~  
7 ~~nominated by the county council of the county in which the~~  
8 ~~Kakaako community development district is located; the director~~  
9 ~~of planning and permitting of each county in which a community~~  
10 ~~development district is located or the director's designee, who~~  
11 ~~shall serve in an ex officio, nonvoting capacity; and the~~  
12 ~~chairperson of the Hawaiian homes commission or the~~  
13 ~~chairperson's designee, who shall serve in an ex officio,~~  
14 ~~nonvoting capacity.~~

15 ~~All members except the director of finance, director of~~  
16 ~~transportation, county directors of planning and permitting, and~~  
17 ~~chairperson of the Hawaiian homes commission or their designees~~  
18 ~~shall be appointed by the governor pursuant to section 26-34.~~  
19 ~~The two at large members nominated by the senate president and~~  
20 ~~speaker of the house and the nine representatives of the~~  
21 ~~respective community development districts shall each be~~



1 ~~appointed by the governor from a list of three nominees~~  
2 ~~submitted for each position by the nominating authority~~  
3 ~~specified in this subsection.~~

4 ~~The authority shall be organized and shall exercise~~  
5 ~~jurisdiction as follows:~~

6 ~~(1) For matters affecting the Heeia community development~~  
7 ~~district, the following members shall be considered in~~  
8 ~~determining quorum and majority and shall be eligible~~  
9 ~~to vote:~~

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

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

14 ~~(C) The cultural specialist;~~

15 ~~(D) The three at large members; and~~

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

18 ~~provided that the director of planning and permitting~~  
19 ~~of the relevant county or the director's designee~~  
20 ~~shall participate in these matters as an ex officio,~~



1 ~~nonvoting member and shall not be considered in~~  
2 ~~determining quorum and majority;~~

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

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

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

11 ~~(C) The cultural specialist;~~

12 ~~(D) The three at large members; and~~

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

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



- 1       ~~(3) For matters affecting the Kakaako community~~  
2       ~~development district, the following members shall be~~  
3       ~~considered in determining quorum and majority and~~  
4       ~~shall be eligible to vote:~~
- 5       ~~(A) The director of finance or the director's~~  
6       ~~designee;~~
- 7       ~~(B) The director of transportation or the director's~~  
8       ~~designee;~~
- 9       ~~(C) The cultural specialist;~~
- 10       ~~(D) The three at large members; and~~
- 11       ~~(E) The three representatives of the Kakaako~~  
12       ~~community development district;~~
- 13       ~~provided that the director of planning and permitting~~  
14       ~~of the relevant county or the director's designee~~  
15       ~~shall participate in these matters as an ex officio,~~  
16       ~~nonvoting member and shall not be considered in~~  
17       ~~determining quorum and majority.~~
- 18       ~~In the event of a vacancy, a member shall be appointed to~~  
19       ~~fill the vacancy in the same manner as the original appointment~~  
20       ~~within thirty days of the vacancy or within ten days of the~~  
21       ~~senate's rejection of a previous appointment, as applicable.~~



1       ~~The terms of the director of finance, director of~~  
2 ~~transportation, county directors of planning and permitting, and~~  
3 ~~chairperson of the Hawaiian homes commission or their respective~~  
4 ~~designees shall run concurrently with each official's term of~~  
5 ~~office. The terms of the appointed voting members shall be for~~  
6 ~~four years, commencing on July 1 and expiring on June 30,~~  
7 ~~provided that the initial terms of all voting members initially~~  
8 ~~appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall~~  
9 ~~commence on March 1, 2015. The governor shall provide for~~  
10 ~~staggered terms of the initially appointed voting members so~~  
11 ~~that the initial terms of four members selected by lot shall be~~  
12 ~~for two years, the initial terms of four members selected by lot~~  
13 ~~shall be for three years, and the initial terms of the remaining~~  
14 ~~five members shall be for four years.]~~

15       (b) The authority shall oversee administration and staff  
16 and shall carry out the duties and responsibilities set forth in  
17 this chapter and as further delegated by the department of  
18 business, economic development, and tourism.

19       (c) The authority shall comprise:

20       (1) One member from each of the community development  
21 district authority boards, to be selected by the



1 members of each respective district authority board;

2 and

3 (2) The director of finance, or the director's designee;

4 director of transportation, or the director's

5 designee; and director of the office of planning, or

6 the director's designee, who shall serve in an ex

7 officio, nonvoting capacity.

8 (d) The governor may remove or suspend for cause any

9 member after due notice and public hearing.

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



1       ~~[For purposes of this section, "small business" means a~~  
2 ~~business which is independently owned and which is not dominant~~  
3 ~~in its field of operation.~~

4       ~~(e)~~ (f) The authority shall appoint the executive  
5 director who shall be the chief executive officer. The  
6 authority shall set the salary of the executive director, who  
7 shall serve at the pleasure of the authority and shall be exempt  
8 from chapter 76.

9       ~~(d)~~ (g) The authority shall annually elect the  
10 chairperson and vice chairperson from among its members.

11       ~~(e)~~ (h) The members of the authority [~~appointed~~]  
12 selected or designated under subsection [~~(b)~~] (c) shall serve  
13 without compensation, but each shall be reimbursed for expenses,  
14 including travel expenses, incurred in the performance of their  
15 duties."

16       SECTION 5. Section 206E-4, Hawaii Revised Statutes, is  
17 amended to read as follows:

18       "**§206E-4 Powers; generally[-]; district authority boards;**  
19 **authority.** (a) Except as otherwise [~~limited~~] provided by this  
20 chapter, [~~the authority may:~~] a district authority board, within  
21 its respective community development district may:



- 1 (1) Sue and be sued;
- 2 (2) Have a seal and alter the same at pleasure;
- 3 (3) Make and execute contracts and all other instruments
- 4 necessary or convenient for the exercise of its powers
- 5 and functions under this chapter;
- 6 ~~[-(4) Make and alter bylaws for its organization and~~
- 7 ~~internal management;~~
- 8 ~~+(5)]~~ (4) Make rules with respect to its projects,
- 9 operations, properties, and facilities, ~~[which rules~~
- 10 ~~shall be]~~ in conformance with chapter 91;
- 11 ~~[-(6) Through its executive director appoint officers,~~
- 12 ~~agents, and employees, prescribe their duties and~~
- 13 ~~qualifications, and fix their salaries, without regard~~
- 14 ~~to chapter 76;~~
- 15 ~~+(7)]~~ (5) Prepare or cause to be prepared a community
- 16 development plan for ~~[all designated]~~ its community
- 17 development ~~[districts;]~~ district;
- 18 ~~[-(8)]~~ (6) Acquire, reacquire, or contract to acquire or
- 19 reacquire by grant or purchase real, personal, or
- 20 mixed property or any interest therein; to own, hold,
- 21 clear, improve, and rehabilitate, and to sell, assign,



1 exchange, transfer, convey, lease, or otherwise  
2 dispose of or encumber the same;

3 ~~[(9)]~~ (7) Acquire or reacquire by condemnation real,  
4 personal, or mixed property or any interest therein  
5 for public facilities, including but not limited to  
6 streets, sidewalks, parks, schools, and other public  
7 improvements;

8 ~~[(10)]~~ (8) By itself, or in partnership with qualified  
9 persons, acquire, reacquire, construct, reconstruct,  
10 rehabilitate, improve, alter, or repair or provide for  
11 the construction, reconstruction, improvement,  
12 alteration, or repair of any project; own, hold, sell,  
13 assign, transfer, convey, exchange, lease, or  
14 otherwise dispose of or encumber any project, and in  
15 the case of the sale of any project, accept a purchase  
16 money mortgage in connection therewith; and repurchase  
17 or otherwise acquire any project that the authority  
18 has theretofore sold or otherwise conveyed,  
19 transferred, or disposed of;

20 ~~[(11)]~~ (9) Arrange or contract for the planning,  
21 replanning, opening, grading, or closing of streets,



1 roads, roadways, alleys, or other places, or for the  
 2 furnishing of facilities or for the acquisition of  
 3 property or property rights or for the furnishing of  
 4 property or services in connection with a project;

5 ~~[(12)]~~ (10) Grant options to purchase any project or to renew  
 6 any lease entered into by it in connection with any of  
 7 its projects, on terms and conditions as it deems  
 8 advisable;

9 ~~[(13)]~~ (11) Prepare or cause to be prepared plans,  
 10 specifications, designs, and estimates of costs for  
 11 the construction, reconstruction, rehabilitation,  
 12 improvement, alteration, or repair of any project, and  
 13 from time to time to modify the plans, specifications,  
 14 designs, or estimates;

15 ~~[(14)]~~ (12) Provide advisory, consultative, training, and  
 16 educational services, technical assistance, and advice  
 17 to any person, partnership, or corporation, either  
 18 public or private, to carry out the purposes of this  
 19 chapter, and engage the services of consultants on a  
 20 contractual basis for rendering professional and  
 21 technical assistance and advice;



1        [~~(15)~~] (13) Procure insurance against any loss in connection  
2                    with its property and other assets and operations in  
3                    amounts and from insurers as it deems desirable;

4        [~~(16)~~] (14) Contract for and accept gifts or grants in any  
5                    form from any public agency or from any other source;

6        [~~(17)~~] (15) Do any and all things necessary to carry out its  
7                    purposes and exercise the powers given and granted to  
8                    a district authority board in this chapter; [~~and~~

9        ~~(18)~~] (16) Allow satisfaction of any affordable housing  
10                    requirements imposed by the district authority board  
11                    upon any proposed development project through the  
12                    construction of reserved housing, as defined in  
13                    section 206E-101, by a person on land located outside  
14                    the geographic boundaries of the [~~authority's~~]  
15                    jurisdiction[+] of the district authority board;  
16                    provided that the [~~authority~~] district authority board  
17                    may permit cash payments in lieu of providing reserved  
18                    housing. The substituted housing shall be located on  
19                    the same island as the development project and shall  
20                    be substantially equal in value to the required  
21                    reserved housing units that were to be developed on



1 site. The ~~[authority]~~ district authority board shall  
2 establish the following priority in the development of  
3 reserved housing:

- 4 (A) Within the community development district;
- 5 (B) Within areas immediately surrounding the  
6 community development district;
- 7 (C) Areas within the central urban core; and
- 8 (D) In outlying areas within the same island as the  
9 development project[-

10 ~~The Hawaii community development authority shall~~  
11 ~~adopt rules relating to the approval of reserved~~  
12 ~~housing that are developed outside of a community~~  
13 ~~development district. The rules shall include, but~~  
14 ~~are not limited to, the establishment of guidelines to~~  
15 ~~ensure compliance with the above priorities.]; and~~

16 (17) Exercise all powers assigned in this part to the  
17 authority, except as otherwise provided.

18 (b) The authority may:

19 (1) Sue and be sued;

20 (2) Have a seal and alter the same at pleasure;



- 1       (3) Make and execute contracts and all other instruments  
2           necessary or convenient for the exercise of its powers  
3           and functions under this chapter;
- 4       (4) Make rules with respect to its projects, operations,  
5           properties, and facilities, in conformance with  
6           chapter 91;
- 7       (5) Procure insurance against any loss in connection with  
8           its property and other assets and operations in  
9           amounts and from insurers as it deems desirable; and
- 10       (6) Do any and all things necessary to carry out its  
11           purpose and exercise the powers given and granted in  
12           this chapter.
- 13       (c) The authority shall have the exclusive power to:
  - 14       (1) Make and alter bylaws for its organization and  
15           internal management;
  - 16       (2) Through its executive director, appoint officers,  
17           agents, and employees; prescribe their duties and  
18           qualifications; and fix their salaries, without regard  
19           to chapter 76; and
  - 20       (3) Adopt rules relating to the approval of reserved  
21           housing that is developed outside of a community



1           development district. The rules shall include the  
2           establishment of guidelines to ensure compliance with  
3           the priorities for reserved housing development as  
4           outlined in subsection (a)."

5           SECTION 6. Section 206E-4.1, Hawaii Revised Statutes, is  
6 amended to read as follows:

7           "~~+~~**\$206E-4.1**~~+~~ **Assignment of powers and duties**  
8 **prohibited.** Notwithstanding anything contained in this chapter  
9 to the contrary, the authority and district authority boards  
10 shall not assign to any person or agency, including the  
11 executive director of the authority, any of ~~its~~ the authority  
12 or district authority board's powers and duties related to the  
13 approval of any variance, exemption, or modification of any  
14 provision of a community development plan or community  
15 development rules."

16           SECTION 7. Section 206E-1, Hawaii Revised Statutes, is  
17 repealed.

18           ~~["**\$206E-1 Findings and purpose.** The legislature finds~~  
19 ~~that many areas of the State are substantially undeveloped,~~  
20 ~~blighted, or economically depressed, and are or are potentially~~  
21 ~~in need of renewal, renovation, or improvement to alleviate such~~

1 ~~conditions as dilapidation, deterioration, age, and other such~~  
2 ~~factors or conditions which make such areas an economic or~~  
3 ~~social liability.~~

4 ~~The legislature further finds that there exists within the~~  
5 ~~State vast, unmet community development needs. These include,~~  
6 ~~but are not limited to, a lack of suitable affordable housing;~~  
7 ~~insufficient commercial and industrial facilities for rent;~~  
8 ~~residential areas which do not have facilities necessary for~~  
9 ~~basic liveability, such as parks and open space; and areas which~~  
10 ~~are planned for extensive land allocation to one, rather than~~  
11 ~~mixed uses.~~

12 ~~It is further determined that the lack of planning and~~  
13 ~~coordination in such areas has given rise to these community~~  
14 ~~development needs and that existing laws and public and private~~  
15 ~~mechanisms have either proven incapable or inadequate to~~  
16 ~~facilitate timely redevelopment and renewal.~~

17 ~~The legislature finds that a new and comprehensive~~  
18 ~~authority for community development must be created to join the~~  
19 ~~strengths of private enterprise, public development and~~  
20 ~~regulation into a new form capable of long range planning and~~  
21 ~~implementation of improved community development. The purpose~~



1 ~~of this chapter is to establish such a mechanism in the Hawaii~~  
2 ~~community development authority, a public entity which shall~~  
3 ~~determine community development programs and cooperate with~~  
4 ~~private enterprise and the various components of federal, state,~~  
5 ~~and county governments in bringing plans to fruition. For such~~  
6 ~~areas designated as community development districts, the~~  
7 ~~legislature believes that the planning and implementation~~  
8 ~~program of the Hawaii community development authority will~~  
9 ~~result in communities which serve the highest needs and~~  
10 ~~aspirations of Hawaii's people.~~

11 ~~The legislature finds that the creation of the Hawaii~~  
12 ~~community development authority, the establishment of community~~  
13 ~~development districts, and the issuance of bonds pursuant to~~  
14 ~~this chapter to finance public facilities serve the public~~  
15 ~~interest and are matters of statewide concern." ]~~

PART III

17 SECTION 8. Chapter 206E, Hawaii Revised Statutes, is  
18 amended by adding a new section to part II to be appropriately  
19 designated and to read as follows:



1            "§206E-            Authority; defined. For the purposes of this  
2 part, "authority" means the Kakaako community development  
3 district authority board established by section 206E-            ."

4            SECTION 9. Section 206E-34, Hawaii Revised Statutes, is  
5 amended as follows:

6            1. By amending subsection (a) to read:

7            "(a) There shall be established within the [~~Hawaii~~  
8 ~~community development~~] authority a state cultural public  
9 market."

10           2. By amending subsection (c) to read:

11           "(c) The [~~Hawaii community development~~] authority shall:

12           (1) Designate and develop the state-owned land for the  
13           cultural public market;

14           (2) Accept, for consideration, input regarding the  
15           establishment of the cultural public market from the  
16           following departments and agencies:

17           (A) The department of agriculture;

18           (B) The department of business, economic development,  
19           and tourism;

20           (C) The department of land and natural resources;



- 1 (D) The department of labor and industrial relations;
- 2 and
- 3 (E) The Hawaii tourism authority;
- 4 (3) Consider and determine the propriety of using public-
- 5 private partnerships in the development and operation
- 6 of the cultural public market;
- 7 (4) Develop, distribute, and accept requests for proposals
- 8 from private entities for plans to develop and operate
- 9 the cultural public market; and
- 10 (5) Ensure that the Hawaiian culture is the featured
- 11 culture in the cultural public market."

PART IV

12 SECTION 10. Section 206E-181, Hawaii Revised Statutes, is  
13 amended by adding a new definition to be appropriately inserted  
14 and to read as follows:

15 "Authority" means the Hawaii community development  
16 authority established by section 206E-3."

17 PART V

18 SECTION 11. Chapter 206E, Hawaii Revised Statutes, is  
19 amended by adding a new section to part VII to be appropriately  
20 designated and to read as follows:  
21





1 SECTION 15. Section 84-17, Hawaii Revised Statutes, is  
2 amended by amending subsection (d) to read as follows:

3 "(d) The financial disclosure statements of the following  
4 persons shall be public records and available for inspection and  
5 duplication:

6 (1) The governor, the lieutenant governor, the members of  
7 the legislature, candidates for and delegates to the  
8 constitutional convention, the trustees of the office  
9 of Hawaiian affairs, and candidates for state elective  
10 offices;

11 (2) The directors of the state departments and their  
12 deputies, regardless of the titles by which the  
13 foregoing persons are designated; provided that with  
14 respect to the department of the attorney general, the  
15 foregoing shall apply only to the attorney general and  
16 the first deputy attorney general;

17 (3) The administrative director of the State;

18 (4) The president, the vice presidents, the assistant vice  
19 presidents, the chancellors, members of the board of  
20 regents, and the provosts of the University of Hawaii;



- 1           (5) The members of the board of education and the
- 2                   superintendent, the deputy superintendent, the state
- 3                   librarian, and the deputy state librarian of the
- 4                   department of education;
- 5           (6) The administrative director and the deputy director of
- 6                   the courts;
- 7           (7) The administrator and the assistant administrator of
- 8                   the office of Hawaiian affairs; and
- 9           (8) The members of the following state boards,
- 10                   commissions, and agencies:
- 11                   (A) The board of directors of the agribusiness
- 12                           development corporation established under section
- 13                           163D-3;
- 14                   (B) The board of agriculture established under
- 15                           section 26-16;
- 16                   (C) The state ethics commission established under
- 17                           section 84-21;
- 18                   (D) The Hawaii community development authority and
- 19                           community development district authority boards
- 20                           established under [~~section 206E-3;~~] chapter 206E;



- 1           (E) The Hawaiian homes commission established under
- 2                   the Hawaiian Homes Commission Act of 1920, as
- 3                   amended, and section 26-17;
- 4           (F) The board of directors of the Hawaii housing
- 5                   finance and development corporation established
- 6                   under section 201H-3;
- 7           (G) The board of land and natural resources
- 8                   established under section 171-4;
- 9           (H) The state land use commission established under
- 10                  section 205-1;
- 11           (I) The legacy land conservation commission
- 12                  established under section 173A-2.4;
- 13           (J) The natural area reserves system commission
- 14                  established under section 195-6;
- 15           (K) The board of directors of the natural energy
- 16                  laboratory of Hawaii authority established under
- 17                  section 227D-2;
- 18           (L) The board of directors of the Hawaii public
- 19                  housing authority established under section
- 20                  356D-3;



- 1 (M) The public utilities commission established under
- 2 section 269-2; and
- 3 (N) The commission on water resource management
- 4 established under section 174C-7."

5 SECTION 16. Section 171-2, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "**§171-2 Definition of public lands.** "Public lands" means  
8 all lands or interest therein in the State classed as government  
9 or crown lands previous to August 15, 1895, or acquired or  
10 reserved by the government upon or subsequent to that date by  
11 purchase, exchange, escheat, or the exercise of the right of  
12 eminent domain, or in any other manner; including lands accreted  
13 after May 20, 2003, and not otherwise awarded, submerged lands,  
14 and lands beneath tidal waters that are suitable for  
15 reclamation, together with reclaimed lands that have been given  
16 the status of public lands under this chapter, except:

- 17 (1) Lands designated in section 203 of the Hawaiian Homes
- 18 Commission Act, 1920, as amended;
- 19 (2) Lands set aside pursuant to law for the use of the
- 20 United States;
- 21 (3) Lands being used for roads and streets;



- 1 (4) Lands to which the United States relinquished the  
2 absolute fee and ownership under section 91 of the  
3 Hawaiian Organic Act prior to the admission of Hawaii  
4 as a state of the United States unless subsequently  
5 placed under the control of the board of land and  
6 natural resources and given the status of public lands  
7 in accordance with the state constitution, the  
8 Hawaiian Homes Commission Act, 1920, as amended, or  
9 other laws;
- 10 (5) Lands to which the University of Hawaii holds title;
- 11 (6) Lands to which the Hawaii housing finance and  
12 development corporation in its corporate capacity  
13 holds title;
- 14 (7) Lands to which the Hawaii community development  
15 authority and community development district authority  
16 boards in [~~its~~] their corporate [~~capacity holds~~]  
17 capacities hold title;
- 18 (8) Lands set aside by the governor to the Hawaii public  
19 housing authority or lands to which the Hawaii public  
20 housing authority in its corporate capacity holds  
21 title;



- 1           (9) Lands to which the department of agriculture holds  
2           title by way of foreclosure, voluntary surrender, or  
3           otherwise, to recover moneys loaned or to recover  
4           debts otherwise owed the department under chapter 167;
- 5           (10) Lands that are set aside by the governor to the Aloha  
6           Tower development corporation; lands leased to the  
7           Aloha Tower development corporation by any department  
8           or agency of the State; or lands to which the Aloha  
9           Tower development corporation holds title in its  
10          corporate capacity;
- 11          (11) Lands that are set aside by the governor to the  
12          agribusiness development corporation; lands leased to  
13          the agribusiness development corporation by any  
14          department or agency of the State; or lands to which  
15          the agribusiness development corporation in its  
16          corporate capacity holds title;
- 17          (12) Lands to which the Hawaii technology development  
18          corporation in its corporate capacity holds title; and
- 19          (13) Lands to which the department of education holds  
20          title;



1 provided that, except as otherwise limited under federal law and  
2 except for state land used as an airport as defined in section  
3 262-1, public lands shall include the air rights over any  
4 portion of state land upon which a county mass transit project  
5 is developed after July 11, 2005."

6 SECTION 17. Section 171-64.7, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) Notwithstanding any law to the contrary, no sale of  
9 lands described in subsection (a) in fee simple including land  
10 sold for roads and streets, or gift of lands described in  
11 subsection (a) in fee simple to the extent such gift is  
12 otherwise permitted by law, shall occur without the prior  
13 approval of the sale or gift by the legislature by concurrent  
14 resolution to be adopted by each house by at least a two-thirds  
15 majority vote of the members to which each house is entitled in  
16 a regular or special session at which a concurrent resolution is  
17 submitted for approval of the sale; provided that the provisions  
18 of this section shall not apply to remnants, as that term is  
19 defined in section 171-52, or portions thereof; provided further  
20 that this section shall not apply to the issuance of licenses,  
21 permits, easements, and leases executed in conformance with the



1 laws applicable to the lands listed in subsection (a); provided  
 2 further that this section shall not apply to non-ceded lands  
 3 conveyed to the University of Hawaii after December 31, 1989, to  
 4 which the University of Hawaii holds title; provided further  
 5 that this section shall not apply to reserved housing, as that  
 6 term is defined in section 206E-101, conveyed by the Hawaii  
 7 community development authority[-] or community development  
 8 district authority boards."

9 PART VIII

10 SECTION 18. In making the initial appointments to the  
 11 community development district authority boards, as required by  
 12 part II of this Act, the governor shall strive, to the extent  
 13 practicable, to retain each existing member of the Hawaii  
 14 community development authority and to place the member on a  
 15 community development district authority board to serve the  
 16 remainder of the member's existing term.

17 PART IX

18 SECTION 19. If any provision of this Act, or the  
 19 application thereof to any person or circumstance, is held  
 20 invalid, the invalidity does not affect other provisions or  
 21 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions  
2 of this Act are severable.

3 SECTION 20. In codifying the new sections added by  
4 section 1 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

7 SECTION 21. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 22. This Act shall take effect on January 1, 2050.



**Report Title:**

HCDA; Pulehunui Community Development District; Community Development District Authority Boards

**Description:**

Establishes the Pulehunui community development district. Establishes community development district authority boards for each community development district. Amends the membership and reassigns certain duties of the Hawaii Community Development Authority to the community development district authority boards. Effective 1/1/2050. (SD2)

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