

**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2022**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 3224, RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT.

**BEFORE THE:**

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND ON WATER AND LAND

**DATE:** Friday, February 11, 2022 **TIME:** 3:10 p.m.

**LOCATION:** State Capitol, Room 224, Via Videoconference,

**TESTIFIER(S):** Holly T. Shikada, Attorney General, or  
Lori K.K. Sunakoda or Kelly K. Suzuka, Deputy Attorneys General

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Chairs Wakai and Inouye and Members of the Committees:

The Department of the Attorney General provides the following comments.

The stated purpose of this bill is to establish a new community development district in Pulehunui, Maui. The bill contains proposed amendments relating to the establishment of the Pulehunui community development district and additional proposed amendments relating to: (1) the composition of the Hawaii Community Development Authority (HCDA) and (2) the nomination process involving HCDA board members.

The amendments related to the composition of the HCDA and the nomination process involving HCDA board members appear to be beyond the scope of the title of the bill, "[a] Bill for an Act Relating to the Pulehunui Community Development District." Article III, section 14, of the Hawaii State Constitution, provides in part: "[e]ach law shall embrace but one subject, which shall be expressed in its title." See also Schwab v. Ariyoshi, 58 Haw. 25, 34, 564 P.2d 135, 141 (1977).

The title of the bill may not reasonably cover the amendments related to the composition of the HCDA and the nomination process involving HCDA board members. To address this issue, the Committees may wish to consider revising the bill to delete the amendments contained in the second section 2 of the bill on page 6, line 4, through page 15, line 8, relating to additional subjects that do not appear to be embraced in the title of the bill.

Thank you for this opportunity to provide testimony.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
**TESTIMONY BY CRAIG K. HIRAI**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND**  
**TOURISM AND WATER AND LAND**  
**ON**  
**SENATE BILL NO. 3224**

**February 11, 2022**  
**3:10 p.m.**  
**Room 224 and Videoconference**

**RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

The Department of Budget and Finance (B&F) offers comments on this bill.

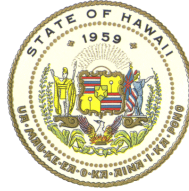
Senate Bill (S.B.) No. 3224: establishes the Pulehunui Community Development District (PCDD) for the redevelopment of public lands on the island of Maui; provides for redevelopment of the district; amends the membership of the Hawai'i Community Development Authority (HCDA); and creates the PCDD Special Fund that would generate revenues through the income, revenues and receipts of HCDA for the district, funds directed to the district from government agencies or private entities, and legislative appropriations. S.B. No. 3224 does not appropriate any funds.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and

charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 3224, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committees on  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
and  
WATER AND LAND**

**Friday, February 11, 2022  
3:10 PM**

**State Capitol, Conference Room 224, Via Videoconference**

**In consideration of  
SENATE BILL 3224  
RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

Senate Bill 3224 proposes to: 1) establish the Pulehunui community development district, 2) establish community district authority boards for each community development district, 3) amend the membership and reassign certain duties of the Hawaii Community Development Authority (HCDA) to the community development district authority boards. **The Department of Land and Natural Resources (Department) appreciates and supports the intent this measure and offers the following comments.**

The Department desires to develop an approximately 280-acre portion of the property identified as Tax Map Key (2) 3-8-008:001 for a light industrial and business park. The Department intends to lease a variety of small, medium and large lots to private lessees for the purpose of generating income to support the Department's resource protection programs. This project will also require the provision of necessary infrastructure, including water and wastewater systems, at significant costs. The Department is working with other State and county agencies in order to address these issues. The establishment of the Pulehunui community development district would authorize its managing Pulehunui community development district authority board to obtain various forms of federal funding for planning, design, construction, maintenance, and development projects in the Pulehunui community development district. The Department supports this measure due to its potential to address the significant infrastructure costs for its proposed industrial and business park as well as other State projects located within the Pulehunui community development district.

The Department does have concerns that the measure excludes the Department as a land managing stakeholder agency from membership of the Pulehunui community development district authority board governing the development district. This would deprive the Department of the ability to participate in the entity granted the authority to enter into agreements which would greatly impact

**SUZANNE D. CASE**  
CHAIRPERSON  
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COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

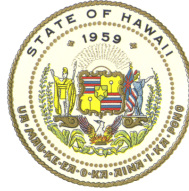
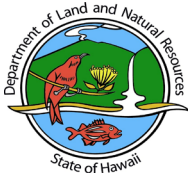
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the planning and development of lands under the Department's management. Furthermore, the exclusion of the Department as a stakeholder agency from membership in the authority board would result in creating an additional layer of bureaucracy beyond existing State and County land use regulations. Furthermore, the Department defers to HCDA with respect to the amendments that affect its membership and administrative duties.

The Department notes that the Pulehunui community development district special fund established by the measure, states that "all revenues, income, and receipts for the district" shall be deposited into the fund. The Department understands the provision does not extend to any revenues, income and receipts generated by the properties located within the Pulehunui community development district. If the Department's understanding is correct, the Department respectfully requests that the committees consider amending the measure to clarify the scope of that provision. If the intent is for the special fund to receive revenues generated from the use of lands located with the district, then the Department opposes the diversion of funds due to the detrimental impact on the Department's ability to fund its resource management and protection programs.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR OF HAWAII



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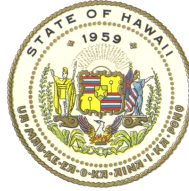
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Thank you for the opportunity to comment on this measure.

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Thank you for the opportunity to comment on this measure.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813  
Telephone: (808) 594-0300 Fax: (808) 587-0299  
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE  
GOVERNOR

SUSAN TODANI  
CHAIRPERSON

DEEPAK NEUPANE, P.E., AIA  
EXECUTIVE DIRECTOR

Statement of  
**DEEPAK NEUPANE**  
Executive Director  
Hawaii Community Development Authority  
before the

**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**  
and the  
**SENATE COMMITTEE ON WATER AND LAND**

Friday, February 11, 2022  
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In consideration of  
**SB 3224**  
**RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT.**

Chairs Wakai and Inouye, Vice Chairs Misalucha and Keith-Agaran, and members of the Committees.

The Hawaii Community Development Authority (HCDA) **supports SB 3224 with amendments.** This measure establishes the Pulehunui community development district and board to be placed within HCDA and administratively attached to the Department of business, economic development, and tourism, to facilitate the development and improvement of state-owned lands in Pulehunui, Maui.

It would allow HCDA to facilitate and lead regional infrastructure planning between several State agencies and ensure the most efficient use of State funds.

It would also enable HCDA to engage with the U.S. Department of Agriculture's Rural Development division about potentially utilizing federal infrastructure funds to finance regional infrastructure improvements as well as the new correctional facility.

The HCDA has considerable experience in implementing infrastructure improvements and facilitating development and welcomes the opportunity to use its development expertise in facilitating development and improvement in Pulehunui.

We also offer comments for the committees' consideration. Concerns have been raised about the narrow title of the bill. The title of the bill limits the contents of the bill. If the intent of the committees is to move this bill forward, we respectfully suggest that the content of this bill be limited to establishing the Pulehunui community development district. For ease of reference, we enclose a Ramseyer formatted draft revised bill for the committees' consideration.

We will be glad to answer any questions.

Attachment: Revised, draft S.B. 3224

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# A BILL FOR AN ACT

RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT.

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

1       SECTION 1. The legislature finds that public lands in  
2 Pulehunui, Maui, are underutilized. Redeveloping, renovating,  
3 or improving these public lands to provide suitable  
4 recreational, residential, educational, industrial,  
5 governmental, and commercial areas where the public can live,  
6 congregate, recreate, attend schools, and shop as part of a  
7 thoughtfully integrated experience is in the best interest of  
8 the State.

9       The purpose of this Act is to establish the Pulehunui  
10 community development district within Chapter 206E, Hawaii  
11 Revised Statutes, and establish a board that is placed within  
12 the authority and attached to the department of business,  
13 economic development, and tourism for administrative purposes  
14 and for the purpose of managing the district.

15       SECTION 2. Chapter 206E, Hawaii Revised Statutes, is  
16 amended by adding a new part to be appropriately designated and  
17 to read as follows:

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**"PART . PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

**§206E- Definitions.** As used in this part:

"Board" means the Pulehunui community development district board as further described in section 206E-

"District" means the Pulehunui community development district.

"Fund" means the Pulehunui community development special fund.

**§206E- District established; boundaries.** (a) The Pulehunui community development district is hereby established ~~[under]~~within the authority.

(b) The authority shall serve as the local redevelopment agency for the district.

(c) The district shall comprise the following properties:

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

**§206E- Development policies.** The following development policies shall guide the ~~[authority]~~board in the district:

## S.B. NO.

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

4 (2) Endangered species of flora and fauna shall be  
5 preserved to the extent required by law;

6 (3) Land use and development activities within the  
7 district shall be coordinated with and, to the extent  
8 possible, complement existing county and state  
9 policies, plans, and programs affecting the district;  
10 and

11 (4) Public facilities within the district shall be  
12 planned, located, and developed to support the  
13 development policies established by this part and any  
14 rules adopted pursuant to this part.

15 **§206E- Financial aid from the federal government;**  
16 **contracts with the federal government.** (a) the board  
17 [~~authority~~] may secure financial aid from the federal government  
18 for any planning, design, development, construction, and  
19 maintenance work that the [~~authority~~]board is authorized to  
20 undertake.

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1           (b) In addition, and supplemental to the powers granted to  
2 the authority under section 206E-4, the ~~[authority]~~board may:

3           (1) Borrow moneys or accept grants from the federal  
4 government in aid of or for any development project  
5 the ~~[authority]~~board is authorized to undertake  
6 pursuant to this part;

7           (2) Issue bonds or other evidence of indebtedness and  
8 pledge revenues and other assets as security for  
9 indebtedness incurred pursuant to this part;

10          (3) Repay any indebtedness, including any interest  
11 incurred thereon by the ~~[authority]~~board pursuant to  
12 this part;

13          (4) Procure insurance or loan guarantees from the federal  
14 government for the payment of any debts or parts  
15 thereof secured by mortgages made by or held by the  
16 ~~[authority]~~board;

17          (5) Execute contracts with the federal government in  
18 accordance with this part; and

19          (6) Comply with terms and conditions required by the  
20 federal government in any contract or grant for  
21 federal assistance.

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(c) It is the purpose and intent of this section to authorize the ~~[authority]~~board to do all things necessary to secure the cooperation of and financial aid from the federal government for any planning, design, development, construction, and maintenance work that the ~~[authority]~~board is authorized to undertake pursuant to this part.

**§206E- Pulehunui community development district special fund.** (a) There is established in the state treasury the Pulehunui community development special fund into which shall be deposited:

- (1) All revenues, income, and receipts of the authority for the district;
- (2) Moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners, for costs to administer and operate the district; and
- (3) Moneys appropriated to the fund by the legislature.

(b) Moneys in the fund shall be used only for the purposes of this part.

## S.B. NO.

(c) Investment earnings credited to the assets of the fund shall become assets of the fund.

**§206E- Annual comprehensive report.** No less than twenty days prior to the convening of each regular session, the authority shall submit to the legislature an annual comprehensive report on the progress of development within the district.

**§206E- Rules; adoption.** The ~~[authority]~~board may adopt rules in accordance with chapter 91 to carry out the purposes of this part.["]

~~[SECTION 2.—]~~Section 206E-~~[3]~~\_\_, Hawaii Revised Statutes, Pulehunui community development district board; established

(a) There is established a Pulehunui community development district board which shall be placed within the authority and attached to the department of business, economic development, and tourism for administrative purposes, and for the purpose of managing the district. The board shall carry out the duties set forth in this part.

~~[is amended by amending subsection (b) to read as follows:] ["]~~

(b) The ~~[authority]~~board shall consist of the following members



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who shall be considered in determining quorum and shall be  
eligible to vote:

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

(2) the director of transportation or the director's  
designee;

(3) the director of business, economic development,  
and tourism or the director's designee;

(4) The director of planning and permitting for the  
county in which the Pulehunui community  
development district is located or the director's  
designee;

(5) ~~[the director of planning and permitting of each~~  
~~county in which a community development district~~  
~~is located or the director's designee;]~~ a  
cultural specialist;

(6) ~~[an at-large member;]~~ an at-large member nominated  
by the ~~[senate]~~ president~~[;]~~ of the senate;

(7) an at-large member nominated by the speaker of  
the house~~[; three]~~ of representatives; [two  
~~representatives of the Heeia community~~

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1 ~~development district, comprising [two residents]~~  
2 ~~one resident of that district or the Koolaupoko~~  
3 ~~district, which consists of sections 1 through 9~~  
4 ~~of zone 4 of the first tax map key division, and~~  
5 ~~one owner of a small business or one officer or~~  
6 ~~director of a nonprofit organization in the Heeia~~  
7 ~~community development district or Koolaupoko~~  
8 ~~district[, nominated by the county council of the~~  
9 ~~county in which the Heeia community development~~  
10 ~~district is located; three]; two representatives~~  
11 ~~of the Kalaeloa community development district,~~  
12 ~~comprising [two residents] one resident of the~~  
13 ~~Ewa zone (zone 9, sections 1 through 2) or the~~  
14 ~~Waianae zone (zone 8, sections 1 through 9) of~~  
15 ~~the first tax map key division, and one owner of~~  
16 ~~a small business or one officer or director of a~~  
17 ~~nonprofit organization in the Ewa or Waianae~~  
18 ~~zone[, nominated by the county council of the~~  
19 ~~county in which the Kalaeloa community~~  
20 ~~development district is located; three] two~~  
21 ~~representatives of the Kakaako community~~

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~~development district, comprising two residents of  
the district and one owner of a small business or  
one officer or director of a nonprofit  
organization in the district[, nominated by the  
county council of the county in which the Kakaako  
community development district is located; the  
director of planning and permitting of each  
county in which a community development district  
is located or the director's designee, who shall  
serve in an ex officio, nonvoting capacity; and  
the chairperson of the Hawaiian homes commission  
or the chairperson's designee, who shall serve in  
an ex officio, nonvoting capacity.}]~~

(8) two representatives of the Pulehunui community  
development district, consisting of one resident  
of the island of Maui and one owner of a small  
business or one officer or director of a  
nonprofit organization on the island of Maui.

All members except the director of finance[~~7~~]; director of  
transportation[~~7~~]; director of business, economic development,  
and tourism; and Maui county director[~~8~~] of planning and

## S.B. NO.

1    ~~permitting[, and chairperson of the Hawaiian homes commission]~~  
2    or their designees shall be appointed by the governor pursuant  
3    to section 26-34. The two at-large members nominated by the  
4    ~~[senate]~~ president of the senate and speaker of the house ~~[and~~  
5    ~~the nine representatives of the respective community development~~  
6    ~~districts]~~ of representatives shall each be appointed by the  
7    governor from a list of three nominees submitted for each  
8    position by the nominating authority specified in this  
9    subsection. The president of the senate and the speaker of the  
10   house of representatives shall each submit a list of six  
11   nominees for [each]the two representatives of the Pulehunui  
12   community development district to the governor to fill the two  
13   district representative positions[on each community development  
14   district]. Of the two nominees for [each ]the Pulehunui  
15   community development district, one nominee shall meet the  
16   district residency requirement and one nominee shall meet the  
17   district small business owner or nonprofit organization officer  
18   or director requirement. [For each community development  
19   district, t]The governor shall appoint one member from a list of  
20   nominees submitted by the president of the senate, and one

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1 member from a list of nominees submitted by the speaker of the  
2 house of representatives.

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

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

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

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

12 ~~—— (C) The director of business, economic development,~~  
13 ~~and tourism or the director's designee;~~

14 ~~—— (D) The director of planning and permitting for the~~  
15 ~~county in which the Heeia community development district is~~  
16 ~~located or the director's designee;~~

17 ~~—— [(C)] (E) The cultural specialist;~~

18 ~~—— [(D)] (F) The [three] two at-large members; and~~

19 ~~—— [(E)] (G) The [three] two representatives of the Heeia~~  
20 ~~community development district;~~

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~~\_\_\_\_\_ [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 director of business, economic development,  
and tourism or the director's designee;~~

~~\_\_\_\_\_ (D) The director of planning and permitting for the  
county in which the Kalaeloa community development district is  
located or the director's designee;~~

~~\_\_\_\_\_ [(C)] (E) The cultural specialist;~~

~~\_\_\_\_\_ [(D)] (F) The [three] two at-large members; and~~

~~\_\_\_\_\_ [(E)] (G) The [three] two representatives of the  
Kalaeloa community development district;~~

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1 ~~\_\_\_\_\_ [provided that the director of planning and permitting~~  
2 ~~of the relevant county and the chairperson of the Hawaiian homes~~  
3 ~~commission, or their respective designees, shall participate in~~  
4 ~~these matters as ex officio, nonvoting members and shall not be~~  
5 ~~considered in determining quorum and majority;]~~

6 ~~\_\_\_\_\_ (3) For matters affecting the Kakaako community~~  
7 ~~development district, the following members shall be considered~~  
8 ~~in determining quorum and majority and shall be eligible to~~  
9 ~~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 director of business, economic development,~~  
15 ~~and tourism or the director's designee;~~

16 ~~\_\_\_\_\_ (D) The director of planning and permitting for the~~  
17 ~~county in which the Kakaako community development district is~~  
18 ~~located or the director's designee;~~

19 ~~\_\_\_\_\_ [(C)] (E) The cultural specialist;~~

20 ~~\_\_\_\_\_ [(D)] (F) The three at-large members; and~~

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1 ~~\_\_\_\_\_ [(E)] (C) The three representatives of the Kakaako~~  
2 ~~community development district;~~  
3 ~~\_\_\_\_\_ [provided that the director of planning and permitting~~  
4 ~~of the relevant county or the director's designee shall~~  
5 ~~participate in these matters as an ex officio, nonvoting member~~  
6 ~~and shall not be considered in determining quorum and majority.]~~  
7 ~~and~~

8 ~~\_\_\_\_\_ (4) For matters affecting the Pulehunui community~~  
9 ~~development district, the following members shall be considered~~  
10 ~~in determining quorum and majority and shall be eligible to~~  
11 ~~vote:~~

12 ~~\_\_\_\_\_ (A) The director of finance or the director's~~  
13 ~~designee;~~

14 ~~\_\_\_\_\_ (B) The director of transportation or the director's~~  
15 ~~designee;~~

16 ~~\_\_\_\_\_ (C) The director of business, economic development,~~  
17 ~~and tourism or the director's designee;~~

18 ~~\_\_\_\_\_ (D) The director of planning and permitting for the~~  
19 ~~county in which the Pulehunui community development district is~~  
20 ~~located or the director's designee;~~

21 ~~\_\_\_\_\_ (E) The cultural specialist;~~



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1 ~~\_\_\_\_\_ (F) The two at-large members; and~~

2 ~~\_\_\_\_\_ (G) The two representatives of the Pulehunui~~  
3 ~~community development district.]~~

4 ~~[In the event of]~~ If a vacancy[~~7~~] occurs, a member shall be  
5 appointed to fill the vacancy in the same manner as the original  
6 appointment within thirty days of the vacancy or within ten days  
7 of the senate's rejection of a previous appointment, as  
8 applicable.

9 The terms of the director of finance[~~7~~]; director of  
10 transportation[~~7~~]; director of business, economic development,  
11 and tourism; and Maui county director[~~s~~] of planning and  
12 permitting[~~7~~ and chairperson of the Hawaiian homes commission]  
13 or their respective designees shall run concurrently with each  
14 official's term of office. The terms of the appointed voting  
15 members shall be for four years, commencing on July 1 and  
16 expiring on June 30.~~[; provided that the initial terms of all~~  
17 ~~voting members initially appointed pursuant to Act 61, Session~~  
18 ~~Laws of Hawaii 2014, shall commence on March 1, 2015.]~~ The  
19 governor shall provide for staggered terms of the  
20 ~~[initially]~~appointed voting members so that the initial terms of  
21 ~~[four]~~one appointed member[~~s~~] selected by lot shall be for two

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1 years, the initial terms of [~~four~~] two appointed members  
2 selected by lot shall be for three years, and the initial terms  
3 of the remaining [~~five~~] two appointed members shall be for four  
4 years.

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

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

17 For purposes of this section, "small business" means a  
18 business [~~which~~] that is independently owned and which is not  
19 dominant in its field of operation.

20 (c) The board shall annually elect the chairperson, vice  
21 chairperson, and other officers from among its members.

1        (d) The members of the board shall serve without  
2        compensation, but each shall be reimbursed for expenses,  
3        including travel expenses, incurred in the performance of their  
4        duties."

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

7        SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY: \_\_\_\_\_

# S.B. NO.

**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.

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

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

JOSH GREEN  
LT. GOVERNOR  
STATE OF HAWAII



WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
HONOLULU, HAWAII 96805

**LATE**

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT,  
AND TOURISM & WATER AND LAND  
HEARING ON FEBRUARY 11, 2022 AT 3:10PM VIA VIDEOCONFERENCE

**SB 3224 RELATING TO THE PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

February 11, 2022

Aloha Chair Wakai, Chair Inouye, and members of the Committees:

Thank you for the opportunity to testify in support of Senate Bill 3224, which establishes the Pulehunui community development district.

The Department of Hawaiian Home Lands (DHHL) has been leading an effort to develop a regional infrastructure master plan to serve certain State lands in Pulehunui in a manner that is financially and environmentally efficient, maximizing the use of State funds while minimizing environmental impacts to the extent practicable. The Pulehunui community development district proposed in this bill does not include the parcels DHHL owns in Pulehunui, but are adjacent to DHHL lands. DHHL supports any effort toward obtaining funds to develop in this area.

Thank you for your consideration of our testimony.