

JAN 22 2021

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

4           "PART     .     PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT  
5           §206E-A Pulehunui community development district; purpose;  
6 findings. The legislature finds that public lands in Pulehunui,  
7 Maui, are underutilized. Redeveloping, renovating, or improving  
8 these public lands to provide suitable recreational,  
9 residential, educational, industrial, governmental, and  
10 commercial areas where the public can live, congregate,  
11 recreate, attend schools, and shop as part of a thoughtfully  
12 integrated experience is in the best interests of the State.

13           The legislature further finds that the establishment of an  
14 autonomous community development authority will facilitate the  
15 development and improvement of Pulehunui public lands.

16           §206E-B Definitions. As used in this part, unless the  
17 context otherwise requires:



1 "Authority" means the Pulehunui community development  
2 authority.

3 "District" means the Pulehunui community development  
4 district established by this part.

5 §206E-C Pulehunui community development authority; powers;  
6 members; voting and quorum. (a) There is established a  
7 Pulehunui community development authority, which shall be a body  
8 corporate and a public instrumentality of the State for the  
9 purposes of this part. The authority shall be placed within the  
10 Hawaii community development authority for administrative  
11 purposes.

12 (b) The jurisdiction of the authority shall include  
13 development within the Pulehunui community development district.  
14 All development within the district shall require a permit from  
15 the authority.

16 (c) Except as otherwise provided by law, the authority may  
17 make and execute contracts and all other instruments necessary  
18 or convenient for planning and developing the Pulehunui  
19 community development district.

20 (d) The authority shall consist of the following members  
21 or their designees:



- 1           (1) The director of finance;
- 2           (2) The director of transportation;
- 3           (3) The chairperson of the board of land and natural  
4           resources;
- 5           (4) The comptroller;
- 6           (5) The adjutant general;
- 7           (6) The director of public safety;
- 8           (7) The executive director of the Hawaii community  
9           development authority;
- 10          (8) The Hawaii community development authority cultural  
11          specialist;
- 12          (9) The mayor of the county in which the Pulehunui  
13          community development district is located;
- 14          (10) The chair of the county council of the county in which  
15          the Pulehunui community development district is  
16          located;
- 17          (11) A resident of the island of Maui, who shall be  
18          selected by the president of the senate and invited to  
19          participate; and



1           (12) A resident of the island of Maui, who shall be  
2                   selected by the speaker of the house of  
3                   representatives and invited to participate.

4           (e) All members except the director of finance or the  
5 director's designee and the adjutant general or the adjutant  
6 general's designee shall serve as voting members and shall be  
7 considered in determining quorum and majority. The director of  
8 finance or the director's designee and the adjutant general or  
9 the adjutant general's designee shall participate in these  
10 matters as ex officio, nonvoting members and shall not be  
11 considered in determining quorum and majority.

12           (f) Six voting members of the authority shall constitute a  
13 quorum to do business, and any action taken by the authority  
14 shall be validated by a majority of the quorum.

15           (g) The members of the authority shall annually elect the  
16 chairperson and vice chairperson from among its members.

17           (h) The members of the authority shall serve without  
18 compensation but shall be reimbursed for expenses, including  
19 travel expenses, necessary for the performance of their duties.



1           **§206E-D District; established; boundaries.** The Pulehunui  
2 community development district is established and shall be  
3 composed of the following properties:

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

8           **§206E-E Development policies.** The following development  
9 policies shall govern the authority's actions in the district:

- 10          (1) The authority may engage in planning, designing, and  
11             construction activities within and outside the  
12             district; provided that activities outside the  
13             district shall be those the authority deem necessary  
14             to carry out the development of the district  
15             established in this part, including infrastructure  
16             development, area-wide drainage improvements, roadway  
17             realignment and improvements, business and industrial  
18             relocation, and other related activities. The  
19             authority may undertake studies or coordinating  
20             activities in conjunction with the county or  
21             appropriate state agencies and may address facility



1 systems, the need for industrial relocation, and other  
2 issues;

3 (2) Hawaiian archaeological, historical, and cultural  
4 sites shall be preserved and protected;

5 (3) Endangered species of flora and fauna shall be  
6 preserved to the extent feasible;

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

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

16 **§206E-F Financial aid from and contracts with the federal**  
17 **government.** (a) The authority may:

18 (1) Borrow money or accept grants from the federal  
19 government for or in aid of any development project  
20 the authority is authorized to undertake pursuant to  
21 this part;



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- 1           (2) Issue bonds or other evidence of indebtedness and
- 2                   pledge revenues and other assets as security for
- 3                   indebtedness incurred pursuant to this section;
- 4           (3) Repay any indebtedness incurred pursuant to this
- 5                   section, including any interest thereon;
- 6           (4) Procure insurance or loan guarantees from the federal
- 7                   government for the payment of any debts or parts
- 8                   thereof secured by mortgages made or held by the
- 9                   authority;
- 10          (5) Comply with any conditions required by the federal
- 11                   government in any contract for federal assistance; and
- 12          (6) Execute contracts with the federal government.

13          (b) It is the purpose and intent of this section to

14 authorize the authority to do all things necessary to secure the

15 cooperation of and financial aid from the federal government for

16 any planning, design, construction, maintenance, and development

17 that the authority is authorized to undertake pursuant to this

18 part.

19           §206E-G Development district governance; memorandum of

20 agreement. Notwithstanding section 206E-3, for matters

21 affecting the district, the authority and the comptroller shall



1 execute a memorandum of agreement with the appropriate state  
2 agencies; provided that for matters affecting TMK 2-3-8-008-037,  
3 the executive director of the Hawaii community development  
4 authority shall execute a memorandum of agreement with the  
5 appropriate state agencies.

6       **§206E-H Annual comprehensive report.** Not less than twenty  
7 days prior to the convening of each regular session of the  
8 legislature, the authority shall submit to the legislature an  
9 annual comprehensive report on the progress of development  
10 within the district."

11       SECTION 2. Section 206E-3, Hawaii Revised Statutes, is  
12 amended by amending subsection (b) to read as follows:

13       "(b) The authority shall consist of the director of  
14 finance or the director's designee; the director of  
15 transportation or the director's designee; a cultural  
16 specialist; an at-large member; an at-large member nominated by  
17 the senate president; an at-large member nominated by the  
18 speaker of the house; three representatives of the Heeia  
19 community development district, comprising two residents of that  
20 district or the Koolaupoko district, which consists of sections  
21 1 through 9 of zone 4 of the first tax map key division, and one



1 owner of a small business or one officer or director of a  
2 nonprofit organization in the Heeia community development  
3 district or Koolaupoko district, nominated by the county council  
4 of the county in which the Heeia community development district  
5 is located; three representatives of the Kalaeloa community  
6 development district, comprising two residents of the Ewa zone  
7 (zone 9, sections 1 through 2) or the Waianae zone (zone 8,  
8 sections 1 through 9) of the first tax map key division, and one  
9 owner of a small business or one officer or director of a  
10 nonprofit organization in the Ewa or Waianae zone, nominated by  
11 the county council of the county in which the Kalaeloa community  
12 development district is located; three representatives of the  
13 Kakaako community development district, comprising two residents  
14 of the district and one owner of a small business or one officer  
15 or director of a nonprofit organization in the district,  
16 nominated by the county council of the county in which the  
17 Kakaako community development district is located; the director  
18 of planning and permitting of each county in which a community  
19 development district is located or the director's designee, who  
20 shall serve in an ex officio, nonvoting capacity; and the  
21 chairperson of the Hawaiian homes commission or the



1 chairperson's designee, who shall serve in an ex officio,  
2 nonvoting capacity.

3 All members except the director of finance, director of  
4 transportation, county directors of planning and permitting, and  
5 chairperson of the Hawaiian homes commission or their designees  
6 shall be appointed by the governor pursuant to section 26-34.  
7 The two at-large members nominated by the [~~senate~~] president of  
8 the senate and speaker of the house of representatives and the  
9 nine representatives of the respective community development  
10 districts shall each be appointed by the governor from a list of  
11 three nominees submitted for each position by the nominating  
12 authority specified in this subsection.

13 The authority shall be organized and shall exercise  
14 jurisdiction as follows:

15 (1) For matters affecting the Heeia community development  
16 district, the following members shall be considered in  
17 determining quorum and majority and shall be eligible  
18 to vote:

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



- 1 (B) The director of transportation or the director's
- 2 designee;
- 3 (C) The cultural specialist;
- 4 (D) The three at-large members; and
- 5 (E) The three representatives of the Heeia community
- 6 development district;
- 7 provided that the director of planning and permitting
- 8 of the relevant county or the director's designee
- 9 shall participate in these matters as an ex officio,
- 10 nonvoting member and shall not be considered in
- 11 determining quorum and majority;
- 12 (2) For matters affecting the Kalaeloa community
- 13 development district, the following members shall be
- 14 considered in determining quorum and majority and
- 15 shall be eligible to vote:
  - 16 (A) The director of finance or the director's
  - 17 designee;
  - 18 (B) The director of transportation or the director's
  - 19 designee;
  - 20 (C) The cultural specialist;
  - 21 (D) The three at-large members; and



- 1 (E) The three representatives of the Kalaeloa  
2 community development district;  
3 provided that the director of planning and permitting  
4 of the relevant county and the chairperson of the  
5 Hawaiian homes commission, or their respective  
6 designees, shall participate in these matters as ex  
7 officio, nonvoting members and shall not be considered  
8 in determining quorum and majority;
- 9 (3) For matters affecting the Kakaako community  
10 development district, the following members shall be  
11 considered in determining quorum and majority and  
12 shall be eligible to vote:
- 13 (A) The director of finance or the director's  
14 designee;
- 15 (B) The director of transportation or the director's  
16 designee;
- 17 (C) The cultural specialist;
- 18 (D) The three at-large members; and
- 19 (E) The three representatives of the Kakaako  
20 community development district;



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

6 (4) For matters affecting the Pulehunui community  
7 district, membership for determining quorum, majority,  
8 and voting authority shall be as provided under  
9 section 206E-C.

10 In the event of a vacancy, a member shall be appointed to  
11 fill the vacancy in the same manner as the original appointment  
12 within thirty days of the vacancy or within ten days of the  
13 senate's rejection of a previous appointment, as 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 Notwithstanding section 92-15, a majority of all eligible  
10 voting members as specified in this subsection shall constitute  
11 a quorum to do business, and the concurrence of a majority of  
12 all eligible voting members as specified in this subsection  
13 shall be necessary to make any action of the authority valid.  
14 All members shall continue in office until their respective  
15 successors have been appointed and qualified. Except as herein  
16 provided, no member appointed under this subsection shall be an  
17 officer or employee of the State or its political subdivisions.

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



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1           SECTION 3. If any provision of this Act, or the  
2 application thereof to any person or circumstance, is held  
3 invalid, the invalidity does not affect other provisions or  
4 applications of the Act that can be given effect without the  
5 invalid provision or application, and to this end the provisions  
6 of this Act are severable.

7           SECTION 4. In codifying the new sections added by section  
8 1 of this Act, the revisor of statutes shall substitute  
9 appropriate section numbers for the letters used in designating  
10 the new sections in this Act.

11          SECTION 5. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13          SECTION 6. This Act shall take effect on July 1, 2021.

14

INTRODUCED BY: 



# S.B. NO. 480

**Report Title:**

HCDA; Pulehunui Community Development District; Federal  
Financial Aid

**Description:**

Establishes the Pulehunui community development authority as an autonomous community development authority under the Hawaii community development authority for the purposes of developing the Pulehunui community development district. Authorizes the Hawaii community development authority to obtain various forms of federal funding for construction, maintenance, and development projects in the Pulehunui community development district.

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