
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

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

9 The purpose of this Act is to establish the Kona community
10 development district.

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

14 **"PART . KONA COMMUNITY DEVELOPMENT DISTRICT**

15 **§206E- Definitions.** As used in this part:

16 "District" means the Kona community development district.



1 "Fund" means the Kona community development district
2 special fund.

3 **§206E- District established; boundaries.** (a) The Kona
4 community development district is hereby established under the
5 authority.

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

8 (c) The district shall comprise:

9 (1) Properties with the following tax map key numbers:

- 10 3-7-4-008-003, 3-7-4-008-040, 3-7-4-008-041,
- 11 3-7-4-008-042, 3-7-4-008-046, 3-7-4-008-050,
- 12 3-7-4-008-058, 3-7-4-008-071, 3-7-4-008-072,
- 13 3-7-4-008-073, 3-7-4-008-075, 3-7-4-020-001,
- 14 3-7-4-020-002, 3-7-4-020-003, 3-7-4-020-004,
- 15 3-7-4-020-005, 3-7-4-020-006, 3-7-4-020-007,
- 16 3-7-4-020-016, 3-7-4-020-017, 3-7-4-020-018,
- 17 3-7-4-020-019, 3-7-4-020-020, 3-7-4-020-021,
- 18 3-7-4-020-023, 3-7-4-020-035, 3-7-4-020-036,
- 19 3-7-4-020-037, 3-7-4-021-002, 3-7-4-021-003,
- 20 3-7-4-021-004, and 3-7-4-021-005; and



1 (2) Lands between the properties specified in
2 paragraph (1) that have not been assigned a tax map
3 key number, including roads and lands near roads.

4 **§206E- Development policies.** The following development
5 policies shall guide the authority in the district:

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

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

11 (3) 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 (4) Public facilities within the district shall be
17 planned, located, and developed to support the
18 development policies established by this section and
19 any rule adopted pursuant to this part.

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



1 secure financial aid from the federal government for any
2 planning, design, development, construction, and maintenance
3 work that the authority is authorized to undertake pursuant to
4 this part.

5 (b) In addition and supplemental to the powers granted to
6 the authority under section 206E-4, the authority may:

7 (1) Borrow moneys or accept grants from the federal
8 government in aid of or for any development project
9 the authority is authorized to undertake pursuant to
10 this part;

11 (2) Issue bonds or other evidence of indebtedness and
12 pledge revenues and other assets as security for
13 indebtedness incurred pursuant to this part;

14 (3) Repay any indebtedness, including any interest
15 incurred thereon by the authority pursuant to this
16 part;

17 (4) Procure insurance or loan guarantees from the federal
18 government for the payment of any debts or parts
19 thereof secured by mortgages made by or held by the
20 authority;



1 (5) Execute contracts with the federal government in
2 accordance with this part; and

3 (6) Comply with terms and conditions required by the
4 federal government in any contract or grant for
5 federal assistance.

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

12 **§206E- Kona community development district special**

13 **fund.** (a) There is established in the state treasury the Kona
14 community development district special fund, into which shall be
15 deposited:

16 (1) All revenues, income, and receipts of the authority
17 for the district, notwithstanding any other law to the
18 contrary, including section 206E-16;

19 (2) Moneys directed, allocated, or disbursed to the
20 district from government agencies or private
21 individuals or organizations, including grants, gifts,



1 awards, donations, and assessments of landowners for
2 costs to administer and operate the district; and

3 (3) Moneys appropriated to the fund by the legislature.

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

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

8 **§206E- Annual comprehensive report.** No later than
9 twenty days prior to the convening of each regular session, the
10 authority shall submit to the legislature an annual
11 comprehensive report on the progress of development within the
12 district."

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

15 "(b) The authority shall consist of the director of
16 finance or the director's designee; the director of
17 transportation or the director's designee; the director of
18 business, economic development, and tourism or the director's
19 designee; the chairperson of the board of land and natural
20 resources; the director of planning or planning and permitting
21 of each county in which a community development district is



1 located or the director's designee; a cultural specialist; an
2 at-large member nominated by the president of the senate; an
3 at-large member nominated by the speaker of the house of
4 representatives; two representatives of the Heeia community
5 development district, comprising one resident of that district
6 or the Koolaupoko district, which consists of sections 1 through
7 9 of zone 4 of the first tax map key division, and one owner of
8 a small business or one officer or director of a nonprofit
9 organization in the Heeia community development district or
10 Koolaupoko district; two representatives of the Kalaeloa
11 community development district, comprising one resident of the
12 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone
13 (zone 8, sections 1 through 9) of the first tax map key
14 division, and one owner of a small business or one officer or
15 director of a nonprofit organization in the Ewa or Waianae zone;
16 two representatives of the Kakaako community development
17 district, comprising one resident of the district and one owner
18 of a small business or one officer or director of a nonprofit
19 organization in the district; [~~and~~] two representatives of the
20 Pulehunui community development district, consisting of one
21 resident of the island of Maui, and one owner of a small



1 business or one officer or director of a nonprofit organization
2 on the island of Maui[-]; and two representatives of the Kona
3 community development district, consisting of one resident of
4 Kona, and one owner of a small business or one officer or
5 director of a nonprofit organization in Kona.

6 All members except the director of finance, director of
7 transportation, county directors of planning or planning and
8 permitting, director of business, economic development, and
9 tourism, chairperson of the board of land and natural resources,
10 or their respective designees shall be appointed by the governor
11 pursuant to section 26-34. The two at-large members nominated
12 by the president of the senate and speaker of the house of
13 representatives shall each be invited to serve and appointed by
14 the governor from a list of three nominees submitted for each
15 position [~~by the nominating authority specified in this~~
16 ~~subsection~~].

17 The president of the senate and the speaker of the house of
18 representatives shall each submit a list of six nominees for
19 each district to the governor to fill the two district
20 representative positions for each community development
21 district. For each community development district, the governor



1 shall appoint one member from a list of nominees submitted by
2 the president of the senate and one member from a list of
3 nominees submitted by the speaker of the house of
4 representatives, and of the two appointees, one shall meet the
5 district residency requirement and one shall meet the district
6 small business owner or nonprofit organization officer or
7 director requirement.

8 The authority shall be organized and shall exercise
9 jurisdiction as follows:

10 (1) For matters affecting the Heeia community development
11 district, the following members shall be considered in
12 determining quorum and majority and shall be eligible
13 to vote:

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

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

18 (C) The director of business, economic development,
19 and tourism or the director's designee;



- 1 (D) The director of planning and permitting for the
- 2 county in which the Heeia community development
- 3 district is located or the director's designee;
- 4 (E) The cultural specialist;
- 5 (F) The two at-large members; and
- 6 (G) The two representatives of the Heeia community
- 7 development district;
- 8 (2) For matters affecting the Kalaeloa community
- 9 development district, the following members shall be
- 10 considered in determining quorum and majority and
- 11 shall be eligible to 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 Kalaeloa community
- 20 development district is located or the director's
- 21 designee;



- 1 (E) The cultural specialist;
- 2 (F) The two at-large members; and
- 3 (G) The two representatives of the Kalaeloa community
- 4 development district;
- 5 (3) For matters affecting the Kakaako community
- 6 development district, the following members shall be
- 7 considered in determining quorum and majority and
- 8 shall be eligible to vote:
- 9 (A) The director of finance or the director's
- 10 designee;
- 11 (B) The director of transportation or the director's
- 12 designee;
- 13 (C) The director of business, economic development,
- 14 and tourism or the director's designee;
- 15 (D) The director of planning and permitting for the
- 16 county in which the Kakaako community development
- 17 district is located or the director's designee;
- 18 (E) The cultural specialist;
- 19 (F) The two at-large members; and
- 20 (G) The two representatives of the Kakaako community
- 21 development district; [~~and~~]



1 (4) For matters affecting the Pulehunui 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 director of business, economic development,
10 and tourism or the director's designee;

11 (D) The director of planning for the county in which
12 the Pulehunui community development district is
13 located or the director's designee;

14 (E) The chairperson of the board of land and natural
15 resources or the chairperson's designee;

16 (F) The cultural specialist;

17 (G) The two at-large members; and

18 (H) The two representatives of the Pulehunui
19 community development district[-]; and

20 (5) For matters affecting the Kona community development
21 district, the following members shall be considered in



- 1 determining quorum and majority and shall be eligible
- 2 to vote:
- 3 (A) The director of finance or the director's
- 4 designee;
- 5 (B) The director of transportation or the director's
- 6 designee;
- 7 (C) The director of business, economic development,
- 8 and tourism or the director's designee;
- 9 (D) The director of planning for the county in which
- 10 the Kona community development district is
- 11 located or the director's designee;
- 12 (E) The chairperson of the board of land and natural
- 13 resources or the chairperson's designee;
- 14 (F) The cultural specialist;
- 15 (G) The two at-large members; and
- 16 (H) The two representatives of the Kona community
- 17 development district.

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;
3 director of business, economic development, and tourism; and
4 chairperson of the board of land and natural resources; or their
5 respective designees shall run concurrently with each official's
6 term of office. The terms of the appointed voting members shall
7 be for four years, commencing on July 1 and expiring on June 30.
8 The governor shall provide for staggered terms of the initially
9 appointed voting members so that the initial terms of four
10 members selected by lot shall be for two years, the initial
11 terms of four members selected by lot shall be for three years,
12 and the initial terms of the remaining three members shall be
13 for four years.

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

16 Notwithstanding section 92-15, a majority of all eligible
17 voting members as specified in this subsection shall constitute
18 a quorum to do business, and the concurrence of a majority of
19 all eligible voting members as specified in this subsection
20 shall be necessary to make any action of the authority valid.
21 All members shall continue in office until their respective



1 successors have been appointed and qualified. Except as herein
2 provided, no member appointed under this subsection shall be an
3 officer or employee of the State or its political subdivisions.

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

7 SECTION 4. The Hawaii community development authority and
8 the department of corrections and rehabilitation shall:

9 (1) Pursue grants and loans from the United States
10 Department of Agriculture's Community Facilities
11 Direct Loan and Grant Program to fund the development
12 of a correctional facility or community correctional
13 center within the Kona development district; and

14 (2) Use the funds obtained pursuant to paragraph (1) to
15 construct a correctional facility or community
16 correctional center within the Kona development
17 district.

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Kona Community Development District; HCDA; DCR; Membership; New Prison

Description:

Creates the Kona Community Development District to allow for planning, development, and maintenance of public lands in Kona, on the island of Hawaii. Amends the Hawaii Community Development Authority membership to include members of Kona. Requires the Hawaii Community Development Authority and the Department of Corrections and Rehabilitation to seek federal grants and loans from the United States Department of Agriculture's Community Facilities Direct Loan and Grant Program for the construction of a correctional project within the new development district. Effective 7/1/3000. (HD1)

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