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# A BILL FOR AN ACT

RELATING TO LAHAINA.

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

1 PART I

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

5 "PART . LELE COMMUNITY DISTRICT

6 §206E- Purposes; findings. The legislature finds that  
7 the wildfire of August 8, 2023, devastated Lahaina's heritage,  
8 economy, and sense of place, and has deeply affected housing,  
9 businesses, jobs, and treasured resources. If the area is not  
10 rebuilt in a deliberate, coordinated, and expeditious manner,  
11 the area may languish in the long term and affect the well-being  
12 of the land, the people, and the economy. However, there is an  
13 opportunity to rebuild Lahaina by preserving and reintroducing  
14 its valued resources in a manner that reflects the values and  
15 priorities of its residents and businesses, and addresses future  
16 challenges, including climate change and affordable housing.



1           Accordingly, the purpose of this part is to establish the  
2 Lele community district to facilitate the rebuilding of Lahaina.

3           **§206E- Definitions.** As used in this part, unless the  
4 context otherwise requires:

5           "Board" shall mean the Lele community district board  
6 established pursuant to this part.

7           "District" means the Lele community district.

8           "Fund" means the Lele community district special fund.

9           "Wildfire" means the wildfire that affected Lahaina on  
10 August 8, 2023.

11           **§206E- District established; boundaries.** The Lele  
12 community district is hereby established under the board. The  
13 district shall be comprised of the Lahaina moku, which comprises  
14 twenty-nine ahupua`a, as noted in the State of Hawaii  
15 geographical information system database.

16           **§206E- State lands within district.** After planning for  
17 the district is completed, the board shall determine what state-  
18 owned lands, if any, except lands under the jurisdiction of the  
19 department of Hawaiian home lands, that shall be transferred to  
20 either the board or the Hawaii community development authority.



1           **§206E-       Lele community district board; established;**  
2 **members; terms.** (a) There is established the Lele community  
3 district board, which shall be placed under the authority within  
4 the department of business, economic development, and tourism  
5 for administrative purposes. The nine members of the board  
6 shall be residents of the district.

7           (b) The board shall have the powers and responsibilities  
8 that would otherwise be assigned to the authority pursuant to  
9 section 206E-4, except powers and responsibilities that bear no  
10 relation to the district.

11           (c) The district shall be governed by the board. The  
12 board shall carry out the duties and responsibilities as set  
13 forth in this part.

14           (d) Pursuant to section 92-15, a majority of all members  
15 of the board shall constitute a quorum to do business, and the  
16 concurrence of a majority of all board members shall be  
17 necessary to make any action of the board valid.

18           (e) The nine members of the board shall be elected  
19 pursuant to applicable law. The term of office of each member  
20 shall begin on the day of the election held in conjunction with  
21 the general election of the year in which they are elected and



1 ending on the day of the election held in conjunction with the  
2 following general election.

3 (f) The board may establish one or more advisory groups,  
4 consisting only of individuals who are not board members, to  
5 advise the board as to matters related to this part.

6 §206E- Board; Hawaii community development authority;  
7 relationship. (a) The board shall have sole jurisdiction over  
8 the district. The authority shall not have jurisdiction over  
9 the district except to the extent that the board is  
10 administratively placed under the authority and as set forth in  
11 this section.

12 (b) All employees necessary to carry out the purposes of  
13 this part may be employed or retained by the authority.

14 (c) Existing employees of the authority may carry out  
15 tasks necessary to carry out the purposes of this part.

16 (d) The authority and the board may enter into a  
17 memorandum of agreement to clarify the roles, relationship, and  
18 responsibilities of the authority and board with regard to the  
19 district.

20 (e) The board may delegate any tasks or duties to the  
21 authority as necessary to carry out the purposes of this part.



1 (f) To the extent applicable, the board shall follow the  
2 administrative procedures set forth in part I with respect to  
3 public notice and hearings.

4 §206E- Community plan. The board shall create and  
5 implement, as expeditiously as possible, a community plan for  
6 the rebuilding within the district, in coordination with all  
7 stakeholders, including the county of Maui, residents,  
8 landowners, charitable organizations, and businesses. The board  
9 shall review and may consider all relevant past plans and  
10 strategies, and shall be the master coordinator of all federal,  
11 state, and county agencies for recovery within the district. To  
12 the extent applicable, the board shall follow the administrative  
13 procedures set forth in section 206E-5.

14 §206E- Lele community district; guidance policies. The  
15 following guidance policies shall generally govern the board's  
16 actions in the district:

- 17 (1) The board's actions shall result in a community that:
- 18 (A) Reflects the values, aspirations and goals of  
19 residents;
  - 20 (B) Includes a significant number of affordable  
21 homes;



- 1 (C) Encourages a thriving, sustainable business
- 2 sector that includes tourism; and
- 3 (D) Restores community assets, including schools,
- 4 parks, gathering places, and ocean-based
- 5 recreation;
- 6 (2) Rebuilding shall be in accordance with wildfire
- 7 prevention strategies;
- 8 (3) The provision of new housing, replacing the
- 9 approximately three thousand units destroyed in the
- 10 wildfire, shall be a priority, and include the
- 11 participation of other government agencies, nonprofit
- 12 organizations, and builders of housing;
- 13 (4) The design of all neighborhoods shall include
- 14 alternative means of mobility, including pathways,
- 15 bikeways, public transportation, and other strategies
- 16 that reduce the dependence on private vehicles and
- 17 provide redundant travel routes;
- 18 (5) The threat of sea level rise and other climate change
- 19 impacts shall be addressed through appropriate
- 20 mitigation strategies, including shoreline setbacks
- 21 and underground utility placement;



- 1           (6) Major public view planes, view corridors and  
2           preservation of landmarks shall be preserved through  
3           necessary regulation and design review;
- 4           (7) Rebuilding in the district shall be compatible with  
5           county plans and zoning, as reflected in any relevant  
6           county plan and Lahaina historic district, as amended;
- 7           (8) Building in residential areas shall cater to the needs  
8           of residents, especially those who lost their homes in  
9           the fire, in terms of location, type of housing, and  
10          cost;
- 11          (9) Public facilities within the district shall be  
12          planned, located, and upgraded to support rebuilding  
13          plans and policies for the district as established by  
14          this part;
- 15          (10) Restoration of cultural practices, educational assets,  
16          and natural resources shall be supported and  
17          encouraged;
- 18          (11) Special management area permit administration for the  
19          district shall remain under the authority of the  
20          county of Maui;



1 (12) When reconstructing public rights-of-way,  
2 consideration may be given to giving public streets  
3 names that are in the Hawaiian language and relate to  
4 the area's history, geography, and culture; and

5 (13) Any other guidance policies that are approved by the  
6 board and consistent with the foregoing paragraphs.

7 **§206E- Board; powers.** Except as otherwise limited by  
8 this part, with respect to the district, the board may:

9 (1) Establish and administer programs for purposes of this  
10 part;

11 (2) Make and execute contracts and all other instruments  
12 necessary or convenient for the exercise of its powers  
13 and functions under this part;

14 (3) Prepare or cause to be prepared a community plan for  
15 the district;

16 (4) Acquire, reacquire, or contract to acquire or  
17 reacquire, by grant or purchase, real, personal, or  
18 mixed property, or any interest therein, and own,  
19 hold, clear, improve, rehabilitate, sell, assign,  
20 exchange, transfer, convey, lease, or otherwise  
21 dispose of or encumber the same;





- 1           (5) Acquire or reacquire by condemnation real, personal,  
2                   or mixed property, or any interest therein, for  
3                   purposes of this part;
- 4           (6) By itself or in partnership with qualified persons,  
5                   acquire, reacquire, construct, reconstruct,  
6                   rehabilitate, improve, alter, or repair or provide for  
7                   the construction, reconstruction, improvement,  
8                   alteration, or repair of any improvement and own,  
9                   hold, sell, assign, transfer, convey, exchange, lease,  
10                  or otherwise dispose of or encumber any improvement;
- 11          (7) Arrange or contract for the planning, replanning,  
12                  opening, grading, or closing of streets, roads,  
13                  roadways, alleys, or other places, or the furnishing  
14                  of facilities, or for the acquisition of property or  
15                  property rights, or for the furnishing of property or  
16                  services in connection with any project;
- 17          (8) Prepare or cause to be prepared plans, specifications,  
18                  designs, and estimates of costs for the construction,  
19                  reconstruction, rehabilitation, improvement,  
20                  alteration, or repair of any improvement project, and



- 1           modify the plans, specifications, designs, or  
2           estimates of any project;
- 3           (9) Provide or obtain advisory, consultative, training,  
4           and educational services, technical assistance, and  
5           advice to or from any person, partnership, or  
6           corporation, either public or private, to carry out  
7           the purposes of this part, and engage the services of  
8           consultants on a contractual basis for rendering  
9           professional and technical assistance and advice;
- 10          (10) Procure insurance against any loss in connection with  
11          its property and other assets and operations in  
12          amounts and from insurers as it deems desirable;
- 13          (11) Contract for and accept gifts or grants in any form  
14          from any public agency or from any other source;
- 15          (12) Delegate any tasks and duties to the authority  
16          necessary to carry out the purposes of this part;
- 17          (13) Enter into memoranda of agreement with governmental  
18          agencies and private parties as necessary to carry out  
19          this part; and



1 (14) Take any and all actions necessary to carry out its  
2 purposes and exercise the powers given and granted  
3 pursuant to this part.

4 §206E- Assessment for operating costs. (a) The board  
5 shall have the power to assess all land users, except the  
6 federal government, for their fair share of the costs required  
7 to administer and operate the district, which may include costs  
8 associated with staffing. Assessments shall be based on each  
9 land user's proportionate share of the total acreage of the  
10 district of the land used versus the total acreage of the  
11 district. No land user assessment as provided in this part  
12 shall constitute a tax on real property within the meanings of  
13 any constitutional or statutory provision.

14 (b) The assessment shall be set by the board every six  
15 years. The assessments shall be paid to the board in semiannual  
16 payments commencing thirty days after the beginning of the  
17 fiscal year and shall be deposited into the Lele community  
18 special fund as provided in this part.

19 (c) The board may charge interest or other fees on  
20 assessment amounts not paid on a timely basis, and may withhold



1 services or approval of governmental permits for land users  
2 delinquent in payments.

3 (d) For the purposes of this section, "land user" includes  
4 the owner of land; provided that the landowner may assign the  
5 responsibility for payment of assessments to the lessee or  
6 licensee of the land.

7 **§206E- Rent control; district representatives.**

8 Notwithstanding any law to the contrary, the board may adopt  
9 rules to impose and enforce limits on the amount of rent that  
10 landlords of properties located within the district may collect  
11 from tenants.

12 **§206E- Financial aid from the federal government;**  
13 **contracts with the federal government.** (a) The board may  
14 secure financial aid from the federal government for any  
15 planning, design, building, construction, and maintenance work  
16 that the board is authorized to undertake pursuant to this part.

17 (b) The board may:

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



- 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 part;
- 4 (3) Repay any indebtedness, including any interest  
5 incurred thereon by the board pursuant to this part;
- 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 by or held by the  
9 board;
- 10 (5) Execute contracts with the federal government in  
11 accordance with this part; and
- 12 (6) Comply with terms and conditions required by the  
13 federal government in any contract or grant for  
14 federal assistance.
- 15 (c) It is the purpose and intent of this section to  
16 authorize the board to do all things necessary to secure the  
17 cooperation of and financial aid from the federal government for  
18 any planning, design, building, construction, and maintenance  
19 work that the board is authorized to undertake pursuant to this  
20 part.



1           **§206E-     Lele community special fund.** (a) There is  
2 established in the state treasury the Lele community special  
3 fund, into which shall be deposited:

4           (1) All revenues, income, and receipts of the board for  
5           the district, notwithstanding any other law to the  
6           contrary, including section 206E-16;

7           (2) Moneys directed, allocated, or disbursed to the  
8           district from government agencies or private  
9           individuals or organizations, including grants, gifts,  
10          awards, donations, and assessments of landowners for  
11          costs to administer and operate the district; and

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

13          (b) Moneys in the fund shall be used:

14          (1) By the State to match federal funds for federal  
15          disaster relief and recovery; and

16          (2) For any other purpose of this part.

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

19           **§206E-     Annual comprehensive report.** No later than  
20 twenty days prior to the convening of each regular session, the  
21 authority shall submit to the legislature an annual





1           §   -1   **Election of Lele community district board members.**

2   (a)   Members of the Lele community district board shall be  
3   elected in conjunction with the general election in every even-  
4   numbered year; provided that the first election shall take place  
5   on January 31, 2025.

6           (b)   Any person intending to register as a candidate for  
7   the election as a Lele community district board member shall  
8   submit to an examination under oath by the clerk of the county  
9   in which the Lele community district is located. In addition,  
10   each candidate shall make and subscribe to an application in the  
11   form of an affidavit verifying the candidate's qualifications.

12           (c)   The chief election officer shall prepare the  
13   nomination papers in a manner that enables a candidate desiring  
14   to file for election to the Lele community district board to  
15   specify that the candidate is seeking a seat requiring residency  
16   in a particular location within the Lele community district.

17           (d)   The ballot for the election of board members shall be  
18   prepared in a manner that provides to each eligible voter  
19   residing within the Lele community district the opportunity to  
20   cast a ballot for the candidates seeking election to the board.  
21   Each ballot shall contain the names of the candidates arranged





1 alphabetically. Each eligible voter shall be entitled to  
2 receive the Lele community district board ballot and to vote for  
3 all open seats on the board.

4 (e) The cost of the election of the board members shall be  
5 borne by the Lele community district board special fund  
6 established pursuant to part of chapter 206E.

7 § -2 **Qualification of voters; registration.** No person  
8 shall be eligible to vote for the election of Lele community  
9 district board members unless the person is registered to vote  
10 in the State under applicable law and resides within the  
11 boundaries of the Lele community district established pursuant  
12 to part of chapter 206E.

13 § -3 **Qualification of voters; registration.** (a) The  
14 term of office of members of the board shall be two years,  
15 beginning on the day of the election held in conjunction with  
16 the general election of the year in which they are elected and  
17 ending on the day of the election held in conjunction with the  
18 following general election.

19 (b) Any vacancy that may occur through any cause other  
20 than the expiration of the term of office shall be filled in  
21 accordance with applicable law."



1 SECTION 3. Chapter 17, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4 "§17- Lele community district board members. (a)  
5 Whenever any vacancy in the membership of the Lele community  
6 district board occurs, the term of which ends at the next  
7 succeeding general election, the vacancy shall be filled by the  
8 governor within sixty days after the vacancy occurs. The person  
9 so appointed shall reside within the Lele community district and  
10 shall serve for the duration of the unexpired term.

11 (b) All appointments made by the governor under this  
12 section shall be made without consideration of the appointee's  
13 party preference or nonpartisanship."

14 PART III

15 SECTION 4. In accordance with section 9 of article VII, of  
16 the Constitution of the State of Hawaii and sections 37-91 and  
17 37-93, Hawaii Revised Statutes, the legislature has determined  
18 that the appropriations contained in this Act will cause the  
19 state general fund expenditure ceiling for fiscal year 2024-2025  
20 to be exceeded by \$ , or per cent. The reasons  
21 for exceeding the general fund expenditure ceiling are that the



1 appropriations made in this Act are necessary to serve the  
2 public interest and to meet the needs provided for by this Act.

3 SECTION 5. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$1,500,000 or so much  
5 thereof as may be necessary for fiscal year 2024-2025 for the  
6 establishment of nine full-time equivalent (9.0 FTE) positions  
7 within the Hawaii community development authority.

8 The sum appropriated shall be expended by the Hawaii  
9 community development authority for the purposes of this Act.

10 SECTION 6. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$6,000,000 or so much  
12 thereof as may be necessary for fiscal year 2024-2025 for the  
13 Hawaii community development authority to engage residents of  
14 the Lele community district and conduct predevelopment planning  
15 and design within the district.

16 The sum appropriated shall be expended by the Hawaii  
17 community development authority for the purposes of this Act.

18 SECTION 7. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$800,000 or so much  
20 thereof as may be necessary for fiscal year 2024-2025 for other



1 current expenses of the Hawaii community development authority  
2 relating to the purposes of this Act.

3 The sum appropriated shall be expended by the Hawaii  
4 community development authority for the purposes of this Act.

5 SECTION 8. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$250,000 or so much  
7 thereof as may be necessary for fiscal year 2024-2025 for the  
8 office of elections to conduct the special Lele election in  
9 January of 2025.

10 The sum appropriated shall be expended by the office of  
11 elections for the purposes of this Act.

12 SECTION 9. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$100,000,000 or so  
14 much thereof as may be necessary for fiscal year 2024-2025 to be  
15 deposited into the Lele community special fund; provided that no  
16 funds shall be made available under this section unless the Lele  
17 community district board obtains \$100,000,000 in matching funds  
18 from the private sector for the purpose for which this sum is  
19 appropriated.

20 SECTION 10. There is appropriated out of the Lele  
21 community special fund the sum of \$200,000,000 or so much



1 thereof as may be necessary for fiscal year 2024-2025 for the  
2 purposes of the Lele community district; provided that funds are  
3 available pursuant to section 8 of this Act.

4 The sum appropriated shall be expended by the Lele  
5 community district board for the purposes of this Act.

6 PART IV

7 SECTION 11. This Act does not affect rights and duties  
8 that matured, penalties that were incurred, and proceedings that  
9 were begun before its effective date.

10 SECTION 12. New statutory material is underscored.

11 SECTION 13. This Act shall take effect on January 1, 2060;  
12 provided that:

13 (1) Section 2 shall take effect on January 1, 2025; and

14 (2) Section 3 shall take effect on November 15, 2026.



**Report Title:**

HCDA; Lahaina; Lele Community District; Board; Expenditure Ceiling; Appropriations

**Description:**

Establishes the Lele Community District and Board to facilitate rebuilding in Lahaina. Establishes the Lele Community Special Fund. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 1/1/2060. (SD1)

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

