
A BILL FOR AN ACT

RELATING TO LAHAINA.

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

PART I

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

"PART . LELE COMMUNITY DISTRICT

§206E- Purposes; findings. The legislature finds that the wildfire of August 8, 2023, devastated Lahaina's heritage, economy, and sense of place, and has deeply affected housing, businesses, jobs, and treasured resources. If the area is not rebuilt in a deliberate, coordinated, and expeditious manner, the area may languish in the long term and affect the well-being of the land, the people, and the economy. However, there is an opportunity to rebuild Lahaina by preserving and reintroducing its valued resources in a manner that reflects the values and priorities of its residents and businesses, and addresses future 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.** Notwithstanding
17 any law to the contrary, all state lands contained within the
18 boundaries of the district, except lands under the jurisdiction
19 of the department of Hawaiian home lands, are:

- 20 (1) Transferred to the authority; and
- 21 (2) Subject to the management of the board.



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



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

3 (f) Notwithstanding subsection (e) or any other law to the
4 contrary, the initial members of the board shall be appointed by
5 the governor, subject to the advice and consent of the senate.
6 The terms of the initial members of the board shall end at noon
7 on the day of the general election of 2026, when the first
8 elected members of the board assume office.

9 (g) The board may establish one or more advisory groups,
10 consisting only of individuals who are not board members, to
11 advise the board as to matters related to this part.

12 **§206E- Board; Hawaii community development authority;**
13 **relationship.** (a) The board shall have sole jurisdiction over
14 the district. The authority shall not have jurisdiction over
15 the district except to the extent that the board is
16 administratively placed under the authority and as set forth in
17 this section.

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

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



1 (d) The authority and the board may enter into a
2 memorandum of agreement to clarify the roles, relationship, and
3 responsibilities of the authority and board with regard to the
4 district.

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

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

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



1 **§206E- Lele community district; guidance policies.** The
2 following guidance policies shall generally govern the board's
3 actions in the district:

4 (1) The board's actions shall result in a community that:

5 (A) Reflects the values, aspirations and goals of
6 residents;

7 (B) Includes a significant number of affordable
8 homes;

9 (C) Encourages a thriving, sustainable business
10 sector that includes tourism; and

11 (D) Restores community assets, including schools,
12 parks, gathering places, and ocean-based
13 recreation;

14 (2) Rebuilding shall be in accordance with wildfire
15 prevention strategies;

16 (3) The provision of new housing, replacing the
17 approximately three thousand units destroyed in the
18 wildfire, shall be a priority, and include the
19 participation of other government agencies, nonprofit
20 organizations, and builders of housing;



- 1 (4) The design of all neighborhoods shall include
2 alternative means of mobility, including pathways,
3 bikeways, public transportation, and other strategies
4 that reduce the dependence on private vehicles and
5 provide redundant travel routes;
- 6 (5) The threat of sea level rise and other climate change
7 impacts shall be addressed through appropriate
8 mitigation strategies, including shoreline setbacks
9 and underground utility placement;
- 10 (6) Major public view planes, view corridors and
11 preservation of landmarks shall be preserved through
12 necessary regulation and design review;
- 13 (7) Rebuilding in the district shall be compatible with
14 county plans and zoning, as reflected in any relevant
15 county plan and Lahaina historic district, as amended;
- 16 (8) Building in residential areas shall cater to the needs
17 of residents, especially those who lost their homes in
18 the fire, in terms of location, type of housing, and
19 cost;
- 20 (9) Public facilities within the district shall be
21 planned, located, and upgraded to support rebuilding



1 plans and policies for the district as established by
2 this part;

3 (10) Restoration of cultural practices, educational assets,
4 and natural resources shall be supported and
5 encouraged;

6 (11) Special management area permit administration for the
7 district shall remain under the authority of the
8 county of Maui;

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

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

15 **§206E- Board; powers.** Except as otherwise limited by
16 this part, with respect to the district, the board may:

17 (1) Establish and administer programs for purposes of this
18 part;

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



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



- 1 of facilities, or for the acquisition of property or
2 property rights, or for the furnishing of property or
3 services in connection with any project;
- 4 (8) Prepare or cause to be prepared plans, specifications,
5 designs, and estimates of costs for the construction,
6 reconstruction, rehabilitation, improvement,
7 alteration, or repair of any improvement project, and
8 modify the plans, specifications, designs, or
9 estimates of any project;
- 10 (9) Provide or obtain advisory, consultative, training,
11 and educational services, technical assistance, and
12 advice to or from any person, partnership, or
13 corporation, either public or private, to carry out
14 the purposes of this part, and engage the services of
15 consultants on a contractual basis for rendering
16 professional and technical assistance and advice;
- 17 (10) Procure insurance against any loss in connection with
18 its property and other assets and operations in
19 amounts and from insurers as it deems desirable;
- 20 (11) Contract for and accept gifts or grants in any form
21 from any public agency or from any other source;



1 (12) Delegate any tasks and duties to the authority
2 necessary to carry out the purposes of this part;

3 (13) Enter into memoranda of agreement with governmental
4 agencies and private parties as necessary to carry out
5 this part; and

6 (14) Take any and all actions necessary to carry out its
7 purposes and exercise the powers given and granted
8 pursuant to this part.

9 **§206E- Assessment for operating costs.** (a) The board
10 shall have the power to assess all land users, except the
11 federal government, for their fair share of the costs required
12 to administer and operate the district, which may include costs
13 associated with staffing. Assessments shall be based on each
14 landowner's proportionate share of the total acreage of the
15 district.

16 (b) The assessment shall be set by the board every six
17 years. The assessments shall be paid to the board in semiannual
18 payments commencing thirty days after the beginning of the
19 fiscal year.

20 (c) The board may charge interest or other fees on
21 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 comprehensive report on the progress of building within the
2 district.

3 **§206E- Rules.** (a) The authority shall adopt rules
4 pursuant to chapter 91 necessary for the purposes of this part.

5 (b) The authority shall adopt rules pursuant to chapter 91
6 relating to health, safety, building, planning, zoning, and land
7 use, which, upon final adoption of a community plan, shall
8 supersede all other inconsistent ordinances and rules relating
9 to the use, zoning, planning, and development of land and
10 construction thereon; provided that rules adopted pursuant to
11 this subsection shall follow existing laws, rules, and
12 ordinances, as closely as is consistent with standards meeting
13 minimum requirements of good design, pleasant amenities, health,
14 safety, and coordinated development."

15 PART II

16 SECTION 2. The Hawaii Revised Statutes is amended by
17 adding a new chapter to title 2 to be appropriately designated
18 and to read as follows:



1 "CHAPTER

2 LELE COMMUNITY DISTRICT BOARD MEMBERS

3 § -1 Election of Lele community district board members.

4 (a) Members of the Lele community district board shall be
5 elected in conjunction with the general election in every even-
6 numbered year.

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

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

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



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

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

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

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



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

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

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

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

17 PART III

18 SECTION 4. In accordance with section 9 of article VII, of
19 the Constitution of the State of Hawaii and sections 37-91 and
20 37-93, Hawaii Revised Statutes, the legislature has determined
21 that the appropriations contained in this Act will cause the



1 state general fund expenditure ceiling for fiscal year 2024-2025
2 to be exceeded by \$, or per cent. The reasons
3 for exceeding the general fund expenditure ceiling are that the
4 appropriations made in this Act are necessary to serve the
5 public interest and to meet the needs provided for by this Act.

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

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

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

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



1 SECTION 7. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$800,000 or so much
3 thereof as may be necessary for fiscal year 2024-2025 for other
4 current expenses of the Hawaii community development authority
5 relating to the purposes of this Act.

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

8 SECTION 8. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$100,000,000 or so
10 much thereof as may be necessary for fiscal year 2024-2025 to be
11 deposited into the Lele community special fund; provided that no
12 funds shall be made available under this section unless the Lele
13 community district board obtains \$100,000,000 in matching funds
14 from the private sector for the purpose for which this sum is
15 appropriated.

16 SECTION 9. There is appropriated out of the Lele community
17 special fund the sum of \$200,000,000 or so much thereof as may
18 be necessary for fiscal year 2024-2025 for the purposes of the
19 Lele community district; provided that funds are available
20 pursuant to section 8 of this Act.



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

3 PART IV

4 SECTION 10. This Act does not affect rights and duties
5 that matured, penalties that were incurred, and proceedings that
6 were begun before its effective date.

7 SECTION 11. New statutory material is underscored.

8 SECTION 12. This Act shall take effect on July 1, 2024;
9 provided that:

- 10 (1) Section 2 shall take effect on January 1, 2025; and
- 11 (2) Section 3 shall take effect on November 15, 2026.



Report Title:

HCDA; Lahaina; Lele Community District; Board; Appropriations;
General Fund Expenditure Ceiling Exceeded

Description:

Establishes the Lele community district and board to facilitate rebuilding in Lahaina. Establishes the Lele community special fund. Appropriates moneys. Declares that the appropriations exceed the state general fund expenditure ceiling for fiscal year 2024-2025. (SD1 PROPOSED)

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

