

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

Senate Committees on Energy, Economic Development, and Tourism and Water & Land Wednesday, February 14, 2024 2:00 p.m. State Capitol, Conference Room 224 and Videoconference

With Comments S.B. No. 3381 SD1 Proposed, Relating to Lahaina

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the Senate Committees on Energy, Economic Development, and Tourism and Water & Land:

The Office of the Governor offers the following comments on S.B. No. 3381 SD1 Proposed, Relating to Lahaina.

The Maui wildfire resulted in loss of life, homes, property, infrastructure, businesses, and natural and cultural resources. This tragic incident compels the State of Hawai'i to plan effectively for recovery and expand our resiliency capacity and capability. Innovative solutions are essential to supporting these efforts.

This bill would establish the Lele Community District and Board to facilitate rebuilding in Lahaina from the 2023 wildfires and appropriates funds.

The State of Hawai'i State Disaster Recovery Coordinator has the role of coordinating and planning for recovery and resiliency efforts for the Maui Wildfire impacts in support of the County of Maui. This contrasts with emergency response which is led by HI-EMA under Emergency Support Functions.

Last fall the Governor identified seven Recovery Support Functions (RSFs) and their corresponding State Leads. The RSFs include: Natural Resources & Cultural Resources RSF coordinated by Hawai'i Department of Land and Natural Resources; Community Planning and Capacity Building RSF coordinated by Office of Planning and Sustainable Development; Housing RSF coordinated by Hawai'i Housing Finance and Development Corporation; Infrastructure RSF coordinated by Hawai'i Department of Transportation; Economic RSF coordinated Department of Business, Economic Development and Tourism; Public Health & Healthcare Services RSF coordinated by Hawai'i State Department of Health; and Social Services RSF coordinated by Hawai'i Department of Human Services. These RSFs and their

Testimony of Office of the Governor S.B. No. 3381 SD1 Proposed February 14, 2024 Page 2

state leads have been working closely with County of Maui, federal partners, and private organizations.

This approach—a State Coordinator coupled with RSFs—is consistent with the National Disaster Recovery Framework, a FEMA structure and process developed from the collective experience of disaster recovery managers nationwide. While the Office of the Governor is open to this concept identified in this potential legislation, we would ask the Chair to include the roles of the State Disaster Recovery Coordinator and RSFs in any new structure established to support the Maui Fires Recovery and Resiliency Efforts.

The potential legislation could be considered as long as there is no negative fiscal impact on the executive budget package.

If you have any questions on the role of State Disaster Recovery Coordinator or the State RSFs, we ask that you contact Luke Meyers, State Disaster Recovery Coordinator for further information and a dialog on this proposal during the legislative session.

Thank you for the opportunity to provide testimony on this measure.

EXECUTIVE DIRECTOR

CRAIG K. NAKAMOTO

DEVELOPMENT AUTHORITY

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HAWAI'I COMMUNITY

Statement of **CRAIG K. NAKAMOTO Executive Director**

Hawai'i Community Development Authority before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM and the

SENATE COMMITTEE ON WATER AND LAND

Wednesday, February 14, 2024 9:30 a.m. State Capitol, Conference Room 224 & Videoconference

> In consideration of SB 3381 RELATING TO LAHAINA.

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the Committees. In the aftermath of the fires in Lahaina, the Hawai'i Community Development Authority (HCDA) is willing to help in the recovery and rebuilding efforts in Lahaina as so many other federal, state, county, nonprofit agencies, and citizens have tirelessly done.

HCDA supports S.B. 3381, proposed S.D. 1, Relating to Lahaina, but respectfully offers the following comments. All bill references herein refer to the proposed S.D. 1 version.

State lands within the district, Page 2, Line 16: This section contemplates the transfer of existing state-owned lands within the district to HCDA, except for lands owned by the Department of Hawaiian home lands. As an alternative, we suggest that, rather than a blanket transfer of lands, that the Lele board, after planning for the district is completed, consider what, if any state-owned lands need to be transferred, if at all, to either the Lele board or HCDA. It may not be necessary to transfer title to lands to accomplish the purposes of this bill or to give the Lele board "jurisdiction" over stateowned land in the district.

Lele community district board; established; members; terms, Page 3 and 4

- <u>3:</u> We understand that the Lele board is contemplated to be a nine-member board, initially appointed, and later transitioned to an elected nine-member board. In this draft, the reference to such a nine-member board appears to have been inadvertently omitted in several places. We suggest that the language be revised in three places in the S.D. 1 as follows:
 - "....(a).... The **nine** members of the board shall be residents of the district.....
 - " (added language is bolded), Page 3, Line 5.
 - ".... (e) The **nine** members of the board shall be elected pursuant to " (added language is bolded), Page 3, Line 18.
 - "....(f) Notwithstanding subsection (e) or any other law to the contrary, the initial **nine** members of the board shall be " (added language is shown in bold), Page 4, Line 4.

Assessment for operating costs, Page 11, Lines 9 to 19: to clarify this section and its intent, we suggest that the existing language in subsections (a) and (b) be deleted in its entirety and replaced with the following language:

- "...§206E- Assessment for operating costs. (a) The board shall have the power to assess all land users, except the federal government, for their fair share of the costs required to administer and operate the district, which may include costs associated with staffing. Assessments shall be based on each land user's landowner's proportionate share of the total acreage of the district of the land used versus the total acreage of the district. No such land user assessment as provided in this part shall constitute a tax on real property within the meanings of any constitutional or statutory provisions.
- (b) The assessment shall be set by the board every six years. The assessments shall be paid to the board in semiannual payments commencing thirty days after the beginning of the fiscal year **and shall be deposited in the Lele community special fund as provided in this part.** . . ." (added language is shown in bold and deleted language is shown in bold and stricken out)

Rules, Page 15: we suggest clarifying changes to the language in this part of the bill as follows to reflect that the Lele board has the power to adopt rules, but is not required to adopt rules:

- "(a) The **authority board has the power to** adopt rules " (added or stricken language is shown in bold), Page 15, Line 3.
- "(b) The **authority board has the power** to adopt rules pursuant to chapter 91 "(added or stricken language is shown in bold), Page 15, Line 5.

Part III, Page 18 to 21: HCDA is here to help. HCDA's executive director, staff, and consultants will (i) provide support to the Lele board in developing its vision for the district, based on community input, and (ii) advise the Lele board on land use, zoning, and planning, among other matters related to the district. The Lele board is envisioned as a community policy making board that provides direction to staff. Staff necessary to procure consultants, oversee community meetings, and the like, will be employed by HCDA and overseen by HCDA's executive director. Given the nature and extent of the community building in the district and time and staff needed to implement this, we appreciate the addition of full-time positions, operating funds, and other funding. We believe that the level of funding and staffing provided in the proposed S.D. 1 is sufficient at the current time for implementation. If the level of staffing and funding is not provided, I have concerns about HCDA's ability and capacity to implement this bill with HCDA's existing staffing.

The planning and visioning for the district will necessarily involve extensive community input contemplated over many meetings in the community. The planning process could take some time to complete. Property setbacks, shoreline setbacks, sea level rise adaptation, climate resiliency, street right of ways, must be considered as part of the land use planning.

Thank you to the introducers of this bill for giving the Hawai'i Community Development Authority the opportunity help in the recovery and rebuilding efforts in Lahaina.



SYLVIA LUKE



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I JAMES KUNANE TOKIOKA

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Statement of JAMES KUNANE TOKIOKA Director

Department of Business, Economic Development, and Tourism before the

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

Wednesday, February 14, 2024 9:30 AM State Capitol, Conference Room 224 & Videoconference

In consideration of SB 3381, Proposed SD1 RELATING TO LAHAINA.

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the Committees. The Department of Business, Economic Development and Tourism (DBEDT) **supports** SB 3381, Proposed SD1, that establishes a Lele community district and board to facilitate rebuilding Lahaina, under the Hawai'i Community Development Authority (HCDA), an attached agency to DBEDT.

DBEDT supports the intent of this bill and agrees that Lahaina should be rebuilt in a well-planned, coordinated and expeditious manner.

We defer to HCDA to answer questions regarding the details of this measure and implementing it.

Thank you for the opportunity to testify.



STATE OF HAWAII OFFICE OF ELECTIONS

SCOTT T. NAGO CHIEF ELECTION OFFICER 802 LEHUA AVENUE PEARL CITY, HAWAII 96782 elections.hawaii.gov

TESTIMONY OF THE

CHIEF ELECTION OFFICER, OFFICE OF ELECTIONS

TO THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,

AND TOURISM, AND

THE SENATE COMMITTEE ON WATER AND LAND

ON SENATE BILL NO. 3381, PROPOSED SD 1

RELATING TO LAHAINA

February 14, 2024

Chair DeCoite and members of the Senate Committee on Energy, Economic Development, and Tourism, and Chair Inouye and members of the Senate Committee on Water and Land, thank you for the opportunity to provide comments on Senate Bill No. 3381, proposed SD1. This bill establishes the Lele community district and board to facilitate rebuilding in Lahaina; establishes the Lele community special fund; appropriates moneys; and declares that the appropriations exceed the state general fund expenditure ceiling for fiscal year 2024-2025.

As it relates to proposed section ___-1 concerning the election of district board members, we would suggest that the number of board members be stated in subsection (a) on page 16, lines 4-6, and that it be indicated that the board members will be elected at-large.

We would note that subsection (b) of proposed section ____-1 at page 16, lines 7-12, requires candidates for these offices to apply for a nomination paper with the County Clerk and then have the Office of Elections issue the nomination paper. For other offices, candidates for state office apply and receive the nomination paper at the Office of Elections or at a neighbor island Office of the County Clerk, pursuant to HRS §12-6. Given this, we would propose that subsection (b) be removed as an established process already exists.

Testimony on SB 3381, Proposed SD 1 – Relating to Lahaina February 14, 2024 Page 2

On a related note, we would propose that the bill make amendment to HRS § 12-6 concerning nomination papers, time for filing, and fees.

In regard to HRS § 12-6(a), we would recommend including the Lele community district board as one of the applicable offices for purposes of the statute. This would clarify that the nomination papers will be able to be filed with the Chief Election Officer or the neighbor island county clerk. Additionally, it will make it clear that the deadline of "not later than 4:30 p.m. on the first Tuesday in June" in HRS § 12-6(a) includes the deadline for the Lele community district board.

As for HRS § 12-6(b), we would recommend that it be amended to clarify that the filing deadline will be extended by ten days if there are not sufficient candidates, regardless of whether the election is held in conjunction with the primary election or general election. The current language of HRS § 12-6(b) does not acknowledge a special election held in conjunction with the general election. Below is our proposed language:

(b) If after the close of filing there are no candidates who have filed nomination papers for an elective office for the primary, special primary, or any special election held in conjunction with the primary election or the general election, the chief election officer or clerk, in the case of a county election, shall accept nomination papers for that office until 4:30 p.m. on the tenth day after the original close of filing.

Additionally, in regard to HRS § 12-6, we would note that subsections (c) and (e) concerning filing fees are written in a broad manner to address "all other offices." Specifically, the filing fee is \$250, and candidates are eligible for a filing fee discount of \$225 if they comply with certain Campaign Spending Commission requirements. However, if the intent is to have a filing fee and a discount that specifically identify the Lele community district board, then appropriate changes would need to be made to those subsections.

Continuing on with proposed section __-1 concerning the election of district board members, we would recommend subsection (c) on page 16, lines 13-17, be amended to clarify that a candidate must reside within the Lele community district.

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

Testimony on SB 3381, Proposed SD 1 – Relating to Lahaina February 14, 2024 Page 2

Finally, we would request that HRS § 12-5 be amended to reflect how many signatures will be required on the nomination papers for candidates for the Lele community district.

Thank you for the opportunity to provide comments on Senate Bill No. 3381, proposed SD1.



ESTHER KIA'ĀINA VICE CHAIR HOPE LUNA HO'OMALU HONOLULU CITY COUNCIL DISTRICT III TELEPHONE: (808) 768-5003

FAX: (808) 768-5003 FAX: (808) 768-1223 EMAIL: ekiaaina@honolulu.gov

February 13, 2024

Aloha Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the committees on Energy, Economic Development, and Tourism, and Water and Land:

I wish to submit my support for **SB3381 - Relating to Lahaina.** The Maui community continues to feel the deep effects of the wildfires that devastated the area in August 2023. The people of Maui will continue to need help to rebuild their homes, businesses, public infrastructure, and community, and economic revitalization, a critical component of disaster recovery. The creation of the Lele community district, which would be comprised of the Lahaina moku and its 29 ahupua'a, is a tool that could help with Maui's recovery. Significantly, the Lele community district board, tasked with creating and implementing a community plan for rebuilding and coordinating with residents, landowners, charitable organizations, businesses, and the county of Maui, would be comprised entirely of residents of the district, giving the people of the Lahaina not only a voice but actual authority over the future of their community.

The Honolulu City Council stands in support of the Maui community, and recognizes the enormous amount of time and resources that will be required for the economic, physical, and spiritual recovery of Maui. On September 6, 2023, the Council adopted Resolution 23-194, expressing its solidarity with the people of Maui and affirming the Council's commitment in assisting in Maui's recovery.

In furtherance of the City Council's support, in October 2023, I accompanied a delegation from Hawai'i to Washington D.C. to meet with Hawai'i's congressional delegation, officials from the U.S. Small Business Administration, Federal Emergency Management Agency, Economic Development Administration, Department of Housing and Urban Development, and the White House, and members of the U.S. Chamber of Commerce to emphasize that the counties and private sector stand in solidarity with the people of Maui, and that together we are poised to support the rebuilding and revitalization of Maui.

I thank the committee for its consideration of this measure.

JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE LIEUTENANT GOVERNOR

OFFICE OF THE PUBLIC DEFENDER

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

LUIS P. SALAVERIA DIRECTOR

SABRINA NASIR DEPUTY DIRECTOR

STATE OF HAWAI'I **DEPARTMENT OF BUDGET AND FINANCE**

> P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

Ka 'Oihana Mālama Mo'ohelu a Kālā

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

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA DIRECTOR. DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM AND WATER AND LAND ON SENATE BILL NO. 3381, PROPOSED S.D. 1

February 14, 2024 9:30 a.m. Room 224 and Videoconference

RELATING TO LAHAINA

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

Senate Bill (S.B.) No. 3381, Proposed S.D. 1: establishes the Lele Community District (LCD) under the Hawai'i Community Development Authority (HCDA) to facilitate the rebuilding of Lahaina, Maui; establishes the Lele Community Special Fund (LCSF) for HCDA to administer and operate LCD; amends HCDA membership to include the members of LCD; appropriates \$100,000,000 in general funds for FY 25 for deposit into LCD; and appropriates \$100,000,000 in special funds for FY 25 from the LCSF. The LCSF would generate revenue from LCD, legislative appropriations, and by collecting other funds from government agencies and private individuals or organizations.

As a matter of general policy, B&F would highlight 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. 3381, Proposed S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

RICHARD T. BISSEN, JR. Mayor

JOSIAH K. NISHITA Managing Director





OFFICE OF THE MAYOR COUNTY OF MAUI 200 SOUTH HIGH STREET WAILUKU, MAUI, HAWAI'I 96793

www.mauicounty.gov

February 13, 2024

TO: Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

Committee on Energy, Economic Development and Tourism

Senator Lorraine R. Inouye, Chair

Senator Brandon J.C. Elefante, Vice Chair

Committee on Water and Land

FROM: Richard T. Bissen, Jr., Mayor

Josiah K. Nishita, Managing Director

DATE: February 13, 2024

SUBJECT: COMMENTS FOR SB3381, Proposed SD1, RELATING TO LAHAINA

Mahalo for the opportunity to submit comments on SB3381, proposed SD1, which among other things, establishes the Lele Community District to facilitate the rebuilding of Lāhainā.

While acknowledging the urgency to facilitate the rebuilding of Lāhainā following the tragic wildfire of August 8, 2023, we offer some cautious considerations regarding the proposed legislation to establish the Lele Community District.

It is important to consider that the County of Maui has already established an Office of Recovery, and much community input and dialogue has been and is still being received and acted upon, including the development of the community's initial Recovery Needs Assessment and future Long-Term Recovery Plan. For updates to the efforts of the Office of Recovery, see https://www.mauirecovers.org/recoveryphases. Establishing a new process and regulatory layer for wildfire survivors to now navigate and understand may introduce additional barriers to rebuilding and recovery efforts.

The bill aims to centralize decision-making under the authority, including the ability to levy assessments, which likely raises community concerns about the broad range of authority granted

to a non-elected board and the selection process established for the members of the district. It's essential to ensure that the authority's composition adequately represents the diverse perspectives and interests of Lāhainā residents and businesses, fostering a collaborative approach to rebuilding and recovery efforts.

The desire to increase agricultural activities in West Maui has been listed as a priority by the community. Assessments in this proposed bill appear to be determined by the size of the parcel, which may disproportionately affect large agricultural land owners, potentially providing further disincentives toward the revitalization of agricultural activities in the area.

An aggressive plan has already been put in place to allow residents to expeditiously return to their properties. This plan includes prioritizing infrastructure repairs to residential areas and an expedited permitting center, which will be available in the Spring of 2024. The time frame for the establishment of the Lele Community District may not align with the County of Maui's ongoing effort and expedited timeline to return residents to their properties, which may affect overall rehousing efforts.

Thank you for the opportunity to provide comments. We humbly request further examination of the proposed legislation to address potential challenges and ensure that the rebuilding and recovery process aligns with the evolving needs and priorities of the overall Lāhainā community.

Council Chair Alice L. Lee

Tasha Kama

Vice-Chair Yuki Lei K. Sugimura

Presiding Officer Pro Tempore

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani Uʻu-Hodgins



Director of Council Services David M. Raatz, Jr., Esq.

Deputy Director of Council Services Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

February 12, 2024

TO: Honorable Chair Lynn DeCoite, Vice-Chair Glenn Wakai, and members of

the Committee on Energy, Economic Development, and Tourism

FROM: Tamara Paltin

Maui County Councilmember

SUBJECT: PROVIDING COMMENTS ON SB 3381, SD1, RELATING TO LAHAINA

Thank you for the opportunity to testify on this important measure. The purpose of this measure is to establish the Lele Community District to facilitate the rebuilding of Lahaina, the Lele Community Special Fund, and amend the Hawai'i Community Development Authority membership to include the members representing the new district. This is one of several bills that seek to establish an entity to oversee the recovery and rebuilding of Lahaina.

My comments on the measure are as follows:

- 1. The proposal to place the control of all lands in the Lahaina moku under a state entity raises concerns about the centralization of power and potential disenfranchisement of local stakeholders.
- 2. While the bill requires board members to be district residents, it is not specific enough. The language should ensure that board members were residents of Lahaina at the time of the fire. Moreover, representation on the Lele Community District Board should be diverse, reflecting the rich cultural tapestry of Lahaina's residents.
- 3. The board election process, while democratic, provides the opportunity for disproportionate influence from special interests. Furthermore, the elections would not take place until 2026, allowing Governor Green to appoint all nine board members to two-year terms. Again, this raises concern about inappropriate outside influence. There are documented ties between Governor Green's appointments and political action committees representing corporate and development interests. Instead, the committee should consider amending the language to allow the West Maui Senator, rather than the Governor, to make appointments, ensuring greater local accountability and representation.

- 4. The relationship with the Hawaii Community Development Authority (HCDA) is questionable. Its relevance to Lahaina's pre-fire needs and post-disaster recovery efforts remains unclear.
- 5. The creation of a new West Maui Community Plan under a state agency appears redundant. The West Maui Community Plan was just adopted within the last two years and was the result of extensive discussion and community effort. An additional community plan would result in additional bureaucracy and would undermine the County's governance and the community's trust.
- 6. Aside from an annual report to the legislature, there are no mechanisms to facilitate public transparency.
- 7. Limiting board representation to voters from the Lele district excludes a significant portion of West Maui voters, north of Kaanapali. This would not facilitate an accurate, full reflection of West Maui's interests.
- 8. Lastly, there is no precedent for establishing re-development authorities in communities that have survived this level of disaster. The need to do so in Lahaina remains unclear. Lahaina's rebuilding efforts should be made up of evidence-based strategies and informed decision-making. If an oversight entity is necessary to facilitate a newly created special fund for the Lahaina recovery, it should be required to hold public meetings and be dissolved by a predetermined date- these provisions are included in HB 2696 and SB 2979.

Overall, SB3381 SD1 requires further amendments to avoid duplicative efforts and to facilitate a sustainable and *community-driven* recovery process for Lahaina.

Respectfully Submitted,

TAMARA PALTIN
Councilmember

Januar a. On Baltin

Submitted on: 2/12/2024 9:13:43 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
De Mont Kalai Manaole	Testifying for Hoomana Pono, LLC	Support	In Person

Comments:

We STRONGLY SUPPORT this bill WITH AMENDMENTS.

First Requested Amendment: We request that HRS Section 206 is Amended to add Section 206F, so that the GOVERNING AUTHORITY for this Lahaina Rebuilt District is created of, by & for our 'Ohana on the Island of Maui.

As it stands, this bill is O'ahu Centric. O'ahu should NOT dictate policy of any other Island. Maui No Ka Oi is NOT just a slogan on a sticker, it signifies the belief & practice of its uniqueness as being the Home of the First Capitol of Ko Hawai'i Pae 'Aina.

Therefore, a new Governing entity like HCDA, should be created just for Maui & its inclusive counties of Moloka'i, Lana'i & Kaho'olawe.

Second Requested Amendment: We seek a **STRONG EMPHASIS** that Nā Kānaka cultural leaders take the lead on rebuilding Lahaina, by having at least two (2) seats in this new Governing Authority, as well as our original immigrants whose lineage dates back to the time when Lahaina was the Capitol under King Kamehameha I, who should also have at least two (2) seats in this new Governing authority.

Mahalo for your due consideration.



Celebrating 50 Years of Preserving Hawai'i's Places

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TO: Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

Committee on Energy, Economic Development and Tourism (EET)

Senator Lorraine R. Inouye, Chair

Senator Brandon J.C. Elefante, Vice Chair Committee on Water and Land (WTL)

FROM: Kiersten Faulkner, Executive Director

Historic Hawai'i Foundation

Committee: Wednesday, February 14, 2024

9:30 a.m.

Via Video Conference and Conference Room 224

RE: SB 3381 and Proposed SD1, Relating to Lahaina

On behalf of Historic Hawai'i Foundation (HHF), I am writing with comments on SB 3381 Relating to Lahaina.

The bill would establish the Lele community district and board to facilitate rebuilding in Lahaina, establish the Lele community special fund, appropriate money and declare that the appropriations exceed the state general fund expenditure ceiling for fiscal year 2024-2025.

Historic Hawai'i Foundation appreciates the intent of the bill and offers comments:

Guiding Principles and Community Goals

HHF recommends that the guidance policies for the authority's actions include a goal for a community that "Remembers, honors and restores places significant to the history of Lahaina and the people, events and design achievements that reflect its heritage."

HHF agrees with the intent of rebuilding in a manner that is compatible with county plans and zoning, including the Lahaina historic district. HHF recommends that this purpose be expanded to explicitly include "Preservation, rehabilitation, restoration or reconstruction of buildings, structures, objects and sites that are listed in the Hawai'i or National Register of Historic Places or that contribute to the significance of the Lahaina National Historic Landmark District and/or the County of Maui Lahaina Historic District(s), as amended."

Financial Aid

HHF recommends that a State income tax credit be provided for property owners that preserve, rehabilitate, or restore buildings, structures, objects and sites that are listed in the Hawai'i or National Register of Historic Places or that contribute to the significance of the Lahaina National Historic Landmark District and/or the County of Maui Lahaina Historic District(s) in accordance with Standards for the Treatment of Historic Properties (36 CFR Part 68) and with the prior review and concurrence of the State Historic Preservation Division.

Thank you for the opportunity to comment.





Testimony of Lahaina Strong Before the Senate Committees on Energy, Economic Development, & Tourism and Water & Land

In Consideration of Senate Bill No. 3381 SD1 RELATING TO THE LAHAINA

To Chair DeCoite, Chair Inouye, Vice Chair Wakai, Vice Chair Elefante and the honorable members of the committees,

We are writing on behalf of Lahaina Strong, an organization that was initially formed in 2018 following the Hurricane Lane fire in Lahaina and re-energized last year after the devastating Lahaina fires on August 8. Lahaina Strong has been at the forefront of relief and advocacy efforts, including initiating the "Fishing for Housing" camp, which has been in operation for over thirteen weeks along Kaanapali Beach, highlighting the need for dignified housing for Lahaina fire victims. Our organization is the largest grassroots, Lahaina-based community organization, with over 20,000 supporters, engaged in emphasizing the importance of local voices and community-driven solutions.

Lahaina Strong offers comments on SB3381 SD1, which establishes the Lele community district to facilitate rebuilding in Lahaina, the Lele community special fund, and amends the Hawai'i Community Development Authority membership to include the members representing the new district.

During this legislative session, several bills have emerged with the aim of establishing a new entity to oversee the recovery and rebuilding efforts in areas devastated by the 2023 wildfire, raising concerns about potential duplication of efforts already undertaken by county or state authorities. While acknowledging the necessity of coordinated efforts, it's essential to avoid redundancy and ensure synergy between existing initiatives. Among these bills is SB3381 SD1, authored by Senator McKelvey, who as a victim of the Lahaina fires himself, seeks to address the devastating aftermath.

We appreciate the intentions behind this legislation acknowledging the urgent need for coordinated rebuilding efforts in Lahaina following the August 8, 2023 wildfire, and recognizing the profound impact on heritage, economy, and community well-being. While we recognize the necessity of concerted action to prevent long-term stagnation, several aspects of the bill warrant careful consideration and amendment.

First, the proposal to place the control of all lands in the Lahaina moku under a state entity raises concerns about the centralization of power and potential disenfranchisement of local stakeholders.

Second, while the requirement for the board to consist entirely of district residents is certainly commendable, we advocate for further specificity, echoing the language of HB2696 and its senate counterpart SB2979 to ensure that board members were residents of Lahaina at the time of the fire, thereby guaranteeing a deep connection to the community's needs. It is also imperative to ensure diverse representation on the Lele Community District Board, to foster inclusivity and equitable decision-making that reflects the rich cultural tapestry of Lahaina's residents.

Third, the election process, while ostensibly democratic, presents the risk of disproportionate influence from special interests, particularly considering the significant financial resources often wielded in electoral campaigns. Moreover, the delay until 2026 for elections and the interim appointment of all nine board seats by Governor Green for a two-year term raises concerns about the potential for improper influence, especially given documented ties between gubernatorial appointments and political action committees representing corporate and development interests. Instead, we propose that appointments and vacancies be made by the West Maui Senator rather than the governor, ensuring greater local accountability and representation.

Fourth, we are deeply concerned about the relationship with the Hawaii Community Development Authority (HCDA), questioning its relevance to Lahaina's pre-fire needs and expressing skepticism about its role in post-disaster recovery efforts.

Fifth, the creation of a new community plan under a state agency appears redundant given the existing West Maui community plan process under county jurisdiction, potentially adding unnecessary bureaucracy and undermining established local governance structures.

Sixth, the lack of provisions for public transparency, outside of an annual report to the legislature, is troubling, as meaningful community input and oversight are essential for effective governance.

Seventh, limiting board representation to voters from the Lele district excludes a significant portion of West Maui voters, north of Kaanapali, potentially marginalizing their interests.

In addition, research has revealed that no communities have developed redevelopment authorities post-disaster, prompting inquiries into the necessity of such an entity for Lahaina. Understanding why Lahaina necessitates the establishment of a new authority amidst a lack of precedent raises fundamental questions about the efficacy and suitability of the proposed approach. As such, further exploration into alternative models and best practices for post-disaster recovery governance is warranted to ensure that Lahaina's rebuilding efforts are guided by evidence-based strategies and informed decision-making.

Should the creation of an overseeing entity prove necessary, in order to set up and administer a newly created special fund, to earmark funding for the recovery of Lahaina, it could be beneficial to consider integrating some of the favorable provisions included in the Lahaina Oversight Committee bill language (HB2696/SB2979). We appreciate its requirement for public meetings which underscores a commitment to transparency and community engagement. The bill's provision for the entity's dissolution by 2030 reflects a pragmatic approach to ensure that its functions remain relevant and responsive to evolving needs. Overall, SB3381 SD1 could use more work in order to strike a balance between avoiding duplicative efforts and consolidating resources effectively to facilitate a sustainable and community-driven recovery process for Lahaina.

Mahalo for your attention and commitment to the well-being of our community.

Sincerely,

Jordan Ruidas

Courtney Lazo

Lahaina Strong

Pa'ele Kiakona





HEARING BEFORE THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM and WATER AND LAND HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224 Wednesday, February 14, 2024, 9:30 AM

To The Honorable Senator Lynn DeCoite, Chair
The Honorable Senator Glenn Wakai, Vice Chair
Members of the Committee on Energy, Economic Development, and Tourism
To The Honorable Senator Lorraine R. Inouye, Chair
The Honorable Senator Brandon J.C. Elefante, Vice Chair
Members of the Committee on Water and Land

COMMENTS ON SB3381 RELATING TO LAHAINA

The Maui Chamber of Commerce would like to COMMENT on SB3381.

The Maui Chamber of Commerce understands the intent of this bill and appreciates all bills seeking to address what occurred on Maui during and following the August 8 wildfires.

We wholeheartedly agree that the rebuilding of Lahaina is critical to Maui and our state. It is imperative we be focused, transparent, accountable, and timely. We strongly believe that significant Maui and Lahaina community input is critical to determining where we go next.

While we understand this bill may be moved forward for community input and discussion, we have some concerns about several components of this bill:

- 1) This proposal essentially creates a new form of local governance. It is much more powerful than an Oahu neighborhood board this is unprecedented in the State of Hawaii and may lead to numerous entities like this being created. This could possibly become another level of red tape that gets in the way of getting something completed for Lahaina;
- 2) The powers of condemnation (eminent domain) should not be given out without serious and lengthy discussion eminent domain is an extreme measure that should be taken only when there is no other solution to an issue; and
- 3) How would conflicts between the county, the state, and the district handled?



The Honorable Senator Lynn DeCoite, Chair The Honorable Senator Lorraine R. Inouye, Chair **COMMENTS ON SB3381 RELATING TO LAHAINA** Page 2

We note there seems to be an overlap between this bill and the already established Maui Economic Recovery Commission (MERC), which has nearly 100 participants. The MERC may likely meet many of the goals detailed in this bill and since it is already established and working, may be a better starting point. If there are accountability activities missing or additional individuals that you feel should participate in the MERC, our recommendation would be to consider broadening the MERC to add or strengthen accountability measures and additional expertise as needed.

The Chamber has reservations as we see that this could lead other communities to try and adopt similar models, which would ultimately create a new level of government with huge expenses. At a time when we are overburdened with expenses, leading to a high living wage, we need to look at efficiencies in systems rather than additional layers that raise costs for us all.

We hope that the State would consider merging some of the duties and responsibilities noted in this bill with already existing and operating Maui Economic Recovery Commission. Therefore, enhancing an effort that is already making progress while not creating a separate government for Lahaina.

Mahalo for the opportunity to **COMMENT on SB3381**.

Sincerely,

Pamela Tumpap

Pamela Jumpap

President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

Submitted on: 2/10/2024 9:29:37 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqueline S. Ambrose	Individual	Support	Written Testimony Only

Comments:

Aloha,

RELATING TO LAHAINA.

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.

<u>SB-3381</u> Submitted on: 2/12/2024 10:52:26 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Uilani Naipo	Individual	Support	Written Testimony Only

Comments:

I support this measure.

- Uʻilani Naipo

Submitted on: 2/13/2024 8:01:50 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committees on Energy, Economic Development, and Tourism and Water and Land.

My name is Jackie Keefe and I am a resident of Lahaina. I am writing to testify in support of SB3381 SD1, with request.

I am deeply grateful for the opportunity that the State Legislature is giving to the community of Lahaina by putting a bill like this up on the floor. We have said all along that we want Lahaina to lead, and this bill is attempting to not only allow that but much more than we could have thought.

Some of us in the community recognize the urgency of the moment to get these Lahaina protection bills passed, but we still need the time to come together to discuss the bill. We recognize the need for discourse around these bills, as it is much easier for people to outright support or oppose bills than it is to take the time to reflect, discuss, and collaborate on how we would like to influence them as a community.

I ask that you pass this bill, allowing the community time to come together to have these conversations, as we did not get the chance to do with HB2693.

Many of us are working to set up a time when community leaders can come together to share their mana'o on this bill, so that we can understand how our leaders feel it is best to proceed.

I originally felt that perhaps this bill would be too expansive, but a friend pointed out that we should have all the land proposed because a true restoration of Ka Malu 'Ulu o Lele will need to stretch from mauka to makai. These are the exact type of conversations that we are looking to foster. We only had our first community legislative discussion last week and the follow up meeting is tonight.

I humbly ask that you pass this bill to give us time for these discussions to occur and know that we are actively working to create the space for them as a community. We recognize that you are genuinely looking to let Lahaina lead, and I hope that you can rest assured that members of our Lahaina community are doing our best to facilitate that.

Mahalo for hearing this bill today.

Jackie Keefe



Submitted on: 2/13/2024 9:34:37 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Arquero	Individual	Support	Written Testimony Only

Comments:

Good morning,

My name is Eric Arquero and I am a resident of Lahaina. I would like to offer my comments in support of the intent of SB 3381 SD1 - Relating to Lahaina.

I personally appreciate the efforts to introduce and hear this important bill and understand the benefits of this proposal to the rebuild and resiliency of Lahaina, Maui. The possibilities of this bill being enacted and implemented correctly would give our community direct access to decisions that would impact our town.

My reason to provide support of intent at this time is to request your committees to provide passage of the bill and allow it to be referred to the next committee to allow our community additional time to discuss and collaborate on an agreed position. We intend to hold these conversations over the next week and provide a more comprehensive testimony shall the bill be heard in the Ways and Means committee.

Mahalo for the opportunity to submit testimony on this measure.

Eric Arquero

earquero47@icloud.com

Submitted on: 2/13/2024 9:36:39 AM Testimony for EET on 2/14/2024 9:30:00 AM



Submitted By	Organization	Testifier Position	Testify
Snehal Patel	Individual	Support	Written Testimony Only

Comments:

Dear Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committees on Energy, Economic Development, and Tourism and Water and Land,

My name is Sne Patel, and I am a resident and employed individual in Lahaina and West Maui. I am writing to express my support for SB3381.

I respectfully urge the passing of SB3381 so that it can proceed through the legislative process and be given the opportunity for further community input. This bill holds potential for significant positive impact on our community, and it is essential that it receives thorough consideration and discussion.

Thank you for your time and consideration.

Sincerely,

Sne Patel

Opposition for SB3381 SD1

To Chair DeCoite, Chair Inouye, Vice Chair Wakai, Vice Chair Elefante and the honorable members of the committee,

I am writing as a concerned member of the Lahaina community to express my **opposition for SB3381 SD-1**, The proposal to transfer all State lands, including possible county and private lands, to the Authority raises concerns about property rights and eminent domain. I have questions as to how the Authority plans to navigate these complexities.

Furthermore, the affiliation with the Hawaii Community Development Authority (HCDA) lacks clarity. I question the vested interest HCDA has in Lahaina's rebuild, I fear they their level and type of building on Oahu doesn't align with what we need as a Lahaina community in our rebuild. The sustainability of private sector contributions and their potential impact on recovery efforts need further examination. I also fear that there will be stipulations attached to their involvement that might be detrimental to the community vision and the future of Lahaina. Identifying future funding matches and assessing the advantages of private sector involvement are essential for informed decision-making

Also, the appointment process for board members raises questions about democratic representation. Establishing a new authority under the governor's purview lacks precedent and raises concerns about centralizing power away from the affected community. Research has revealed **NO** communities that have developed redevelopment authorities post disaster.

Removing county oversight could impede local recovery efforts and prolong the rebuilding process. Allowing gubernatorial appointees to make critical decisions for Lahaina during its pivotal years undermines local autonomy. Additionally, limiting voting rights to Lele district residents excludes broader community input and representation. I fear the authority's community plan might not align with existing county plans. Our county council along with the office of recovery is already diligently working on plans, and I feel an outside governor appointed board could undermine our communities wants and needs.

I also worry that an assessment cost for landowners and the purpose of the proposed "special fund" remain unclear. I fear that property owners paying another tax with just ensue another undue financial burden.

Additionally, the proposed authority's alignment with existing recovery frameworks and adherence to transparency laws like the sunshine law require clarification. Our county works in accordance with the sunshine law for transparency and I fear with a governor elected board that would be lost.

In conclusion, **SB3381 SD-1** raises numerous questions regarding governance, representation, financial management, and community impact. Before moving forward,

thorough analysis and public dialogue are necessary to address these concerns and ensure the most effective and equitable path forward for Lahaina's recovery. I urge the committee not to pass **SB3381 SD-1**, recognizing this bill may jeopardize Lahaina's autonomy in our rebuild.

Mahalo for your commitment to addressing the pressing needs of our community.

Sincerely,

Katie Austin

<u>SB-3381</u> Submitted on: 2/11/2024 10:54:21 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Oppose	Written Testimony Only

Comments:

HCDA is all development, no community. It would be a terrible shame if Lahaina turned out like Kaka'ako.

Submitted on: 2/11/2024 12:24:41 PM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Bryan Butteling	Individual	Oppose	Written Testimony Only

Comments:

Lahaina rebuild should be driven by ALL residents who currently live in Lahaina. Not just a collection of individuals voted in. Each individual resident of Lahaina should have their voice heard towards any decision about the rebuild of Lahaina. A roadmap of success should be laid out and voted on by majority of Lahaina residents (not businesses).

Also please provide how HCDA was a success for Kakaako? Who benefited from the luxury gentrification? Did the community benefit? We oppose this bill.

Butteling Ohana

Submitted on: 2/11/2024 8:12:50 PM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
De Andre Makakoa	Individual	Oppose	Written Testimony Only

Comments:

In Consideration of Senate Bill No. 3381 SD1

RELATING TO THE LAHAINA

Aloha Chair Ichiyama, Chair Innouye, Vice Chair Wakai, Vice Chair Elefante, and esteemed members of the committees,

My name is De Andre Makakoa. My pregnant wife, our 11-month-old son, and I lost everything in the Lahaina wildfire. However, the fire did not quench our spirit. We have been boots-on-the-ground since day one, determined to rebuild a community-led Lahaina.

Today, I stand before you not just as an individual, but also as a voice for my family and the Lahaina Strong organization. Our collective heart beats with a simple yet powerful rhythm: "For Lahaina, by Lahaina."

Senate Bill No. 3381 SD1, which seeks to establish the Lele Community District, caught our attention. While we appreciate the intention behind this proposal, we cannot fully support it without voicing some concerns.

It's clear that the control of all lands in Lahaina should not be placed under a single state entity. This centralization of power dismisses the local voices that know and love Lahaina best. The bill's requirement for board members to be district residents is commendable, but it lacks specificity. These individuals must be residents at the time of the fire to truly understand the depth of our pain and the height of our aspirations.

Our worries extend to the proposed election process. An interim appointment of all nine board seats by Governor Green until 2026 presents a potential risk of special interest influence. We demand a process that is democratic, transparent, and locally accountable.

The role of the Hawaii Community Development Authority in Lahaina's pre-fire needs and its place in post-disaster recovery efforts is questionable. Why create a new community plan under a state agency when we have an existing West Maui community plan under county jurisdiction?

The absence of provisions for public transparency in the bill is alarming. We, the people of Lahaina, demand to be seen, heard, and involved. Limiting board representation to voters from the Lele district risks marginalizing a significant portion of West Maui voters.

Lastly, there's a lingering question: is a new authority needed for Lahaina's post-disaster recovery? We urge you to explore alternative models and best practices for post-disaster recovery governance before rushing to create a new entity.

In conclusion, Senate Bill No. 3381 SD1 may be well-intentioned, but it needs more work to strike a balance in recovery efforts. We implore you to consider our suggestions to ensure a sustainable, community-driven recovery process for Lahaina.

Mahalo nunui a ke aloha nō,

De Andre Makakoa

<u>SB-3381</u> Submitted on: 2/13/2024 3:09:35 AM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara C Griffiths	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. Let Lahaina control its future. Keep Lahaina lands in Lahaina hands.



Submitted on: 2/13/2024 1:37:16 PM

Testimony for EET on 2/14/2024 9:30:00 AM



Submitted By	Organization	Testifier Position	Testify
Athena Roebuck	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

This bill lacks an expiration date, raising concerns about unchecked authroity over Lahaina Lands. The potential misuse by developer interests underscores the need for public vigilance.I stand with Lahaina Strong who advocates for the community involvement in decision making and remains vigilant in scrutinizing bill developments through the session.

Mahalo

Athena Roebuck

Submitted on: 2/11/2024 7:50:14 PM

Testimony for EET on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Keoni Shizuma	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I wanted to provide comments on SD3381 SD1 PROPOSED.

Native Hawaiians have been living in Hawaii for generations. Some archaeological discoveries point to us being in Hawaii since about 0 AD, while others point to about 1000-1200 AD. Some Hawaiian traditions, genealogies, and chants indicate that we were born and evolved here. Either way, Native Hawaiians have been here for a very long time.

In Lahaina, many of the Native Hawaiian families that lived there at the time of the fire have been there for generations, most living in the same house and on the same land, while others live nearby but still in Lahaina. Traditional Native Hawaiian customs include burying our loved ones on the same lot as our home, while other practices included us burying loved ones nearby at graveyards or elsewhere.

These Native Hawaiian families that have been in Lahaina for generations belong to Lahaina, and have never called any other place else on earth "home" before, and have never conceived of calling anywhere else, "home." They are tied to this land, the bones of their loved ones buried there, they feel an innate responsibility to care for their land as their family has been doing for generations, their family stories are of there, and their memories of past generations and hopes for future generations are all tied to be there, and no place else on earth. These are the ones responsible for, or at least played a part in, keeping Lahaina's beauty and resources as the place we love and want it to be again, from the time before Captain Cook arrived. These are the families that should have the biggest say in the decisions on how Lahaina is to be rebuilt.

Also, the centralization of power within this board is a concern. This board seems to have a lot of powers, yet isn't required to interact with the community. This a concern, and while members are either appointed or elected, seems to function similar to a private developer. It would be better if the boards actions relating to property is approved by another entity, in order to ensure there is community input and is aligned to the desires of the Lahaina community, and not just the board.

I'd like to recommended the following amendments:

1. Governor Green should NOT appoint the initial members of the board.

- 2. DOH, OHA, and DHHL shall utilize their resources to identify long-standing families with generational ties to Lahaina, a minimum of 3 generations in Lahaina prior to the wildfire, and select the nominate the initial board members, and the Maui County Council will select the initial board members from those nominated.
- 3. Whenever any vacancy in membership of the Lele community district board occurs, the remaining board members shall nominate a replacement, which will be approved by the Maui County Council. The person so appointed shall reside within the Lele community district and shall serve for the duration of the unexpired term.
- 4. Candidates for election of the Lele community district board members are required to have been in Lahaina for at least 3 generations prior to the wildfire.
- 5. The board is able to create plans and make recommendations, but acquiring, selling, or other actions with property, real or mixed, shall require the approval of another entity, to be determined.

Mahalo nui loa for your time and consideration.

Keoni Shizuma