

JAN 17 2025

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# A BILL FOR AN ACT

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RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT.

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

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

4       **"PART       .   WAIAKEA PENINSULA COMMUNITY DEVELOPMENT DISTRICT**

5       **§206E-       Waiakea peninsula community development**  
6       **district; findings; purpose.** The legislature finds that:

7       (1) The Waiakea peninsula area in east Hawaii is in need  
8       of renewal, renovation, or improvement to enhance the  
9       economic, cultural, and social value of the area to  
10      the State;

11      (2) The close proximity of the Waiakea peninsula to the  
12      cruise ship terminal and Hilo town makes the area  
13      suitable for revitalization activities that foster  
14      community, promote cultural activities, and support  
15      economic sustainability;



(3) Regaining state control over lands in the district in the near term is essential and necessary in revitalizing the area;

(4) Through the authority, the area can be revitalized in such a way that hotel, commercial, public, and cultural uses can coexist;

(5) Conditions such as lack of a sense of safety and security in the district, the condition of the historic banyan trees, lack of landscaping, poor lighting, and poor pedestrian experience, along with other blight conditions, need to be addressed; and

(6) Facilities that support residents and visitors, including recreational, educational, and entertainment facilities, are needed.

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

"District" means the Waiakea peninsula community development district.

"Fund" means the Waiakea peninsula community development district special fund.

**§206E- District established; boundaries.** The Waiakea peninsula community development district is hereby established.



1 The district shall include all lands makai of the area as  
2 follows: the western boundary is the Waialoa river; the  
3 southern boundary begins at the Waialoa river and follows  
4 kamehameha avenue to its intersection with Kalanianaʻole street  
5 and then follows Kalanianaʻole street to Banyan way; the eastern  
6 boundary is Reeds bay. The district shall also include Moku  
7 Ola, also known as Coconut island.

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

- 11 (1) Development shall seek to promote cultural activities,  
12 provide community facilities, and foster sustainable  
13 economic growth by encouraging diverse land uses and  
14 private sector investments;
- 15 (2) Hawaiian archaeological, historic, and cultural sites  
16 shall be preserved and protected;
- 17 (3) Land use and redevelopment activities within the  
18 district shall be coordinated with and, to the extent  
19 possible, complement existing county and state  
20 policies, plans, and programs affecting the district;



1       (4) Public facilities within the district shall be  
2       planned, located, and developed so as to support the  
3       redevelopment policies for the district established by  
4       this chapter and plans and rules adopted pursuant to  
5       this chapter;

6       (5) Development shall consider the impacts of climate  
7       change, sea level rise, inundation risk, and  
8       climate-resilient development in the design and siting  
9       of buildings;

10      (6) Development shall consider the inclusion of mobility  
11      solutions; and

12      (7) The authority may engage in planning, design, and  
13      construction activities within and outside the  
14      district; provided that activities outside the  
15      district relate to infrastructure development, area-  
16      wide drainage improvements, roadway realignments and  
17      improvements, business and industrial relocation, and  
18      any other activities the authority deems necessary to  
19      carry out redevelopment of the district and implement  
20      this chapter. Studies or coordinating activities may  
21      be undertaken by the authority in conjunction with the



1 county and appropriate state agencies and may address,  
2 without limitation, facility systems, industrial  
3 relocation, and other activities.

4 **§206E- Financial aid from the federal government;**  
5 **contracts with the federal government.** (a) The authority may  
6 secure financial aid from the federal government for any  
7 planning, design, development, construction, and maintenance  
8 work that the authority is authorized to undertake pursuant to  
9 this part.

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

12 (1) Borrow moneys or accept grants from the federal  
13 government in aid of or for any development project  
14 the authority is authorized to undertake pursuant to  
15 this part;

16 (2) Issue bonds or other evidence of indebtedness and  
17 pledge revenues and other assets as security for  
18 indebtedness incurred pursuant to this part;

19 (3) Repay any indebtedness, including any interest  
20 incurred thereon by the authority pursuant to this  
21 part;



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

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

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

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

**§206E- Additional powers.** In addition and supplemental to the powers granted to the authority by law, the authority may establish a district improvement and maintenance program to establish a mechanism to improve and maintain the district and do all things necessary to effectuate the establishment and operation of the district improvement and maintenance program.



The authority may also adopt rules pursuant to chapter 91 to implement the program.

**§206E- Waiakea community development district special fund.** (a) There is established in the state treasury the Waiakea community development district special fund into which shall be deposited:

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

(2) Moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments and fees from the district improvement and maintenance program, for costs to administer and operate the district; and

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

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

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



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

3       "(b) The authority shall consist of the director of  
4 finance or the director's designee; the director of  
5 transportation or the director's designee; the director of  
6 business, economic development, and tourism or the director's  
7 designee; the chairperson of the board of land and natural  
8 resources; the director of planning or planning and permitting  
9 of each county in which a community development district is  
10 located or the director's designee; a cultural specialist; an  
11 at-large member nominated by the president of the senate; an at-  
12 large member nominated by the speaker of the house of  
13 representatives; two representatives of the Heeia community  
14 development district, comprising one resident of that district  
15 or the Koolaupoko district, which consists of sections 1 through  
16 9 of zone 4 of the first tax map key division, and one owner of  
17 a small business or one officer or director of a nonprofit  
18 organization in the Heeia community development district or  
19 Koolaupoko district; two representatives of the Kalaeloa  
20 community development district, comprising one resident of the  
21 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone





(zone 8, sections 1 through 9) of the first tax map key division, and one owner of a small business or one officer or director of a nonprofit organization in the Ewa or Waianae zone; two representatives of the Kakaako community development district, comprising one resident of the district and one owner of a small business or one officer or director of a nonprofit organization in the district; ~~and~~ two representatives of the Pulehunui community development district, consisting of one resident of the island of Maui, and one owner of a small business or one officer or director of a nonprofit organization on the island of Maui[-]; and two representatives of the Waiakea peninsula community development district, consisting of one resident of the district or the Waiakea ahupua'a (zone 2, sections 1, 2, or 4 of the third tax map key division), and one owner of a small business or one officer or director of a nonprofit organization in the district or the town of Hilo (zone 2, sections 1 through 5 of the third tax map key division).

All members except the director of finance, director of transportation, county directors of planning or planning and permitting, director of business, economic development, and tourism, chairperson of the board of land and natural resources,



1 or their respective designees shall be appointed by the governor  
2 pursuant to section 26-34. The two at-large members nominated  
3 by the president of the senate and speaker of the house of  
4 representatives shall each be invited to serve and appointed by  
5 the governor from a list of three nominees submitted for each  
6 position by the nominating authority specified in this  
7 subsection.

8 The president of the senate and the speaker of the house of  
9 representatives shall each submit a list of six nominees for  
10 each district to the governor to fill the two district  
11 representative positions for each community development  
12 district. For each community development district, the governor  
13 shall appoint one member from a list of nominees submitted by  
14 the president of the senate and one member from a list of  
15 nominees submitted by the speaker of the house of  
16 representatives, and of the two appointees, one shall meet the  
17 district residency requirement and one shall meet the district  
18 small business owner or nonprofit organization officer or  
19 director requirement.

20 The authority shall be organized and shall exercise  
21 jurisdiction as follows:



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

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

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

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

(D) The director of planning and permitting for the county in which the Heeia community development district is located or the director's designee;

(E) The cultural specialist;

(F) The two at-large members; and

(G) The two representatives of the Heeia community development district;

(2) For matters affecting the Kalaeloa community development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:



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



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

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

(D) The director of planning and permitting for the county in which the Kakaako community development district is located or the director's designee;

(E) The cultural specialist;

(F) The two at-large members; and

(G) The two representatives of the Kakaako community development district; ~~and~~

(4) For matters affecting the Pulehunui community development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

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

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

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



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

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

(F) The cultural specialist;

(G) The two at-large members; and

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

(5) For matters affecting the Waiakea peninsula community development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

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

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

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



- 1           (D) The director of planning for the county in which  
2           the Waiakea peninsula community development  
3           district is located or the director's designee;  
4           (E) The cultural specialist;  
5           (F) The two at-large members; and  
6           (G) The two representatives of the Waiakea peninsula  
7           community development district.

8           In the event of a vacancy, a member shall be appointed to  
9           fill the vacancy in the same manner as the original appointment  
10          within thirty days of the vacancy or within ten days of the  
11          senate's rejection of a previous appointment, as applicable.

12          The terms of the director of finance; director of  
13          transportation; county directors of planning and permitting;  
14          director of business, economic development, and tourism; and  
15          chairperson of the board of land and natural resources; or their  
16          respective designees shall run concurrently with each official's  
17          term of office. The terms of the appointed voting members shall  
18          be for four years, commencing on July 1 and expiring on June 30.  
19          The governor shall provide for staggered terms of the initially  
20          appointed voting members so that the initial terms of four  
21          members selected by lot shall be for two years, the initial



1 terms of four members selected by lot shall be for three years,  
2 and the initial terms of the remaining three members shall be  
3 for four years.

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

6 Notwithstanding section 92-15, a majority of all eligible  
7 voting members as specified in this subsection shall constitute  
8 a quorum to do business, and the concurrence of a majority of  
9 all eligible voting members as specified in this subsection  
10 shall be necessary to make any action of the authority valid.

11 All members shall continue in office until their respective  
12 successors have been appointed and qualified. Except as herein  
13 provided, no member appointed under this subsection shall be an  
14 officer or employee of the State or its political subdivisions.

15 For purposes of this section, "small business" means a  
16 business that is independently owned and that is not dominant in  
17 its field of operation."

18 SECTION 3. (a) To implement this Act, the department of  
19 land and natural resources shall, subject to the terms and  
20 conditions to be agreed upon in the memorandum of agreement  
21 described in subsection (c), transfer to the Hawaii community





1 development authority title to all lands and existing leases  
2 within the Waiakea community development district established  
3 pursuant to this Act that are owned by the department of land  
4 and natural resources, except lands within the district that  
5 have been set aside to the county of Hawaii by the governor  
6 pursuant to section 171-11, Hawaii Revised Statutes, at no cost  
7 to the Hawaii community development authority, by June 30, 2026.  
8 Title to any lands or leases that are not accepted by the Hawaii  
9 community development authority pursuant to the memorandum of  
10 agreement described in subsection (c) shall remain with the  
11 department of land and natural resources.

12 (b) Pursuant to section 171-2, Hawaii Revised Statutes,  
13 the land and leases transferred to the Hawaii community  
14 development authority will no longer be classified as public  
15 lands. Any proceeds from transferred lands and leases on the  
16 Waiakea peninsula, however, shall remain subject to the public  
17 trust provisions of section 171-18, Hawaii Revised Statutes.

18 (c) The Hawaii community development authority and  
19 department of land and natural resources shall enter into a  
20 memorandum of agreement regarding the transfer of the lands and  
21 leases to the authority by December 31, 2025. The memorandum of



1 agreement shall provide the Hawaii community development  
2 authority with one hundred twenty calendar days from the  
3 effective date of the memorandum of agreement to review and  
4 approve all aspects of the lands and leases, which shall be  
5 referred to as the due diligence period. Within thirty calendar  
6 days from the effective date of the memorandum of agreement, the  
7 department of land and natural resources shall make available to  
8 the Hawaii community development authority all documented  
9 information it possesses or to which it has access relating to  
10 the ownership and management of the lands and leases. The  
11 Hawaii community development authority shall have discretion to  
12 reject all or some of the lands and leases for any reason prior  
13 to the expiration of the due diligence period.

14 SECTION 4. (a) The jurisdiction, powers, functions, and  
15 duties of the department of land and natural resources relating  
16 to the transferred land and leases in the Waiakea community  
17 development district established pursuant to this Act shall be  
18 transferred to and conferred upon the Hawaii community  
19 development authority and shall be performed and enforced in the  
20 same manner as previously authorized, entitled, or obligated for  
21 the remainder of the existing lease terms except as otherwise



1 authorized, directed, or instructed by this Act. As to the  
2 leases in the Waiakea community development district transferred  
3 to the Hawaii community development authority, the authority  
4 shall succeed to all of the rights and powers previously  
5 exercised and all of the duties and obligations incurred by the  
6 department of land and natural resources in the exercise of the  
7 jurisdiction, powers, functions, and duties transferred, whether  
8 such jurisdiction, powers, functions, and duties are mentioned  
9 in or granted by any law, contract, or other document.

10 (b) All rules, policies, procedures, guidelines, and other  
11 material adopted or developed by the department of land and  
12 natural resources relating to the existing leases in the Waiakea  
13 community development district shall remain in full force and  
14 effect until superseded, amended, or repealed, pursuant to  
15 chapter 91, Hawaii Revised Statutes, by the Hawaii community  
16 development authority except as otherwise authorized, directed,  
17 or instructed by this Act. Effective upon the completed  
18 transfer of the lands and leases, every reference to the  
19 department of land and natural resources or the board of land  
20 and natural resources in those rules, policies, procedures,



1 guidelines, and other material shall be construed as a reference  
2 to the Hawaii community development authority as applicable.

3 (c) All appropriations to the department of land and  
4 natural resources, records, deeds, leases, contracts, loans,  
5 agreements, permits, or other documents heretofore made, used,  
6 acquired, held by, executed or entered into by or on behalf of  
7 the department of land and natural resources relating to the  
8 transferred land or leases in the Waiakea community development  
9 district shall remain in full force and effect until amended.

10 Effective upon the completed transfer of the lands and leases,  
11 every reference to the department of land and natural resources  
12 or the board of land and natural resources in those  
13 appropriations, records, deeds, leases, contracts, loans,  
14 agreements, permits, or other documents relating to the  
15 transferred land or leases in the Waiakea community development  
16 district shall be construed as a reference to the Hawaii  
17 community development authority as applicable.

18 SECTION 5. This Act shall be liberally construed in order  
19 to accomplish the purposes set forth herein. If any provision  
20 of this Act, or the application thereof to any person or  
21 circumstance is held invalid, the invalidity does not affect



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1 other provisions or applications of the Act that can be given  
2 effect without the invalid provision or application, and to this  
3 end the provisions of this Act are severable.

4 SECTION 6. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect on July 1, 2025.

7

INTRODUCED BY: *Terrence R. Prange*



# S.B. NO. 1078

**Report Title:**

Waiakea Peninsula Community Development District; Establishment;  
Hawaii Community Development Authority; Department of Land and  
Natural Resources

**Description:**

Establishes the Waiakea Peninsula Community Development  
District. Provides for the transfer of land and leases within  
the Waiakea Peninsula Community Development District from the  
Department of Land and Natural Resources to the Hawaii Community  
Development Authority.

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not legislation or evidence of legislative intent.*

