
A BILL FOR AN ACT

RELATING TO THE BANYAN DRIVE 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 COMMUNITY DEVELOPMENT DISTRICT

5 §206E- Waiakea community development district; findings;
6 **purpose.** The legislature finds that the Waiakea peninsula area
7 in east Hawaii island, which includes Banyan Drive, is
8 underutilized. The area lacks a sense of safety and security
9 due to a lack of landscaping, the conditions of the banyan
10 trees, the poor lighting, and other blight conditions that make
11 for an unpleasant pedestrian experience. In addition, the area
12 is deficient in basic public facilities that support residents
13 and visitors, including recreational, educational, and
14 entertainment facilities. Despite the current condition, the
15 area has exceptional potential for revitalization. The close
16 proximity to the cruise ship terminal, Merrie Monarch Festival
17 sites, and Hilo town makes the area suitable for economic and



1 tourism development activities that foster community, promote
2 cultural activities, and support economic sustainability.
3 Regaining state control over lands in the district in the near
4 term is essential and necessary to revitalize the area. Through
5 the Hawaii community development authority, the area can be
6 revitalized in such a way that hotel, commercial, public, and
7 cultural uses can coexist while providing value to the island of
8 Hawaii and the State.

9 The legislature further finds that the ongoing oversight,
10 regulation, and maintenance of the district require a stable and
11 dedicated financial framework. Because the costs of providing
12 these services and maintaining the district's infrastructure may
13 vary from year to year, the general fund appropriation process
14 may not be sufficient to ensure long-term success.

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

16 "District" means the Waiakea community development
17 district.

18 "Fund" means the Waiakea community development district
19 special fund.

20 **§206E- District established; boundaries.** The Waiakea
21 community development district is established. The district



1 shall include the area bounded by the Wailoa river on the west;
2 Kamehameha avenue, inclusive, from its intersection with the
3 Wailoa river to Kalanianaʻole street on the south; Kalanianaʻole
4 street, inclusive, from Kamehameha avenue to its intersection
5 with Banyan way on the southeast; Banyan way, inclusive, from
6 Kalanianaʻole street to Reeds bay on the east; and all lands from
7 any parcel in those boundaries makai to the ocean in addition to
8 Moku Ola, also known as Coconut island, on the north.

9 **§206E- Development guidance policies.** (a) The
10 following development guidance policies shall generally govern
11 the authority's actions in the district:

12 (1) Development shall seek to promote cultural activities,
13 provide community facilities, and foster sustainable
14 economic growth by encouraging diverse land uses and
15 private-sector investments;

16 (2) Hawaiian archaeological, historic, and cultural sites
17 shall be preserved and protected;

18 (3) Land use and redevelopment activities within the
19 district shall be coordinated with and, to the extent
20 possible, complement existing state and county
21 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 their
3 development policies for the district established by
4 this part and plans and rules adopted pursuant to this
5 part;
- 6 (5) The design and siting of buildings shall consider the
7 impacts of climate change, sea level rise, inundation
8 risk, and climate-resilient development; and
- 9 (6) Development shall consider the inclusion of mobility
10 solutions.
- 11 (b) The authority may engage in planning, design, and
12 construction activities within and outside the district;
13 provided that activities outside the district relate to
14 infrastructure development, area-wide drainage improvements,
15 roadway realignments and improvements, business and industrial
16 relocation, and any other activities the authority deems
17 necessary to carry out redevelopment of the district and
18 implement this part. Studies or coordinating activities may be
19 undertaken by the authority in conjunction with the county and
20 appropriate state agencies and may address, without limitation,
21 facility systems, industrial relocation, and other activities.



1 **§206E- Financial aid from the federal government;**
2 **contracts with the federal government.** (a) The authority may
3 secure financial aid from the federal government for any
4 planning, design, development, construction, and maintenance
5 work that the authority is authorized to undertake pursuant to
6 this part.

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

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

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

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

19 (4) Procure insurance or loan guarantees from the federal
20 government for the payment of any debts or parts



1 thereof secured by mortgages made or held by the
2 authority;

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

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

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

14 **§206E- Additional powers.** In addition, and supplemental
15 to the powers granted to the authority by law, the authority may
16 establish a district improvement and maintenance program to
17 establish a mechanism to improve and maintain the district and
18 do all things necessary to effectuate the establishment and
19 operation of the district improvement and maintenance program,
20 including but not limited to determining and assessing a service
21 or regulatory fee in accordance with applicable law. The



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

3 **§206E- Waiakea community development district special**
4 **fund.** (a) There is established in the state treasury the
5 Waiakea community development district special fund into which
6 shall be deposited:

7 (1) All revenues, income, and receipts of the authority
8 for the district, notwithstanding any other law to the
9 contrary, including section 206E-16; provided that
10 revenues, income, and receipts derived from leases are
11 paid to the agency that owns or manages the property;

12 (2) Moneys directed, allocated, or disbursed to the
13 district from government agencies or private
14 individuals or organizations, including grants, gifts,
15 awards, donations, and moneys collected from the
16 district improvement and maintenance program, for
17 costs to administer and operate the district; and

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

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



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

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

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



1 organization in the Heeia community development district or
2 Koolaupoko district; two representatives of the Kalaeloa
3 community development district, comprising one resident of the
4 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone
5 (zone 8, sections 1 through 9) of the first tax map key
6 division, and one owner of a small business or one officer or
7 director of a nonprofit organization in the Ewa or Waianae zone;
8 two representatives of the Kakaako community development
9 district, comprising one resident of the district and one owner
10 of a small business or one officer or director of a nonprofit
11 organization in the district; two representatives of the
12 Pulehunui community development district, consisting of one
13 resident of the island of Maui, and one owner of a small
14 business or one officer or director of a nonprofit organization
15 on the island of Maui; ~~and,~~ a representative of the Waiakea
16 community development district who is an owner of a small
17 business or an officer or director of a nonprofit organization
18 located in the town of Hilo (zone 2, sections 1 through 5 of the
19 third tax map key division), and for the purposes of part of
20 this chapter only, a representative of the Waiakea community
21 development district who is a resident of the Waiakea ahupuaa



1 (zone 2, sections 1, 2, or 4 of the third tax map key division)
2 and who is also a lineal or cultural descendant with ties to the
3 Waiakea ahupuaa; and, for the purposes of part X of this chapter
4 only, two experts on transit-oriented development, to be
5 appointed one each by the president of the senate and the
6 speaker of the house of representatives; and the following ex
7 officio, nonvoting members: the chairpersons of the respective
8 senate and house of representatives standing committees having
9 jurisdiction over transportation, and the chairpersons of the
10 respective senate and house of representatives standing
11 committees having jurisdiction over housing.

12 All members except the director of finance; director of
13 transportation; county directors of planning or planning and
14 permitting; director of business, economic development, and
15 tourism; chairperson of the board of land and natural resources;
16 the two experts on transit-oriented development appointed by the
17 president of the senate and speaker of the house of
18 representatives, respectively; the chairpersons of the
19 respective senate and house of representatives standing
20 committees having jurisdiction over transportation; the
21 chairpersons of the respective senate and house of



1 representatives standing committees having jurisdiction over
2 housing; or, where relevant, their respective designees; and the
3 chairperson of the Banyan Drive Hawaii redevelopment agency of
4 the county of Hawaii or the chairperson's designee, shall be
5 appointed by the governor pursuant to section 26-34. The two
6 at-large members nominated by the president of the senate and
7 speaker of the house of representatives shall each be invited to
8 serve and appointed by the governor from a list of three
9 nominees submitted for each position by the nominating authority
10 specified in this subsection.

11 The president of the senate and the speaker of the house of
12 representatives shall each submit a list of six nominees for
13 each district to the governor to fill the two district
14 representative positions for each community development
15 district[~~-~~], except that for the Waiakea community development
16 district, the president of the senate and the speaker of the
17 house of representatives shall each submit a list of three
18 nominees to the governor to fill the small business or nonprofit
19 organization representative position, and the office of Hawaiian
20 affairs shall submit a list of three nominees to the authority
21 for submission to the president of the senate and the speaker of



1 the house of representatives to submit to the governor to fill
2 the resident representative position. For each community
3 development district, the governor shall appoint one member from
4 a list of nominees submitted by the president of the senate and
5 one member from a list of nominees submitted by the speaker of
6 the house of representatives, and of the two appointees, one
7 shall meet the district residency requirement and one shall meet
8 the district small business owner or nonprofit organization
9 officer or director requirement.

10 The president of the senate and the speaker of the house of
11 representatives shall each appoint a member having expertise and
12 experience in urban planning and community development to fill
13 the two positions designated for experts on transit-oriented
14 development.

15 The authority shall be organized and shall exercise
16 jurisdiction as follows:

17 (1) For matters affecting the Heeia community development
18 district, the following members shall be considered in
19 determining quorum and majority and shall be eligible
20 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 Heeia community development
- 9 district is located or the director's designee;
- 10 (E) The cultural specialist;
- 11 (F) The two at-large members; and
- 12 (G) The two representatives of the Heeia community
- 13 development district;
- 14 (2) For matters affecting the Kalaeloa community
- 15 development district, the following members shall be
- 16 considered in determining quorum and majority and
- 17 shall be eligible to vote:
- 18 (A) The director of finance or the director's
- 19 designee;
- 20 (B) The director of transportation or the director's
- 21 designee;



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



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



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



- 1 (G) The two at-large members; and
- 2 (H) The two experts on transit-oriented development
- 3 appointed by the president of the senate and the
- 4 speaker of the house of representatives[~~r~~]; and
- 5 (6) For matters affecting the Waiakea community
- 6 development district, the following members shall be
- 7 considered in determining quorum and majority and
- 8 shall be eligible to vote:
- 9 (A) The director of business, economic development,
- 10 and tourism or the director's designee;
- 11 (B) The director of finance or the director's
- 12 designee;
- 13 (C) The chairperson of the board of land and natural
- 14 resources or the chairperson's designee;
- 15 (D) The director of transportation or the director's
- 16 designee;
- 17 (E) The director of planning for the county in which
- 18 the Waiakea community development district is
- 19 located or the director's designee;



- 1 (F) The chairperson of the Banyan Drive Hawaii
2 redevelopment agency of the county of Hawaii or
3 the chairperson's designee;
- 4 (G) The cultural specialist;
- 5 (H) The two at-large members; and
- 6 (I) The two representatives of the Waiakea community
7 development district.

8 ~~[In the event of]~~ If a vacancy~~[7]~~ occurs, a member shall be
9 appointed to fill the vacancy in the same manner as the original
10 appointment within thirty days of the vacancy or within ten days
11 of the senate's rejection of a previous appointment, as
12 applicable.

13 The terms of the director of finance; director of
14 transportation; county directors of planning and permitting;
15 director of business, economic development, and tourism; ~~[and]~~
16 chairperson of the board of land and natural resources; or their
17 respective designees; and the chairperson of the Banyan Drive
18 Hawaii redevelopment agency of the county of Hawaii or the
19 chairperson's designee, shall run concurrently with each
20 official's term of office. The terms of the appointed voting
21 members shall be for four years, commencing on July 1 and



1 expiring on June 30. The governor shall provide for staggered
2 terms of the initially appointed voting members so that the
3 initial terms of four members selected by lot shall be for two
4 years, the initial terms of four members selected by lot shall
5 be for three years, and the initial terms of the remaining three
6 members shall be for four years. The terms on the authority of
7 the chairpersons of the senate and house of representatives
8 standing committees having jurisdiction over housing and the
9 chairpersons of the senate and house of representatives standing
10 committees having jurisdiction over transportation shall run
11 concurrently with that respective legislator's term as the
12 chairperson of that respective committee.

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

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



1 provided, no member appointed under this subsection shall be an
2 officer or employee of the State or its political subdivisions.

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

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$2,000,000 or so much
8 thereof as may be necessary for fiscal year 2026-2027 for the
9 Hawaii community development authority to implement this Act and
10 to:

- 11 (1) Adopt rules under chapter 91, Hawaii Revised Statutes,
12 for purposes of this Act; and
13 (2) Prepare an environmental assessment or environmental
14 impact statement under chapter 343, Hawaii Revised
15 Statutes, for any property within the Waiakea
16 community development district.

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

19 SECTION 4. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2026-2027 for



1 deposit into the Waiakea community development district special
2 fund.

3 SECTION 5. There is appropriated out of the Waiakea
4 community development district special fund the sum of
5 \$ or so much thereof as may be necessary for fiscal
6 year 2026-2027 for the establishment of one full-time equivalent
7 (1.0 FTE) position within the Hawaii community development
8 authority.

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

11 SECTION 6. This Act shall be liberally construed in order
12 to accomplish the purposes set forth herein. If any provision
13 of this Act, or the application thereof to any person or
14 circumstance is held invalid, the invalidity does not affect
15 other provisions or applications of the Act that can be given
16 effect without the invalid provision or application, and to this
17 end the provisions of this Act are severable.

18 SECTION 7. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 8. This Act shall take effect on July 1, 3000.



Report Title:

HCDA; Waiakea Community Development District; Special Fund;
Rules; Position; Appropriation

Description:

Establishes the Waiakea Community Development District and the Waiakea Community Development District Special Fund. Specifies the powers and duties of the Hawaii Community Development Authority as it relates to the new development district. Allows the Authority to establish rules. Establishes one full-time equivalent (1.0 FTE) position within the Authority. Appropriates funds. Effective 7/1/3000. (HD1)

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