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

10 "District" means the Waiakea community development
11 district.

12 "Fund" means the Waiakea community development district
13 special fund.

14 **§206E- District established; boundaries.** The Waiakea
15 community development district is established. The district
16 shall include the area bounded by the Wailoa river on the west;
17 Kamehameha avenue, inclusive, from its intersection with the
18 Wailoa river to Kalaniana'ole street on the south; Kalaniana'ole
19 street, inclusive, from Kamehameha avenue to its intersection
20 with Banyan way on the southeast; Banyan way, inclusive, from
21 Kalaniana'ole street to Reeds bay on the east; and all lands from



1 any parcel in those boundaries makai to the ocean in addition to
2 Moku Ola, also known as Coconut island, on the north.

3 **§206E- Development guidance policies.** (a) The
4 following development guidance policies shall generally govern
5 the authority's actions in the district:

6 (1) Development shall seek to promote cultural activities,
7 provide community facilities, and foster sustainable
8 economic growth by encouraging diverse land uses and
9 private sector investments;

10 (2) Hawaiian archaeological, historic, and cultural sites
11 shall be preserved and protected;

12 (3) Land use and redevelopment activities within the
13 district shall be coordinated with and, to the extent
14 possible, complement existing state and county
15 policies, plans, and programs affecting the district;

16 (4) Public facilities within the district shall be
17 planned, located, and developed so as to support their
18 development policies for the district established by
19 this part and plans and rules adopted pursuant to this
20 part;



1 (5) The design and siting of buildings shall consider the
2 impacts of climate change, sea level rise, inundation
3 risk, and climate-resilient development; and

4 (6) Development shall consider the inclusion of mobility
5 solutions.

6 (b) The authority may engage in planning, design, and
7 construction activities within and outside the district;
8 provided that activities outside the district relate to
9 infrastructure development, area-wide drainage improvements,
10 roadway realignments and improvements, business and industrial
11 relocation, and any other activities the authority deems
12 necessary to carry out redevelopment of the district and
13 implement this part. Studies or coordinating activities may be
14 undertaken by the authority in conjunction with the county and
15 appropriate state agencies and may address, without limitation,
16 facility systems, industrial relocation, and other activities.

17 (c) The authority shall establish a community advisory
18 council to provide guidance and ensure effective citizen
19 participation in the redevelopment of the district. The
20 community advisory council shall consist of community
21 stakeholders that are selected by the authority and include at



1 least one lineal or cultural descendant with ties to the Waiakea
2 ahupuaa that is selected in consultation with the office of
3 Hawaiian affairs.

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;



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

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

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

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

16 §206E- Additional powers. In addition, and supplemental
17 to the powers granted to the authority by law, the authority may
18 establish a district improvement and maintenance program to
19 establish a mechanism to improve and maintain the district and
20 do all things necessary to effectuate the establishment and
21 operation of the district improvement and maintenance program,



1 including but not limited to determining and assessing a service
2 or regulatory fee in accordance with applicable law. The
3 authority may also adopt rules pursuant to chapter 91 to
4 implement the program.

5 **§206E- Waiakea community development district special**

6 **fund.** (a) There is established in the state treasury the
7 Waiakea community development district special fund into which
8 shall be deposited:

- 9 (1) All revenues, income, and receipts of the authority
10 for the district, notwithstanding any other law to the
11 contrary, including section 206E-16; provided that
12 revenues, income, and receipts derived from leases are
13 paid to the agency that owns or manages the property;
- 14 (2) Moneys directed, allocated, or disbursed to the
15 district from government agencies or private
16 individuals or organizations, including grants, gifts,
17 awards, donations, and moneys collected from the
18 district improvement and maintenance program, for
19 costs to administer and operate the district; and
- 20 (3) Moneys appropriated to the fund by the legislature.



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

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

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

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



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



1 sections 1 through 5 of the third tax map key division); and,
2 for the purposes of part X of this chapter only, two experts on
3 transit-oriented development, to be appointed one each by the
4 president of the senate and the speaker of the house of
5 representatives; and the following ex officio, nonvoting
6 members: the chairpersons of the respective senate and house of
7 representatives standing committees having jurisdiction over
8 transportation, and the chairpersons of the respective senate
9 and house of representatives standing committees having
10 jurisdiction over housing.

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



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

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



1 The president of the senate and the speaker of the house of
2 representatives shall each appoint a member having expertise and
3 experience in urban planning and community development to fill
4 the two positions designated for experts on transit-oriented
5 development.

6 The authority shall be organized and shall exercise
7 jurisdiction as follows:

8 (1) For matters affecting the Heeia community development
9 district, the following members shall be considered in
10 determining quorum and majority and shall be eligible
11 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 and permitting for the
19 county in which the Heeia community development
20 district is located or the director's designee;

21 (E) The cultural specialist;



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



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



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

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

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

7 (E) The director of planning for the county in which
8 the program area is located or the director's
9 designee;

10 (F) The cultural specialist;

11 (G) The two at-large members; and

12 (H) The two experts on transit-oriented development
13 appointed by the president of the senate and the
14 speaker of the house of representatives[-]; and

15 (6) For matters affecting the Waiakea 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 business, economic development,
20 and tourism or the director's designee;



- 1 (B) The director of finance or the director's
- 2 designee;
- 3 (C) The chairperson of the board of land and natural
- 4 resources or the chairperson's designee;
- 5 (D) The director of transportation or the director's
- 6 designee;
- 7 (E) The director of planning for the county in which
- 8 the Waiakea community development district is
- 9 located or the director's designee;
- 10 (F) The chairperson of the Banyan Drive Hawaii
- 11 redevelopment agency, county of Hawaii or the
- 12 chairperson's designee;
- 13 (G) The cultural specialist;
- 14 (H) The two at-large members; and
- 15 (I) The two representatives of the Waiakea community
- 16 development district.

17 ~~[In the event of]~~ If a vacancy~~[,]~~ occurs, a member shall be
18 appointed to fill the vacancy in the same manner as the original
19 appointment within thirty days of the vacancy or within ten days
20 of the senate's rejection of a previous appointment, as
21 applicable.

1 The terms of the director of finance; director of
2 transportation; county directors of planning and permitting;
3 director of business, economic development, and tourism; [~~and~~]
4 chairperson of the board of land and natural resources; or their
5 respective designees; and the chairperson of the Banyan Drive
6 Hawaii redevelopment agency, county of Hawaii or the
7 chairperson's designee, shall run concurrently with each
8 official's term of office. The terms of the appointed voting
9 members shall be for four years, commencing on July 1 and
10 expiring on June 30. The governor shall provide for staggered
11 terms of the initially appointed voting members so that the
12 initial terms of four members selected by lot shall be for two
13 years, the initial terms of four members selected by lot shall
14 be for three years, and the initial terms of the remaining three
15 members shall be for four years. The terms on the authority of
16 the chairpersons of the senate and house of representatives
17 standing committees having jurisdiction over housing and the
18 chairpersons of the senate and house of representatives standing
19 committees having jurisdiction over transportation shall run
20 concurrently with that respective legislator's term as the
21 chairperson of that respective committee.



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

3 Notwithstanding section 92-15, a majority of all eligible
4 voting members as specified in this subsection shall constitute
5 a quorum to do business, and the concurrence of a majority of
6 all eligible voting members as specified in this subsection
7 shall be necessary to make any action of the authority valid.
8 All members shall continue in office until their respective
9 successors have been appointed and qualified. Except as herein
10 provided, no member appointed under this subsection shall be an
11 officer or employee of the State or its political subdivisions.

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

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

20 (1) Adopt rules under chapter 91, Hawaii Revised Statutes,
21 for purposes of this Act; and



1 (2) Prepare an environmental assessment or environmental
2 impact statement under chapter 343, Hawaii Revised
3 Statutes, for any property within the Waiakea
4 community development district.

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

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2026-2027 for
10 deposit into the Waiakea community development district special
11 fund.

12 SECTION 5. There is appropriated out of the Waiakea
13 community development district special fund the sum of
14 \$ or so much thereof as may be necessary for fiscal
15 year 2026-2027 for the establishment of one full-time equivalent
16 (1.0 FTE) position within the Hawaii community development
17 authority.

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

20 SECTION 6. This Act shall be liberally construed in order
21 to accomplish the purposes set forth herein. If any provision



1 of this Act, or the application thereof to any person or
2 circumstance is held invalid, the invalidity does not affect
3 other provisions or applications of the Act that can be given
4 effect without the invalid provision or application, and to this
5 end the provisions of this Act are severable.

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

8 SECTION 8. This Act shall take effect on July 1, 2050.



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 7/1/2050. (SD1)

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