
A BILL FOR AN ACT

RELATING TO THE BANYAN DRIVE-MAKAOKŪ COMMUNITY DEVELOPMENT
DISTRICT.

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

1 SECTION 1. The legislature finds that the Waiakea
2 peninsula, which includes Banyan Drive and was historically
3 known as Makaokū, is an area of significant cultural and
4 historical importance to the island of Hawaii. Its strategic
5 location near Hilo town and the sites of the Merrie Monarch
6 Festival make it a primary center for community activities and
7 tourism that supports the State's cultural identity and economy.
8 However, the legislature finds that the area currently requires
9 focused revitalization to address conditions of blight. Issues
10 such as a lack of adequate cultural stewardship, public safety,
11 the declining health of historic banyan trees, poor lighting,
12 and a substandard pedestrian experience have hindered the area's
13 potential and diminished its value to the community.

14 To address these challenges, the legislature determines
15 that regaining state control over lands within the district in
16 the near term is essential for successful renewal. By



1 establishing a community development district under the
2 jurisdiction of the Hawaii community development authority, the
3 area can be revitalized in a way that fosters cultural
4 enrichment and enables cultural activities, events, and uses to
5 coexist effectively with standalone hotel, commercial, and
6 public uses. This transformation will include the development
7 of cultural and public facilities, including recreational,
8 educational, and entertainment spaces that enhance the
9 experience for residents and visitors.

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

16 Therefore, the purpose of this Act is to:

- 17 (1) Establish the Waiakea community development district;
- 18 and
- 19 (2) Establish a special fund to provide the Hawaii
20 community development authority with the consistent
21 resources necessary to improve and safeguard the



1 cultural, economic, and social value of this vital
2 area.

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

6 **"PART . WAIAKEA COMMUNITY DEVELOPMENT DISTRICT**

7 **§206E- Definitions.** As used in this part:

8 "District" means the Waiakea community development
9 district.

10 "Fund" means the Waiakea community development district
11 special fund.

12 **§206E- District established; boundaries.** The Waiakea
13 community development district is hereby established. The
14 district shall include all lands makai of the following areas,
15 inclusive of the entire width of any rights-of-way forming the
16 boundary:

- 17 (1) The western boundary is the Wailoa river;
- 18 (2) The southern boundary begins at the Wailoa river and
19 follows Kamehameha avenue to its intersection with
20 Kalaniana'ole street and then follows Kalaniana'ole
21 street to Banyan way; and



1 (3) The eastern boundary is Reeds bay.
 2 The district shall also include Moku Ola, also known as Coconut
 3 island on the north.

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

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

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

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

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



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

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

7 (7) The guidance of the community advisory council shall
8 be sought in the redevelopment of the district.

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



1 **§206E- Federal government; financial aid; contracts.**

2 (a) The authority may secure financial aid from the federal
3 government for any planning, design, development, construction,
4 and maintenance work that the authority is authorized to
5 undertake pursuant to this part.

6 (b) Supplemental to the powers granted to the authority
7 under section 206E-4, the authority may also:

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

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

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

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



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

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

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

12 **§206E- District improvement and maintenance program.**

13 Supplemental to the powers granted to the authority under
14 section 206E-4, the authority may establish a district
15 improvement and maintenance program to establish a mechanism to
16 improve and maintain the district and do all things necessary to
17 effectuate the establishment and operation of the district
18 improvement and maintenance program, including but not limited
19 to determining and assessing a service or regulatory fee in
20 accordance with applicable law. The authority may adopt rules
21 pursuant to chapter 91 to implement the program.



1 **§206E- Waiakea community development district special**

2 **fund.** (a) There is established in the state treasury the

3 Waiakea community development district special fund into which

4 shall be deposited:

5 (1) All revenues, income, and receipts of the authority

6 for the district, notwithstanding any other law to the

7 contrary, including section 206E-16; provided that

8 revenues, income, and receipts derived from leases

9 shall be paid to the agency that owns or manages the

10 property;

11 (2) Moneys directed, allocated, or disbursed to the

12 district from government agencies or private

13 individuals or organizations, including grants, gifts,

14 awards, donations, and moneys collected from the

15 district improvement and maintenance program, for

16 costs to administer and operate the district; and

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

18 (b) Moneys in the fund shall be used only for the purposes

19 of this part.

20 (c) Investment earnings credited to the assets of the fund

21 shall become assets of the fund.



1 **§206E- Community advisory council; established.** (a)

2 The authority shall establish a community advisory council for
3 the district.

4 (b) The community advisory council shall provide guidance
5 and ensure effective citizen participation in the redevelopment
6 of the district.

7 (c) The community advisory council shall consist of
8 community stakeholders who are selected by the authority and
9 include at least one lineal or cultural descendant with ties to
10 the Waiakea ahupuaa, who shall be selected with input from the
11 office of Hawaiian affairs."

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

14 "(b) The authority shall consist of the director of
15 finance or the director's designee; the director of
16 transportation or the director's designee; the director of
17 business, economic development, and tourism or the director's
18 designee; the chairperson of the board of land and natural
19 resources; the director of planning or planning and permitting
20 of each county in which a community development district is
21 located or the director's designee; the chairperson of the



1 Banyan Drive Hawaii redevelopment agency of the county of
2 Hawaii, or a designee; a cultural specialist; an at-large member
3 nominated by the president of the senate; an at-large member
4 nominated by the speaker of the house of representatives; two
5 representatives of the Heeia community development district,
6 comprising one resident of that district or the Koolaupoko
7 district, which consists of sections 1 through 9 of zone 4 of
8 the first tax map key division, and one owner of a small
9 business or one officer or director of a nonprofit organization
10 in the Heeia community development district or Koolaupoko
11 district; two representatives of the Kalaeloa community
12 development district, comprising one resident of the Ewa zone
13 (zone 9, sections 1 through 2) or the Waianae zone (zone 8,
14 sections 1 through 9) of the first tax map key division, and one
15 owner of a small business or one officer or director of a
16 nonprofit organization in the Ewa or Waianae zone; two
17 representatives of the Kakaako community development district,
18 comprising one resident of the district and one owner of a small
19 business or one officer or director of a nonprofit organization
20 in the district; two representatives of the Pulehunui community
21 development district, consisting of one resident of the island



1 of Maui, and one owner of a small business or one officer or
2 director of a nonprofit organization on the island of Maui;
3 [~~and,~~] two representatives of the Waiakea community development
4 district, consisting of one resident of the Waiakea ahupuaa
5 (zone 2, section 1, 2, or 4 of the third tax map key division),
6 and one owner of a small business or an officer or director of a
7 nonprofit organization located in the town of Hilo (zone 2,
8 sections 1 through 5 of the third tax map key division); and for
9 the purposes of part X of this chapter only, two experts on
10 transit-oriented development, to be appointed one each by the
11 president of the senate and the speaker of the house of
12 representatives; and the following ex officio, nonvoting
13 members: the chairpersons of the respective senate and house of
14 representatives standing committees having jurisdiction over
15 transportation, and the chairpersons of the respective senate
16 and house of representatives standing committees having
17 jurisdiction over housing.

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



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

17 The president of the senate and the speaker of the house of
18 representatives shall each submit a list of six nominees for
19 each district to the governor to fill the two district
20 representative positions for each community development
21 district. For each community development district, the governor



1 shall appoint one member from a list of nominees submitted by
2 the president of the senate and one member from a list of
3 nominees submitted by the speaker of the house of
4 representatives, and of the two appointees, one shall meet the
5 district residency requirement and one shall meet the district
6 small business owner or nonprofit organization officer or
7 director requirement.

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

13 The authority shall be organized and shall exercise
14 jurisdiction as follows:

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



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



- 1 (E) The cultural specialist;
- 2 (F) The two at-large members; and
- 3 (G) The two representatives of the Kakaako community
- 4 development district;
- 5 (4) For matters affecting the Pulehunui 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 finance or the director's
- 10 designee;
- 11 (B) The director of transportation or the director's
- 12 designee;
- 13 (C) The director of business, economic development,
- 14 and tourism or the director's designee;
- 15 (D) The director of planning for the county in which
- 16 the Pulehunui community development district is
- 17 located or the director's designee;
- 18 (E) The chairperson of the board of land and natural
- 19 resources or the chairperson's designee;
- 20 (F) The cultural specialist;
- 21 (G) The two at-large members; and



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



- 1 (6) For matters affecting the Waiakea 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 business, economic development,
6 and tourism or the director's designee;
- 7 (B) The director of finance or the director's
8 designee;
- 9 (C) The chairperson of the board of land and natural
10 resources or the chairperson's designee;
- 11 (D) The director of transportation or the director's
12 designee;
- 13 (E) The director of planning for the county in which
14 the Waiakea community development district is
15 located or the director's designee;
- 16 (F) The chairperson of the Banyan Drive Hawaii
17 redevelopment agency of the county of Hawaii, or
18 a designee;
- 19 (G) The cultural specialist;
- 20 (H) The two at-large members; and



1 (I) The two representatives of the Waiakea community
2 development district;

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

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



1 for four years. The terms on the authority of the chairpersons
2 of the senate and house of representatives standing committees
3 having jurisdiction over housing and the chairpersons of the
4 senate and house of representatives standing committees having
5 jurisdiction over transportation shall run concurrently with
6 that respective legislator's term as the chairperson of that
7 respective committee.

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

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

19 For purposes of this section, "small business" means a
20 business that is independently owned and that is not dominant in
21 its field of operation."



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$2,000,000 or so much
3 thereof as may be necessary for the fiscal year 2026-2027 for
4 the Hawaii community development authority to implement this Act
5 and to:

- 6 (1) Draft and adopt rules under chapter 91, Hawaii Revised
7 Statutes; and
- 8 (2) Perform an environmental assessment or environmental
9 impact statement under chapter 343, Hawaii Revised
10 Statutes, for any property within the Waiakea
11 community development district.

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

14 SECTION 5. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$250,000 or so much
16 thereof as may be necessary for fiscal year 2026-2027 for
17 deposit into the Waiakea community development district special
18 fund.

19 SECTION 6. There is appropriated out of the Waiakea
20 community development district special fund the sum of \$250,000
21 or so much thereof as may be necessary for fiscal year 2026-2027



1 to be used for the purposes of the Waiakea community development
2 district special fund.

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

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

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

12 SECTION 8. This Act shall be liberally construed in order
13 to accomplish the purposes set forth herein. If any provision
14 of this Act, or the application thereof to any person or
15 circumstance is held invalid, the invalidity does not affect
16 other provisions or applications of the Act that can be given
17 effect without the invalid provision or application, and to this
18 end the provisions of this Act are severable.

19 SECTION 9. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 10. This Act shall take effect on July 1, 3000.



Report Title:

HCDA; Banyan Drive; Waiakea Community Development District; New Special Fund; Powers and Duties; Community Advisory Council; Appropriation

Description:

Establishes the Waiakea Community Development District within the Hawaii Community Development Authority. Establishes the Waiakea Community Development District Special Fund. Specifies the powers and duties of the Authority as it relates to the new development district and amends the composition of the Authority to include representatives of the new development district. Establishes a Community Advisory Council to provide guidance regarding the redevelopment of the Waiakea Community Development District. Appropriates funds. Effective 7/1/3000. (HD1)

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

