

ACT 190

S.B. NO. 2398

A Bill for an Act Relating to the Hawaii Community Development Authority.

*Be It Enacted by the Legislature of the State of Hawaii:*

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

**“PART . PULEHUNUI COMMUNITY DEVELOPMENT DISTRICT**

**§206E- Purposes; findings.** The legislature finds that public lands in Pulehunui, Maui, are underutilized. Redeveloping, renovating, or improving these public lands to provide suitable recreational, residential, educational, industrial, governmental, and commercial areas where the public can live, congregate, recreate, attend schools, and shop as part of a thoughtfully integrated experience is in the best interest of the State.

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

“District” means the Pulehunui community development district.

“Fund” means the Pulehunui community development district special fund.

**§206E- District established; boundaries.** (a) The Pulehunui community development district is hereby established under the authority.

(b) The authority shall serve as the local redevelopment agency for the district.

(c) The district shall comprise the following properties:

- (1) TMK 2-3-8-008-001;
- (2) TMK 2-3-8-008-007;
- (3) TMK 2-3-8-008-037; and
- (4) TMK 2-3-8-008-038.

**§206E- Development policies.** The following development policies shall guide the authority in the district:

- (1) Archaeological, historical, and cultural sites shall be preserved and protected in accordance with chapter 6E;
- (2) Endangered species of flora and fauna shall be preserved to the extent required by law;
- (3) Land use and development activities within the district shall be coordinated with and, to the extent possible, complement existing county and state policies, plans, and programs affecting the district; and
- (4) Public facilities within the district shall be planned, located, and developed to support the development policies established by this section and any rules adopted pursuant to this part.

**§206E- Financial aid from the federal government; contracts with the federal government.** (a) The authority may secure 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.

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

- (1) Borrow moneys or accept grants from the federal government in aid of or for any development project the authority is authorized to undertake pursuant to this part;
- (2) Issue bonds or other evidence of indebtedness and pledge revenues and other assets as security for indebtedness incurred pursuant to this part;
- (3) Repay any indebtedness, including any interest incurred thereon by the authority pursuant to this part;
- (4) Procure insurance or loan guarantees from the federal government for the payment of any debts or parts thereof secured by mortgages made by 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- Pulehunui community development district special fund.** (a) There is established in the state treasury the Pulehunui community development district special fund, into which shall be deposited:

- (1) All revenues, income, and receipts of the authority for the district;
- (2) Moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners 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.

**§206E- Annual comprehensive report.** No later than twenty days prior to the convening of each regular session, the authority shall submit to the legislature an annual comprehensive report on the progress of development within the district.”

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

“(b) The authority shall consist of the director of finance or the director’s designee; the director of transportation or the director’s designee; the director of business, economic development, and tourism or the director’s designee; the chairperson of the board of land and natural resources; the director of planning or planning and permitting of each county in which a community development district is located or the director’s designee; a cultural specialist; [an at-large member;] an at-large member nominated by the [senate] president[;] of the senate; an at-large member nominated by the speaker of the house[; three] of representatives; two representatives of the Heeia community development district, comprising [two residents] one resident of that district or the Koolaupoko district, which consists of sections 1 through 9 of zone 4 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 Heeia community development district or Koolaupoko district[; nominated by the county council of the county in which the Heeia community development district is located; three]; two representatives of the Kalaheo community development district, comprising [two residents] one resident of the 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[; nominated by the county council of the county in which the Kalaheo community development district is located; three]; two representatives of the Kakaako community development district, comprising [two residents] one resident of the district and one owner of a small business or one officer or director of a nonprofit organization in the district[; nominated by the county council of the county in which the Kakaako community development district is located; the director of planning and permitting of each county in which a community development district is located or the director’s designee, who shall serve in an ex officio, nonvoting capacity; and the chairperson of the Hawaiian homes commission or the chairperson’s designee, who shall serve in an ex officio, nonvoting capacity]; 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.

All members except the director of finance, director of transportation, county directors of planning or planning and permitting, [and chairperson of the Hawaiian homes commission or their designees] director of business, economic development, and tourism, chairperson of the board of land and natural resources, or their respective designees shall be appointed by the governor pursuant to section 26-34. The two at-large members nominated by the [senate] president of the senate and speaker of the house [and the nine representatives of the respective community development districts] of representatives shall each be

invited to serve and appointed by the governor from a list of three nominees submitted for each position by the nominating authority specified in this subsection.

The president of the senate and the speaker of the house of representatives shall each submit a list of six nominees for each district to the governor to fill the two district representative positions for each community development district. For each community development district, the governor shall appoint one member from a list of nominees submitted by the president of the senate and one member from a list of nominees submitted by the speaker of the house of representatives, and of the two appointees, one shall meet the district residency requirement and one shall meet the district small business owner or nonprofit organization officer or director requirement.

The authority shall be organized and shall exercise 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;
  - ~~[(C)]~~ (E) The cultural specialist;
  - ~~[(D)]~~ (F) The ~~[three]~~ two at-large members; and
  - ~~[(E)]~~ (G) The ~~[three]~~ two representatives of the Heeia community development district;

~~[provided that the director of planning and permitting of the relevant county or the director's designee shall participate in these matters as an ex officio, nonvoting member and shall not be considered in determining quorum and majority;]~~
- (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:
  - (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 Kalaeloa community development district is located or the director's designee;
  - ~~[(C)]~~ (E) The cultural specialist;
  - ~~[(D)]~~ (F) The ~~[three]~~ two at-large members; and
  - ~~[(E)]~~ (G) The ~~[three]~~ two representatives of the Kalaeloa community development district;

~~[provided that the director of planning and permitting of the relevant county and the chairperson of the Hawaiian homes commission, or their respective designees, shall participate in these matters as ex officio, nonvoting members and shall not be considered in determining quorum and majority;]~~
- (3) For matters affecting the Kakaako 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 Kakaako community development district is located or the director's designee;
  - ~~[(C)]~~ (E) The cultural specialist;
  - ~~[(D)]~~ (F) The ~~[three]~~ two at-large members; and
  - ~~[(E)]~~ (G) The ~~[three]~~ two representatives of the Kakaako community development district;
- ~~[provided that the director of planning and permitting of the relevant county or the director's designee shall participate in these matters as an ex officio, nonvoting member and shall not be considered in determining quorum and majority.] 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.

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

The terms of the director of finance~~[-];~~ director of transportation~~[-];~~ county directors of planning and permitting~~[-; and chairperson of the Hawaiian homes commission];~~ director of business, economic development, and tourism; and chairperson of the board of land and natural resources; or their respective designees shall run concurrently with each official's term of office. The terms of the appointed voting members shall be for four years, commencing on July 1 and expiring on June 30~~[-; provided that the initial terms of all voting members initially appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall commence on March 1, 2015].~~ The governor shall provide for staggered terms of the initially appointed voting members so that the initial terms of four members selected by lot shall be for two years, the initial terms of four members selected by lot shall be for three years, and the initial terms of the remaining ~~[five]~~ three members shall be for four years.

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

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

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and qualified. Except as herein provided, no member appointed under this subsection shall be an officer or employee of the State or its political subdivisions.

For purposes of this section, “small business” means a business ~~[which]~~ that is independently owned and ~~[which]~~ that is not dominant in its field of operation.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 27, 2022.)