

JAN 24 2024

A BILL FOR AN ACT

RELATING TO LAHAINA.

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 . LELE COMMUNITY DISTRICT**

5 **§206E- Purposes; findings.** The legislature finds that
6 the wildfire of August 8, 2023, devastated Lahaina's heritage,
7 economy, and sense of place, and has deeply affected housing,
8 businesses, jobs, and treasured resources. If the area is not
9 rebuilt in a deliberate, coordinated, and expeditious manner,
10 the area may languish in the long term and affect the well-being
11 of the land, the people, and the economy. However, there is an
12 opportunity to rebuild Lahaina by preserving and reintroducing
13 its valued resources in a manner that reflects the values and
14 priorities of its residents and businesses, and addresses future
15 challenges, including climate change and affordable housing.

16 Accordingly, the purpose of this part is to establish the
17 Lele community district to facilitate the rebuilding of Lahaina.



1 **§206E- Definitions.** As used in this part, unless the
2 context otherwise requires:

3 "District" means the Lele community district.

4 "Fund" means the Lele community district special fund.

5 "Wildfire" means the wildfire that affected Lahaina on
6 August 8, 2023.

7 **§206E- District established; boundaries.** The Lele
8 community district is hereby established under the authority.
9 The district shall be comprised of the Lahaina moku, which
10 comprises on 29 ahupua'a, as noted in the west Maui community
11 plan, published by the department of planning of the county of
12 Maui in January 2022.

13 **§206E- Community plan.** The authority shall create and
14 implement, as expeditiously as possible, a community plan for
15 the rebuilding within the district, in coordination with all
16 stakeholders, including the county of Maui, residents,
17 landowners, charitable organizations, and businesses. The
18 authority shall consider all relevant past plans and strategies,
19 and shall be the master coordinator for recovery within the
20 district.



1 **§206E- Acquisition or purchase of land.** The authority
2 may acquire or purchase land within the district for the
3 purposes of this part.

4 **§206E- Lele community district; guidance policies.** The
5 following guidance policies shall generally govern the
6 authority's actions in the district:

7 (1) The authority's actions shall result in a community
8 that:

9 (A) Reflects the values, aspirations and goals of
10 residents;

11 (B) Includes a significant number of affordable
12 homes;

13 (C) Encourages a thriving, sustainable business
14 sector that includes tourism; and

15 (D) Restores community assets, including schools,
16 parks, gathering places, and ocean-based
17 recreation;

18 (2) Rebuilding shall be in accordance with wildfire
19 prevention strategies;

20 (3) The provision of new housing, replacing the
21 approximately three thousand units destroyed in the



1 wildfire, shall be a priority, and include the
2 participation of other government agencies, nonprofit
3 organizations, and builders of housing;

4 (4) The design of all neighborhoods shall include
5 alternative means of mobility, including pathways,
6 bikeways, public transportation, and other strategies
7 that reduce the dependence on private vehicles and
8 provide redundant travel routes;

9 (5) The threat of sea level rise and other climate change
10 impacts shall be addressed through appropriate
11 mitigation strategies, including shoreline setbacks
12 and underground utility placement;

13 (6) Major public view planes, view corridors and
14 preservation of landmarks shall be preserved through
15 necessary regulation and design review;

16 (7) Rebuilding in the district shall be compatible with
17 county plans and zoning, as reflected in any relevant
18 county plan and Lahaina historic district, as amended;

19 (8) Building in residential areas shall cater to the needs
20 of residents, especially those who lost their homes in



1 the fire, in terms of location, type of housing, and
2 cost;

3 (9) Public facilities within the district shall be
4 planned, located, and upgraded to support rebuilding
5 plans and policies for the district as established by
6 this chapter;

7 (10) Restoration of cultural practices, educational assets,
8 and natural resources shall be supported and
9 encouraged;

10 (11) Special management area permit administration for the
11 district shall continue to be under the authority of
12 the county of Maui; and

13 (12) When reconstructing public rights-of-way,
14 consideration may be given to giving public streets
15 names that are in the Hawaiian language and relate to
16 the area's history, geography, and culture.

17 **§206E- Assessment for operating costs.** (a) The
18 authority shall have the power to assess all land users, except
19 the federal government, for their fair share of the costs
20 required to administer and operate the district, which may
21 include costs associated with staffing. Assessments shall be



1 based on each landowner's proportionate share of the total
2 acreage of the district.

3 (b) The assessment shall be set by the authority every six
4 years. The assessments shall be paid to the authority in
5 semiannual payments commencing thirty days after the beginning
6 of the fiscal year.

7 (c) The authority may charge interest or other fees on
8 assessment amounts not paid on a timely basis, and may withhold
9 services or approval of governmental permits for land users
10 delinquent in payments.

11 (d) For the purposes of this section, "land user" includes
12 the owner of land; provided that the landowner may assign the
13 responsibility for payment of assessments to the lessee or
14 licensee of the land.

15 **§206E- Rent control; district representatives.**

16 Notwithstanding any law to the contrary, the nine
17 representatives of the district serving on the authority
18 pursuant to section 206E-3(b) may establish, by resolution,
19 limits on the amount of rent that landlords of properties
20 located within the district may collect from tenants, and
21 related regulations.



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, building, construction, and maintenance work
5 that the authority is authorized to undertake pursuant to this
6 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 building project the
11 authority is authorized to undertake pursuant to this
12 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 by 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, building, construction, and maintenance
12 work that the authority is authorized to undertake pursuant to
13 this part.

14 **§206E- Lele community special fund.** (a) There is
15 established in the state treasury the Lele community special
16 fund, into which shall be deposited:

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

20 (2) Moneys directed, allocated, or disbursed to the
21 district from government agencies or private



1 individuals or organizations, including grants, gifts,
2 awards, donations, and assessments of landowners for
3 costs to administer and operate the district; and

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

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

7 (c) Investment earnings credited to the assets of the fund
8 shall become part of the assets of the fund.

9 **§206E- Annual comprehensive report.** No later than
10 twenty days prior to the convening of each regular session, the
11 authority shall submit to the legislature an annual
12 comprehensive report on the progress of building within the
13 district.

14 **§206E- Rules.** The authority shall adopt rules pursuant
15 to chapter 91 necessary for the purposes of this part."

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

18 "(b) The authority shall consist of the director of
19 finance or the director's designee; the director of
20 transportation or the director's designee; the director of
21 business, economic development, and tourism or the director's



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



1 business or one officer or director of a nonprofit organization
2 in the district; [~~and~~] two representatives of the Pulehunui
3 community development district, consisting of one resident of
4 the island of Maui, and one owner of a small business or one
5 officer or director of a nonprofit organization on the island of
6 Maui[-]; and nine representatives of the Lele community
7 district, consisting of one resident of west Maui, one owner of
8 a small business or one officer or director of a nonprofit
9 organization on the island of Maui, one district-specific
10 cultural specialist who is knowledgeable in the assets and
11 opportunities within the district, and six individuals with
12 residential or business ties to the district.

13 All members except the director of finance, director of
14 transportation, county directors of planning or planning and
15 permitting, director of business, economic development, and
16 tourism, chairperson of the board of land and natural resources,
17 or their respective designees shall be appointed by the governor
18 pursuant to section 26-34. The two at-large members nominated
19 by the president of the senate and speaker of the house of
20 representatives shall each be invited to serve and appointed by
21 the governor from a list of three nominees submitted for each



1 position by the nominating authority specified in this
2 subsection.

3 ~~The~~ For the Heeia, Kalaeloa, Kakaakao, and Pulehunui
4 community development districts, the president of the senate and
5 the speaker of the house of representatives shall each submit a
6 list of six nominees for each district to the governor to fill
7 the two district representative positions for each community
8 development district. For each community development district,
9 the governor shall appoint one member from a list of nominees
10 submitted by the president of the senate and one member from a
11 list of nominees submitted by the speaker of the house of
12 representatives, and of the two appointees, one shall meet the
13 district residency requirement and one shall meet the district
14 small business owner or nonprofit organization officer or
15 director requirement.

16 For the Lele community district, each of the nine
17 representatives of the district shall be nominated and, by and
18 with the advice and consent of the senate, appointed by the
19 governor pursuant to section 26-34.

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



- 1 (1) For matters affecting the Heeia community development
2 district, the following members shall be considered in
3 determining quorum and majority and shall be eligible
4 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 Heeia community development
13 district is located or the director's designee;
- 14 (E) The general cultural specialist;
- 15 (F) The two at-large members; and
- 16 (G) The two representatives of the Heeia community
17 development district;
- 18 (2) For matters affecting the Kalaeloa 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 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 general 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;



- 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 Kakaako community development
- 7 district is located or the director's designee;
- 8 (E) The general cultural specialist;
- 9 (F) The two at-large members; and
- 10 (G) The two representatives of the Kakaako community
- 11 development district; [~~and~~]
- 12 (4) For matters affecting the Pulehunui 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 for the county in which
2 the Pulehunui community development district is
3 located or the director's designee;

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

6 (F) The general cultural specialist;

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

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

10 (5) For matters affecting the Lele community district, the
11 nine representatives of the Lele community district
12 shall be considered in determining quorum and majority
13 and shall be eligible to vote.

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

19 The terms of the director of finance; director of
20 transportation; county directors of planning and permitting;
21 director of business, economic development, and tourism; and



1 chairperson of the board of land and natural resources; or their
2 respective designees shall run concurrently with each official's
3 term of office. The terms of the appointed voting members shall
4 be for four years, commencing on July 1 and expiring on June 30.
5 The governor shall provide for staggered terms of the initially
6 appointed voting members so that the initial terms of four
7 members selected by lot shall be for two years, the initial
8 terms of four members selected by lot shall be for three years,
9 and the initial terms of the remaining three members shall be
10 for four years.

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

13 Notwithstanding section 92-15, a majority of all eligible
14 voting members as specified in this subsection shall constitute
15 a quorum to do business, and the concurrence of a majority of
16 all eligible voting members as specified in this subsection
17 shall be necessary to make any action of the authority valid.

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



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

4 SECTION 3. In accordance with section 9 of article VII, of
5 the Constitution of the State of Hawaii and sections 37-91 and
6 37-93, Hawaii Revised Statutes, the legislature has determined
7 that the appropriations contained in this Act will cause the
8 state general fund expenditure ceiling for fiscal year 2024-2025
9 to be exceeded by \$, or per cent. The reasons
10 for exceeding the general fund expenditure ceiling are that the
11 appropriations made in this Act is necessary to serve the public
12 interest and to meet the needs provided for by this Act.

13 SECTION 4. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$100,000,000 or so
15 much thereof as may be necessary for fiscal year 2024-2025 to be
16 deposited into the Lele community special fund; provided that no
17 funds shall be made available under this Act unless the Hawaii
18 community development authority obtains \$100,000,000 in matching
19 funds from the private sector for the purpose for which this sum
20 is appropriated.



1 SECTION 5. There is appropriated out of the Lele community
 2 special fund the sum of \$100,000,000 or so much thereof as may
 3 be necessary for fiscal year 2024-2025 for the purposes of the
 4 Lele community district.

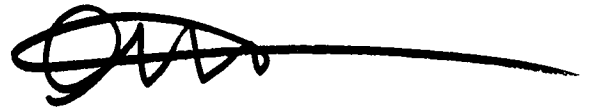
5 The sum appropriated shall be expended by the Hawaii
 6 community development authority for the purposes of this Act.

7 SECTION 6. This Act does not affect rights and duties that
 8 matured, penalties that were incurred, and proceedings that were
 9 begun before its effective date.

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

12 SECTION 8. This Act shall take effect on July 1, 2024.

13



INTRODUCED BY: _____



S.B. NO. 3381

Report Title:

HCDA; Lahaina; Lele Community District; Appropriations; General Fund Expenditure Ceiling Exceeded

Description:

Establishes the Lele community district to facilitate rebuilding in Lahaina. Establishes the Lele community special fund. Amends the Hawaii Community Development Authority membership to include the members representing the new district. Appropriates moneys. Declares that the appropriations exceed the state general fund expenditure ceiling for fiscal year 2024-2025.

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

