

STAND. COM. REP. NO. 2684

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3381  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committees on Energy, Economic Development, and Tourism and Water and Land, to which was referred S.B. No. 3381 entitled:

"A BILL FOR AN ACT RELATING TO LAHAINA,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Lele Community District to facilitate rebuilding in Lahaina;
- (2) Establish the Lele Community Special Fund;
- (3) Amend the Hawaii Community Development Authority membership to include the members representing the new district; and
- (4) Make an appropriation into the Lele Community Special Fund for the purpose of the Lele Community District.

Prior to the hearing on this measure, your Committees posted and made available for public view a proposed S.D. 1, which amends this measure by:

- (1) Establishing state lands within the boundaries of the Lele Community District;



- (2) Establishing the Lele Community District Board, specifying its powers and the election procedures for its members;
- (3) Clarifying the relationship between the Board and the Hawaii Community Development Authority; and
- (4) Making various appropriations to effectuate the measure.

Your Committees received testimony in support of the proposed S.D. 1 from the Hawai'i Community Development Authority; Department of Business, Economic Development, and Tourism; one member of the Honolulu City Council; Ho'omana Pono, LLC; and five individuals.

Your Committees received testimony in opposition to the proposed S.D. 1 from six individuals.

Your Committees received comments on the proposed S.D. 1 from the Office of the Governor; Office of Elections; Department of Budget and Finance; Maui County Office of the Mayor; one member from the Maui County Council; Historic Hawai'i Foundation; Lahaina Strong; Maui Chamber of Commerce; and one individual.

Your Committees find that the August 2023 Maui wildfires devastated Lahaina's heritage, economy, and sense of place, and has deeply affected housing, businesses, jobs, and treasured resources. Your Committees further find that if Lahaina is not rebuilt in a deliberate, coordinated, and expeditious manner, the area may languish in the long term and affect the well-being of the land, the people, and the economy. This measure provides an opportunity to rebuild Lahaina by preserving and reintroducing its valued resources in a manner that reflects the values and priorities of its residents and businesses, and addresses future challenges, including climate change and affordable housing.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Inserting language to require that the first election of the Lele Community District Board take place on January 31, 2025;



- (2) Inserting an appropriation of \$250,000 for the Office of Elections to conduct the special Lele election in January 2025;
- (3) Inserting language clarifying that the assessment for operating costs shall not constitute a tax on real property;
- (4) Inserting language requiring that the assessments for operating costs shall be deposited into the Lele Community Special Fund;
- (5) Clarifying that the transfer of state-owned lands within the Lele Community District shall be determined by the Lele Community District Board;
- (6) Authorizing, rather than requiring, the Lele Community District Board to adopt rules;
- (7) Deleting language that would have required the initial members of the Lele Community District Board to be appointed by the Governor, subject to the advice and consent of the Senate;
- (8) Clarifying that there shall be nine members on the Lele Community District Board; and
- (9) Inserting an effective date of January 1, 2060, to encourage further discussion.

Your Committees note the Hawaii Community Development Authority's request that from the date of approval of this measure until the Lele Community District Board is elected, the Hawaii Community Development Authority should be allowed staff to carryout preliminary work, including finding office space, hiring and retention of staff, and engaging with community members. Your Committees further notes that the initial assessments of the Lele Community District by the Lele Community District Board prioritize landowners with large areas of land affected, as these residents are especially concerned about recovery of their losses. Your Committees additionally note the possible establishment of advisory groups to the Lele Community District Board that would include general cultural specialists, owners of Maui's small

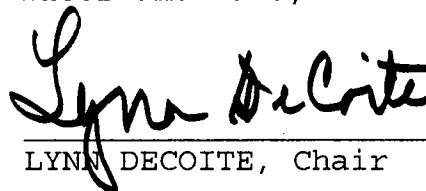


businesses, Maui's nonprofit organizations, and individual residents with business ties. Having this advisory group assist and guide the Lele Community District Board in their development plans may provide affected Lahaina residents with comfort in knowing that the coordinated recovery plans are being developed by those who have strong ties to the Lahaina community. Accordingly, your Committees find that these issues merit further discussion and respectfully request that subsequent committees who choose to deliberate on this measure consider these comments.

As affirmed by the records of votes of the members of your Committees on Energy, Economic Development, and Tourism and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3381, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3381, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy, Economic  
Development, and Tourism and  
Water and Land,

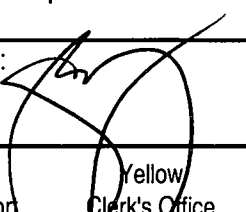
  
LORRAINE R. INOUE, Chair

  
LYNN DECOITE, Chair



The Senate  
Thirty-Second Legislature  
State of Hawai'i

Record of Votes  
Committee on Energy, Economic Development, and Tourism  
EET

Bill / Resolution No.:* <b>SB 3381</b>	Committee Referral: <b>EET/WTL, WAM</b>	Date: <b>2-15-24</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>∅</b>	<b>∅</b>	<b>∅</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:    Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:*	Committee Referral:	Date:
SB3381	EET/WTL, WAM	02/15/24

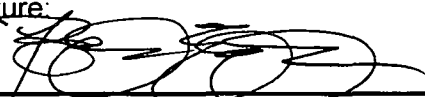
The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312      Pass, with amendments 2311      Hold 2310      Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5	0	0	0

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature: 

Distribution:     Original     Yellow     Pink     Goldenrod  
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