
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

1 PART I

2 SECTION 1. The legislature finds that quorum of the Hawaii
3 community development authority is difficult to achieve. Due to
4 the size and restrictions of the membership, often times
5 decisions are unable to be made in a timely manner. In order to
6 allow for the benefit of representation of all stakeholders, the
7 composition of the membership of the authority should be
8 amended.

9 The purpose of this part is to change the composition of
10 the Hawaii community development authority board to nine voting
11 members for each community development district and allow for
12 certain members to designate a voting representative if they are
13 unable to attend a meeting.

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

16 "(b) The authority shall consist of [~~thirteen~~] nine voting
17 members[-] for each community development district established
18 in this chapter. The director of finance, the director of



1 business, economic development, and tourism, the comptroller,
2 and the director of transportation, or their respective
3 designated representatives, shall serve as ex officio, voting
4 members [~~.—One member shall be appointed by the governor from a~~
5 ~~list of not less than three prospective appointees submitted by~~
6 ~~the president of the senate, and one member shall be appointed~~
7 ~~by the governor from a list of not less than three prospective~~
8 ~~appointees submitted by the speaker of the house of~~
9 ~~representatives. Seven members shall be appointed by the~~
10 ~~governor for staggered terms pursuant to section 26-34; provided~~
11 ~~that four members shall be appointed at large and, initially,~~
12 ~~three] of the authority; provided that, in addition:~~

13 (1) A cultural expert shall be appointed by the governor
14 pursuant to section 26-34 as a voting member;

15 (2) One member shall be appointed by the governor pursuant
16 to section 26-34 as a voting member; provided further
17 that this paragraph shall not apply to the Kalaeloa
18 community development district; and

19 (3) The chairperson of the Hawaiian homes commission or
20 the chairperson's designee, shall serve as an ex
21 officio, voting member for the Kalaeloa community
22 development district only, shall be considered in



1 determining quorum and majority only on issues
2 relating to the Kalaeloa community development
3 district, and shall vote only on issues relating to
4 the Kalaeloa community development district.

5 Three additional members, hereinafter referred to as county
6 members, shall be selected by the governor from a list of ten
7 prospective appointees recommended by the local governing body
8 of the county in which [~~the initial~~] each designated district is
9 situated; [~~and~~] provided [~~further~~] that when vacancies occur in
10 any of the three positions for which the members were selected
11 from a list of county recommendations, the governor shall fill
12 such vacancies on the basis of one from a list of four
13 recommendations, two from a list of seven recommendations, or
14 three from a list of ten recommendations. The list of
15 recommendations shall be made by the local governing body of the
16 county. Of the [~~nine~~] three members appointed [~~either by the~~
17 ~~governor from the lists provided by the president of the senate~~
18 ~~and speaker of the house, at large by the governor, as a~~
19 ~~cultural expert or~~] as county members recommended by the local
20 governing body of the county in which [~~the initial~~] each
21 designated district is situated, [~~at least~~] two members shall
22 represent small businesses and shall be designated as the small



1 business representatives on the board whose purpose, among other
2 things, is to vote on matters before the board that affect small
3 businesses. The small business representatives shall be owners
4 or active managers of a small business with its principal place
5 of operation located within the physical boundaries of [~~the~~
6 ~~initial~~] each designated district. Notwithstanding section 84-
7 14(a), the small business representatives [~~shall not be~~
8 ~~prohibited from voting~~] may vote on any matter concerning any
9 district under the board's jurisdiction[+] other than matters
10 concerning the Heeia community development district; provided
11 that the matter is not limited to solely benefiting the specific
12 interest of that member and the matter concerns broader
13 interests within the district. One of the county members shall
14 be a resident of the designated district; provided that for
15 purposes of this section, the county member who is a resident of
16 the Kalaeloa community development district shall be a resident
17 of the Ewa zone (zone 9, sections 1 through 2), or the Waianae
18 zone (zone 8, sections 1 through 9) of the first tax map key
19 division. The county members shall be considered in determining
20 quorum and majority only on issues not relating to the Heeia
21 community development district and may only vote on issues not
22 related to the Heeia community development district.



1 Three additional voting members shall be appointed to the
2 authority by the governor pursuant to section 26-34 to represent
3 the Heeia community development district. These three members
4 shall be considered in determining quorum and majority only on
5 issues relating to the Heeia community development district and
6 may vote only on issues related to the Heeia community
7 development district. The three members shall be residents of
8 the Heeia community development district or the Koolaupoko
9 district which consists of sections 1 through 9 of zone 4 of the
10 first tax map key division.

11 If an additional district is designated by the legislature,
12 [~~the total membership of the authority shall be increased~~] the
13 governor shall appoint three county members as prescribed above
14 [~~by the appointment of three additional members, except as~~
15 ~~provided for in section 206E-191.~~] for each additional
16 designated district.

17 Notwithstanding section 92-15, a majority of all members
18 shall constitute a quorum to do business, and the concurrence of
19 a majority of all members shall be necessary to make any action
20 of the authority valid; except [~~that, on any matter relating~~
21 ~~solely to a specific community development district, the members~~
22 ~~representing districts other than that specific community~~



1 ~~development district shall neither vote, nor shall they be~~
2 ~~counted to constitute a quorum, and concurrence shall be~~
3 ~~required of a majority of that portion of the authority made up~~
4 ~~of all ex officio voting members, members at large, and county~~
5 ~~and district members representing the district for which action~~
6 ~~is being proposed for such action to be valid.] as provided in~~
7 this subsection. All members shall continue in office until
8 their respective successors have been appointed and qualified.
9 Except as herein provided, no member appointed under this
10 subsection shall be an officer or employee of the State or its
11 political subdivisions.

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

15 SECTION 3. Section 206E-191, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[+]§206E-191[+] **Barbers Point Naval Air Station**
18 **redevelopment; power to redevelop established.** (a) The Hawaii
19 community development authority shall be the designated agency
20 of the State to implement this part.

21 (b) The authority shall act as the local redevelopment
22 authority to facilitate the redevelopment of Barbers Point Naval



1 Air Station in accordance with the Barbers Point Naval Air
2 Station community reuse plan. In addition to any other duties
3 that the authority may have pursuant to this chapter, the
4 authority's duties shall include but not be limited to:

- 5 (1) Coordinating with the Navy and other entities during
6 the conveyance of properties and conducting
7 remediation activities for the Barbers Point Naval Air
8 Station community reuse plan;
- 9 (2) Assisting landholders designated by the plan to market
10 their properties and process conveyance requests;
- 11 (3) Working with the Navy and others to ensure that
12 infrastructure support is provided to the existing
13 developed area, referred to as the "downtown area",
14 and other federally retained areas;
- 15 (4) Developing the infrastructure necessary to support the
16 implementation of the Barbers Point Naval Air Station
17 community reuse plan; and
- 18 (5) Providing, to the extent feasible, maximum opportunity
19 for the reuse of surplus property by private
20 enterprise or state and county government.

21 ~~[(e) Five additional voting members shall, except as~~
22 ~~otherwise provided in this subsection, be appointed to the~~



1 ~~authority by the governor to represent the Kalaeloa community~~
2 ~~development district. These members shall be considered in~~
3 ~~determining quorum and majority only on issues relating to the~~
4 ~~Kalaeloa community development district, and may vote only on~~
5 ~~issues relating to the Kalaeloa community development district.~~
6 ~~These members shall consist of:~~

- 7 ~~(1) The chairperson of the Hawaiian homes commission;~~
8 ~~(2) The director of the city and county of Honolulu~~
9 ~~department of planning and permitting;~~
10 ~~(3) Two members representing the surrounding community for~~
11 ~~a term pursuant to section 26-34, one of which shall~~
12 ~~be selected by the mayor of the city and county of~~
13 ~~Honolulu; and~~
14 ~~(4) One member who is a Hawaiian cultural specialist.] "~~

15 SECTION 4. Section 206E-202, Hawaii Revised Statutes, is
16 amended to read as follows:

17 " ~~[+]§206E-202[+]~~ **District established; boundaries.** (a)
18 The Heeia community development district is hereby established.
19 The district shall include that area within the boundaries
20 described as follows: the southern boundary begins at the
21 southern property line of tax map key number (1) 4-6-16:001 and
22 runs west to Kahekili highway and east to Kamehameha highway.



1 The northern boundary begins at the northern property line of
2 tax map key number (1) 4-6-16:001 and runs west to Kahekili
3 highway and east to Kamehameha highway. The tax map key numbers
4 are (1) 4-6-16:001 and (1) 4-6-16:002 (owned by the authority),
5 and (1) 4-6-16:004, :011, :012, and :017 (owned by various
6 owners of kuleana parcels).

7 (b) The authority shall serve as the local redevelopment
8 authority of the district to facilitate culturally appropriate
9 agriculture, education, and natural-resource restoration and
10 management of the Heeia wetlands, in alignment with the Honolulu
11 board of water supply's most current "Koolau Poko Watershed
12 Management Plan" and the city and county of Honolulu's most
13 current "Koolaupoko Sustainable Communities Plan". In addition
14 to any other of its duties under this chapter, the authority
15 shall:

- 16 (1) Consult with the following persons and entities:
- 17 (A) Recorded landowners in the district;
 - 18 (B) Recorded landowners in section 6 of zone 4 of the
19 first tax map key division;
 - 20 (C) Koolaupoko Hawaiian Civic Club;
 - 21 (D) Kailua neighborhood board;
 - 22 (E) Kahaluu neighborhood board; and



- 1 (F) Kaneohe neighborhood board,
2 to implement activities related to and supportive of
3 cultural practices, agriculture, education, and
4 natural-resource restoration and management;
- 5 (2) Assist land users to manage their properties and
6 implement activities related to and supportive of
7 cultural practices, agriculture, education, and
8 natural-resource restoration and management;
- 9 (3) Work with federal, state, county, and other agencies
10 to ensure that infrastructural support is provided for
11 the district;
- 12 (4) Develop the infrastructure necessary to support the
13 implementation of the Heeia community development
14 district master plan; and
- 15 (5) Provide, to the extent feasible, maximum opportunity
16 for the restoration and implementation of sustainable,
17 culturally appropriate, biologically responsible, or
18 agriculturally beneficial enterprises.
- 19 ~~[(c) Three additional voting members shall, except as~~
20 ~~otherwise provided in this subsection, be appointed to the~~
21 ~~authority by the governor pursuant to section 26-34 to represent~~
22 ~~the district. These three members shall be considered in~~



1 ~~determining quorum and majority only on issues relating to the~~
2 ~~district and may vote only on issues related to the district.~~
3 ~~The three members shall be residents of the district or the~~
4 ~~Koolaupoko district which consists of sections 1 through 9 of~~
5 ~~zone 4 of the first tax map key division.] "~~

6 SECTION 5. To ensure that the authority for each community
7 development district established under chapter 206E, Hawaii
8 Revised Statutes, will have the requisite number of members to
9 achieve quorum to convene a meeting and conduct business, the
10 three county members serving on the Hawaii community development
11 authority on the day before the effective date of this Act shall
12 serve as the initial county members for each designated district
13 notwithstanding any failure to qualify as a small business
14 representative or resident of the district, as applicable, and
15 shall continue to serve as members for each designated district
16 until their respective terms expire or their respective
17 successors are appointed, whichever occurs sooner.

18 PART II

19 SECTION 6. Pursuant to chapter 206E, Hawaii Revised
20 Statutes, the Hawaii community development authority is tasked
21 with the redevelopment responsibilities for legislatively
22 created community development districts. The legislature has



1 designated three community development districts: Kakaako,
2 Kalaeloa, and Heeia.

3 Currently, section 206E-14, Hawaii Revised Statutes, allows
4 the authority to sell or lease for a term not exceeding sixty-
5 five years, all or any portion of its real or personal property
6 constituting a redevelopment project if the authority finds that
7 the sale or lease is in conformity with the community
8 development plan. As defined in section 206E-2, Hawaii Revised
9 Statutes, a redevelopment project may only be incidental in its
10 commercial nature. The legislature finds that this limitation
11 adversely impacts the authority's ability to attract long-term
12 investors and tenants who seek to develop or redevelop primarily
13 commercial projects within the Kakaako community development
14 district. This conflicts with the authority's commitment to
15 implement longer lasting change in the Kakaako community
16 development district.

17 In addition, although section 206E-14, Hawaii Revised
18 Statutes, provides that a sale may be made without recourse to
19 public auction, the section is silent as to whether a lease may
20 be made without recourse to public notice for sealed bids.

21 The purpose of this part is to provide greater flexibility
22 to the authority in implementing its master plan for the Kakaako



1 community development district by allowing the authority to
2 lease:

3 (1) For a term not exceeding sixty-five years, property
4 constituting a project (as opposed to selling the
5 project, or leasing or selling a redevelopment
6 project); and

7 (2) A project without recourse to public notice for sealed
8 bids;

9 in the Kakaako community development district.

10 The legislature further finds, that safeguards remain in
11 place because all long-term leases require prior approval by the
12 authority at a publicly noticed meeting and after opportunity
13 for public comment.

14 SECTION 7. Chapter 206E, Hawaii Revised Statutes, is
15 amended by adding a new section to part II to be appropriately
16 designated and to read as follows:

17 "§206E- Lease of projects. (a) Notwithstanding any law
18 to the contrary, including 206E-14, except as prohibited by
19 section 206E-31.5, the authority may, without recourse to public
20 auction or public notice for sealed bids, lease for a term not
21 exceeding sixty-five years all or any portion of the real or
22 personal property constituting a project to any person, upon



1 such terms and conditions as may be approved by the authority,
2 if the authority finds that the lease is in conformity with the
3 community development plan.

4 (b) In the case of any sale of the leasehold interest in
5 the project, the terms of the sale shall provide for the
6 repurchase of the leasehold property by the authority at its
7 option, in the event that the purchaser, if other than a state
8 agency, desires to sell the property within ten years; provided
9 that this requirement may be waived by the authority if the
10 authority determines that a waiver will not be contrary to the
11 community development plan. The authority shall establish at
12 the time of original sale a formula setting forth a basis for a
13 repurchase price based on market considerations including but
14 not limited to interest rates, land values, construction costs,
15 and federal tax laws.

16 If the purchaser in a residential project is a state
17 agency, the authority may include as a term of the sale a
18 provision for the repurchase of the property in conformance with
19 this section."

20 PART III

21 SECTION 8. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect upon its approval.



Report Title:

Hawaii Community Development Authority; Projects

Description:

Amends the composition of the Hawaii Community Development Authority (HCDA) board to include nine voting members for each established district. Extends the HCDA's authority to lease all or a portion of the real or personal property constituting a project in the Kakaako Community Development District without public notice for sealed bids. Prohibits certain members of the HCDA from voting on matters concerning the Heeia Community Development District (HCDD). Permits county members on HCDA to vote on and be considered for quorum, except for issues relating to the HCDD. Requires the governor to appoint three additional voting members to the HCDA to represent the HCDD. (CD1)

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

