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## A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

1           SECTION 1. Section 206E-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           " (b) The authority shall consist of nine voting members  
4 ~~[for each community development district established in this~~  
5 ~~chapter. The director of finance, the director of business,~~  
6 ~~economic development, and tourism, the comptroller, and the~~  
7 ~~director of transportation, or their respective designated~~  
8 ~~representatives, shall serve as ex officio, voting members of~~  
9 ~~the authority; provided that, in addition:~~

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

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

16           ~~(3) The chairperson of the Hawaiian homes commission or~~  
17           ~~the chairperson's designee, shall serve as an ex~~  
18           ~~officio, voting member for the Kalaeloa community~~



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

6           ~~Three additional members, hereinafter referred to as county~~  
7           ~~members, shall be selected by the governor from a list of ten~~  
8           ~~prospective appointees recommended by the local governing body~~  
9           ~~of the county in which each designated district is situated,~~  
10          ~~provided that when vacancies occur in any of the three positions~~  
11          ~~for which the members were selected from a list of county~~  
12          ~~recommendations, the governor shall fill such vacancies on the~~  
13          ~~basis of one from a list of four recommendations, two from a~~  
14          ~~list of seven recommendations, or three from a list of ten~~  
15          ~~recommendations. The list of recommendations shall be made by~~  
16          ~~the local governing body of the county. Of the three members~~  
17          ~~appointed as county members recommended by the local governing~~  
18          ~~body of the county in which each designated district is~~  
19          ~~situated, two members shall represent small businesses and shall~~  
20          ~~be designated as the small business representatives on the board~~  
21          ~~whose purpose, among other things, is to vote on matters before~~  
22          ~~the board that affect small businesses. The small business~~



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

20 ~~Three additional voting members shall be appointed to the~~  
21 ~~authority by the governor pursuant to section 26-34 to represent~~  
22 ~~the Heeia community development district. These three members~~



1 ~~shall be considered in determining quorum and majority only on~~  
2 ~~issues relating to the Heeia community development district and~~  
3 ~~may vote only on issues related to the Heeia community~~  
4 ~~development district. The three members shall be residents of~~  
5 ~~the Heeia community development district or the Koolaupeke~~  
6 ~~district which consists of sections 1 through 9 of zone 4 of the~~  
7 ~~first tax map key division.~~

8 ~~If an additional district is designated by the legislature,~~  
9 ~~the governor shall appoint three county members as prescribed~~  
10 ~~above for each additional designated district.] to be appointed~~  
11 ~~by the governor, by and with the advice and consent of the~~  
12 ~~senate; provided that one member each shall be appointed by the~~  
13 ~~governor from a list of three nominees submitted by each of the~~  
14 ~~following:~~

- 15 (1) The president of the senate;  
16 (2) The speaker of the house of representatives;  
17 (3) The minority leader of the senate;  
18 (4) The minority leader of the house of representatives;  
19 (5) The chief justice of the Hawaii supreme court;  
20 (6) The board of trustees of the office of Hawaiian  
21 affairs; and  
22 (7) The president of the University of Hawaii.



1 In the event of a vacancy, the governor shall appoint a member  
2 to fill the vacancy within thirty days of the vacancy or within  
3 thirty days of the submission of the list of nominees to the  
4 governor, as applicable.

5 If the governor fails to make any appointment within the  
6 thirty-day period specified in this subsection or within ten  
7 days of the senate's rejection of any previous appointment, the  
8 appointment shall be made by the applicable appointing authority  
9 from the list with the consent of the senate. The same  
10 appointment and consent procedure shall be followed until a  
11 valid appointment has been made.

12 The terms of the members shall be for four years,  
13 commencing on July 1 and expiring on June 30; provided that the  
14 governor may reduce the terms of those initially appointed so as  
15 to provide, as nearly as can be, for the expiration of an equal  
16 number of terms at intervals of one year. The governor may  
17 remove or suspend for cause any member after due notice and  
18 public hearing.

19 In addition to the members specified in this subsection,  
20 the mayor or other designee of the governing body of each of the  
21 counties may serve as an ex officio, nonvoting member of the



1 authority at the discretion of the governing bodies of the  
2 respective counties.

3       Notwithstanding section 92-15, a two-thirds' majority of  
4 all members shall constitute a quorum to do business, and the  
5 concurrence of a majority of all members shall be necessary to  
6 make any action of the authority valid; except 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 a~~  
13 ~~business which is independently owned and which is not dominant~~  
14 ~~in its field of operation.]"~~

15       SECTION 2. Section 206E-4, Hawaii Revised Statutes, is  
16 amended to read as follows:

17       "**§206E-4 Powers; generally.** Except as otherwise limited  
18 by this chapter, the authority may:

- 19       (1) Sue and be sued;
- 20       (2) Have a seal and alter the same at pleasure;



- 1           (3) Make and execute contracts and all other instruments  
2           necessary or convenient for the exercise of its powers  
3           and functions under this chapter;
- 4           (4) Make and alter bylaws for its organization and  
5           internal management;
- 6           (5) Make rules with respect to its projects, operations,  
7           properties, and facilities, which rules shall be in  
8           conformance with chapter 91[+] and shall be subject to  
9           prior approval by the legislature by concurrent  
10          resolution adopted by each house by at least a two-  
11          thirds majority vote of the members to which that  
12          house is entitled;
- 13          (6) Through its executive director appoint officers,  
14          agents, and employees, prescribe their duties and  
15          qualifications, and fix their salaries, without regard  
16          to chapter 76;
- 17          (7) Prepare or cause to be prepared a community  
18          development plan for all designated community  
19          development districts;
- 20          (8) Acquire, reacquire, or contract to acquire or  
21          reacquire by grant or purchase real, personal, or  
22          mixed property or any interest therein; to own, hold,



1 clear, improve, and rehabilitate, and to sell, assign,  
2 exchange, transfer, convey, lease, or otherwise  
3 dispose of or encumber the same[+], subject to prior  
4 approval by the legislature by concurrent resolution  
5 adopted by each house by at least a two-thirds  
6 majority vote of the members to which that house is  
7 entitled;

8 (9) Acquire or reacquire by condemnation real, personal,  
9 or mixed property or any interest therein for public  
10 facilities, including but not limited to streets,  
11 sidewalks, parks, schools, and other public  
12 improvements;

13 (10) By itself, or in partnership with qualified persons,  
14 acquire, reacquire, construct, reconstruct,  
15 rehabilitate, improve, alter, or repair or provide for  
16 the construction, reconstruction, improvement,  
17 alteration, or repair of any project; own, hold, sell,  
18 assign, transfer, convey, exchange, lease, or  
19 otherwise dispose of or encumber any project, and in  
20 the case of the sale of any project, accept a purchase  
21 money mortgage in connection therewith; and repurchase  
22 or otherwise acquire any project that the authority





1 has theretofore sold or otherwise conveyed,  
2 transferred, or disposed of[+], subject to prior  
3 approval by the legislature by concurrent resolution  
4 adopted by each house by at least a two-thirds  
5 majority vote of the members to which that house is  
6 entitled;

7 (11) Arrange or contract for the planning, replanning,  
8 opening, grading, or closing of streets, roads,  
9 roadways, alleys, or other places, or for the  
10 furnishing of facilities or for the acquisition of  
11 property or property rights or for the furnishing of  
12 property or services in connection with a project;

13 (12) Grant options to purchase any project or to renew any  
14 lease entered into by it in connection with any of its  
15 projects, on terms and conditions as it deems  
16 advisable;

17 (13) Prepare or cause to be prepared plans, specifications,  
18 designs, and estimates of costs for the construction,  
19 reconstruction, rehabilitation, improvement,  
20 alteration, or repair of any project, and from time to  
21 time to modify the plans, specifications, designs, or  
22 estimates;



- 1 (14) Provide advisory, consultative, training, and  
2 educational services, technical assistance, and advice  
3 to any person, partnership, or corporation, either  
4 public or private, to carry out the purposes of this  
5 chapter, and engage the services of consultants on a  
6 contractual basis for rendering professional and  
7 technical assistance and advice;
- 8 (15) Procure insurance against any loss in connection with  
9 its property and other assets and operations in  
10 amounts and from insurers as it deems desirable; and
- 11 (16) Contract for and accept gifts or grants in any form  
12 from any public agency or from any other source[+]
- 13 [~~(17) Do any and all things necessary to carry out its~~  
14 ~~purposes and exercise the powers given and granted in~~  
15 ~~this chapter, and~~
- 16 ~~(18) Allow satisfaction of any affordable housing~~  
17 ~~requirements imposed by the authority upon any~~  
18 ~~proposed development project through the construction~~  
19 ~~of reserved housing, as defined in section 206E-101,~~  
20 ~~by a person on land located outside the geographic~~  
21 ~~boundaries of the authority's jurisdiction, provided~~  
22 ~~that the authority shall not permit any person to make~~



1 ~~cash payments in lieu of providing reserved housing,~~  
2 ~~except to account for any fractional unit that results~~  
3 ~~after calculating the percentage requirement against~~  
4 ~~residential floor space or total number of units~~  
5 ~~developed. The substituted housing shall be located~~  
6 ~~on the same island as the development project and~~  
7 ~~shall be substantially equal in value to the required~~  
8 ~~reserved housing units that were to be developed on~~  
9 ~~site. The authority shall establish the following~~  
10 ~~priority in the development of reserved housing:~~

- 11 ~~(A) Within the community development district,~~  
12 ~~(B) Within areas immediately surrounding the~~  
13 ~~community development district,~~  
14 ~~(C) Areas within the central urban core,~~  
15 ~~(D) In outlying areas within the same island as the~~  
16 ~~development project.~~

17 ~~The Hawaii community development authority shall~~  
18 ~~adopt rules relating to the approval of reserved~~  
19 ~~housing that are developed outside of a community~~  
20 ~~development district. The rules shall include, but~~  
21 ~~are not limited to, the establishment of guidelines to~~  
22 ~~ensure compliance with the above priorities]."~~



1 SECTION 3. Section 206E-8, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+]§206E-8[+]~~ **Use of public lands; acquisition of state**  
4 **lands.** (a) Any provision of chapter 171 to the contrary  
5 notwithstanding, the governor may set aside public lands located  
6 within community development districts to the authority for its  
7 use~~[-]~~, subject to prior approval by the legislature by  
8 concurrent resolution adopted by each house by at least a two-  
9 thirds majority vote of the members to which that house is  
10 entitled.

11 (b) If state lands under the control and management of  
12 other public agencies are required by the authority for its  
13 purposes, the agency having the control and management of those  
14 required lands shall, upon request by the authority and with the  
15 approval of the governor, convey~~[-]~~ or lease such lands to the  
16 authority upon such terms and conditions as may be agreed to by  
17 the parties~~[-]~~, subject to prior approval by the legislature by  
18 concurrent resolution adopted by each house by at least a two-  
19 thirds majority vote of the members to which that house is  
20 entitled.

21 (c) Notwithstanding the foregoing, no public lands shall  
22 be set aside, conveyed, or leased to the authority as above



1 provided if such setting aside, conveyance, or lease would  
2 impair any covenant between the State or any county or any  
3 department or board thereof and the holders of bonds issued by  
4 the State or such county, department, or board."

5 SECTION 4. Section 206E-14, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 **"§206E-14 Sale or lease of redevelopment projects. (a)**

8 The authority may, without recourse to public auction, sell, or  
9 lease for a term not exceeding sixty-five years, all or any  
10 portion of the real or personal property constituting a  
11 redevelopment project to any person, upon such terms and  
12 conditions as may be approved by the authority, if the authority  
13 finds that the sale or lease is in conformity with the community  
14 development plan[-], subject to prior approval by the  
15 legislature by concurrent resolution adopted by each house by at  
16 least a two-thirds majority vote of the members to which that  
17 house is entitled.

18 (b) In the case of residential projects or redevelopment  
19 projects, the terms of the sale shall provide for the repurchase  
20 of the property by the authority at its option, in the event  
21 that the purchaser, if other than a state agency, desires to  
22 sell the property within ten years[, ~~provided that this~~



1 ~~requirement may be waived by the authority if the authority~~  
 2 ~~determines that a waiver will not be contrary to the community~~  
 3 ~~development plan]. The authority shall establish at the time of~~  
 4 original sale a formula setting forth a basis for a repurchase  
 5 price based on market considerations including but not being  
 6 limited to interest rates, land values, construction costs, and  
 7 federal tax laws.

8 If the purchaser in a residential project is a state  
 9 agency, the authority may include as a term of the sale a  
 10 provision for the repurchase of the property in conformance with  
 11 this section."

12 SECTION 5. Section 206E-16.5, Hawaii Revised Statutes, is  
 13 amended to read as follows:

14 "~~[§]206E-16.5[§]~~ **Expenditures of revolving funds under**  
 15 **the authority not exempt from appropriation and allotment.**  
 16 ~~[Except as to administrative expenditures, and except as~~  
 17 ~~otherwise provided by law, expenditures]~~ Expenditures from any  
 18 revolving fund administered by the authority [~~may~~] shall be made  
 19 by the authority [~~without~~] pursuant to appropriation [~~or~~] and  
 20 allotment of the legislature[, ~~provided that no expenditure~~  
 21 ~~shall be made from and no obligation shall be incurred against~~  
 22 ~~any revolving fund in excess of the amount standing to the~~



1 ~~credit of the fund or for any purpose for which the fund may not~~  
2 ~~lawfully be expended. Nothing in sections 37-31 to 37-41 shall~~  
3 ~~require the proceeds of any revolving fund administered by the~~  
4 ~~authority to be reappropriated annually]."~~

5 SECTION 6. Section 206E-31.6, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 " ~~[+]~~**§206E-31.6** ~~[+]~~ **Lease of projects.** (a) Notwithstanding  
8 any law to the contrary, including ~~[+]~~section~~[+]~~ 206E-14, except  
9 as prohibited by section 206E-31.5, the authority may, ~~[without~~  
10 ~~recourse]~~ pursuant to public auction or public notice for sealed  
11 bids, lease for a term not exceeding sixty-five years all or any  
12 portion of the real or personal property constituting a project  
13 to any person, upon such terms and conditions as may be approved  
14 by the authority, if the authority finds that the lease is in  
15 conformity with the community development plan[-], subject to  
16 prior approval by the legislature by concurrent resolution  
17 adopted by each house by at least a two-thirds majority vote of  
18 the members to which that house is entitled.

19 (b) In the case of any sale of the leasehold interest in  
20 the project, the terms of the sale shall provide for the  
21 repurchase of the leasehold property by the authority at its  
22 option, in the event that the purchaser, if other than a state



1 agency, desires to sell the property within ten years[~~;~~ provided  
2 that this requirement may be waived by the authority if the  
3 authority determines that a waiver will not be contrary to the  
4 ~~community development plan~~]. The authority shall establish at  
5 the time of original sale a formula setting forth a basis for a  
6 repurchase price based on market considerations, including but  
7 not limited to interest rates, land values, construction costs,  
8 and federal tax laws.

9 If the purchaser in a residential project is a state  
10 agency, the authority may include as a term of the sale a  
11 provision for the repurchase of the property in conformance with  
12 this section."

13 SECTION 7. Section 206E-182, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "**§206E-182 Powers.** In addition and supplemental to the  
16 powers granted to the authority by law, the authority may:

17 (1) With the approval of the governor, and subject to  
18 prior approval by the legislature by concurrent  
19 resolution adopted by each house by at least a two-  
20 thirds majority vote of the members to which that  
21 house is entitled, enter into a special facility lease  
22 or an amendment or supplement thereto whereby the





1 authority agrees to construct, acquire, or remodel and  
2 furnish or equip a special facility solely for the use  
3 by another person to a special facility lease;

4 (2) With the approval of the governor, and subject to  
5 prior approval by the legislature by concurrent  
6 resolution adopted by each house by at least a two-  
7 thirds majority vote of the members to which that  
8 house is entitled, issue special facility revenue  
9 bonds in principal amounts, not to exceed the total  
10 amount of bonds authorized by the legislature, that  
11 may be necessary to yield all or a portion of the cost  
12 of any construction, acquisition, remodeling,  
13 furnishing, and equipping of any special facility;

14 (3) With the approval of the governor, issue refunding  
15 special facility revenue bonds, in principal amounts  
16 not to exceed the total amount of bonds authorized by  
17 the legislature, with which to provide for the payment  
18 of outstanding special facility revenue bonds  
19 (including any special facility revenue bonds  
20 theretofore issued for this purpose) or any part  
21 thereof; provided any issuance of refunding special  
22 facility revenue bonds shall not reduce the principal



1 amount of the bonds which may be issued as provided in  
2 paragraph (2);

3 (4) Perform and carry out the terms and provisions of any  
4 special facility lease;

5 (5) Notwithstanding section 103-7 or any other law to the  
6 contrary, acquire, construct, or remodel and furnish  
7 or equip any special facility, or accept the  
8 assignment of any contract therefor entered into by  
9 the other person to the special facility lease;

10 (6) Construct any special facility on land owned by the  
11 State; provided that no funds derived herein will be  
12 expended for land acquisition; and

13 (7) Agree with the other person to the special facility  
14 lease whereby any acquisition, construction,  
15 remodeling, furnishing, or equipping of the special  
16 facility and the expenditure of moneys therefor shall  
17 be undertaken or supervised by another person."

18 SECTION 8. Section 206E-185, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "[+]§206E-185[+] **Special facility revenue bonds.** All  
21 special facility revenue bonds authorized to be issued, in  
22 principal amounts not to exceed the total amount of bonds



1 authorized by the legislature, shall be issued pursuant to part  
2 III of chapter 39, except as follows:

- 3 (1) No revenue bonds shall be issued unless at the time of  
4 issuance the authority shall have entered into a  
5 special facility lease with respect to the special  
6 facility for which the revenue bonds are to be issued;
- 7 (2) The revenue bonds shall be issued in the name of the  
8 authority, and not in the name of the State;
- 9 (3) The revenue bonds shall be payable solely from and  
10 secured solely by the revenues derived by the  
11 authority from the special facility for which they are  
12 issued;
- 13 (4) The final maturity date of the revenue bonds shall not  
14 be later than either the estimated life of the special  
15 facility for which they are issued or the initial term  
16 of the special facility lease;
- 17 (5) If deemed necessary or advisable by the authority, or  
18 to permit the obligations of the other person to the  
19 special facility lease to be registered under the U.S.  
20 Securities Act of 1933, the authority, with the  
21 approval of the director of finance, may appoint a  
22 national or state bank within or without the State to



1           serve as trustee for the holders of the revenue bonds  
2           and may enter into a trust indenture or trust  
3           agreement with the trustee. The trustee may be  
4           authorized by the authority to collect, hold, and  
5           administer the revenues derived from the special  
6           facility for which the revenue bonds are issued and to  
7           apply the revenues to the payment of the principal and  
8           interest on the revenue bonds. If any trustee shall  
9           be appointed, any trust indenture or agreement entered  
10          into by the authority with the trustee may contain the  
11          covenants and provisions authorized by part III of  
12          chapter 39 to be inserted in a resolution adopted or  
13          certificate issued, as though the words "resolution"  
14          or "certificate" as used in that part read "trust  
15          indenture or agreement". The covenants and provisions  
16          shall not be required to be included in the resolution  
17          or certificate authorizing the issuance of the revenue  
18          bonds if included in the trust agreement or indenture.  
19          Any resolution or certificate, trust indenture, or  
20          trust agreement adopted, issued, or entered into by  
21          the authority pursuant to this part may also contain  
22          any provisions required for the qualification thereof



1 under the U.S. Trust Indenture Act of 1939. The  
2 authority may pledge and assign to the trustee the  
3 special facility lease and the rights of the authority  
4 including the revenues thereunder;

- 5 (6) If the authority, with the approval of the director of  
6 finance, shall have appointed or shall appoint a  
7 trustee for the holders of the revenue bonds, then  
8 notwithstanding the provisions of the second sentence  
9 of section 39-68, the director of finance may elect  
10 not to serve as fiscal agent for the payment of the  
11 principal and interest, and for the purchase,  
12 registration, transfer, exchange, and redemption, of  
13 the revenue bonds, or may elect to limit the functions  
14 the director of finance shall perform as the fiscal  
15 agent. The authority, with the approval of the  
16 director of finance, may appoint the trustee to serve  
17 as the fiscal agent, and may authorize and empower the  
18 trustee to perform the functions with respect to  
19 payment, purchase, registration, transfer, exchange,  
20 and redemption, that the authority may deem necessary,  
21 advisable, or expedient, including, without  
22 limitation, the holding of the revenue bonds and



1 coupons which have been paid and the supervision and  
2 conduction of the destruction thereof in accordance  
3 with sections 40-10 and 40-11. Nothing in this  
4 paragraph shall be a limitation upon or construed as a  
5 limitation upon the powers granted in the preceding  
6 paragraph to the authority, with the approval of the  
7 director of finance, to appoint the trustee, or  
8 granted in sections 36-3 and 39-13 and the third  
9 sentence of section 39-68 to the director of finance  
10 to appoint the trustee or others, as fiscal agents,  
11 paying agents, and registrars for the revenue bonds or  
12 to authorize and empower the fiscal agents, paying  
13 agents, and registrars to perform the functions  
14 referred to in that paragraph and sections, it being  
15 the intent of this paragraph to confirm that the  
16 director of finance as aforesaid may elect not to  
17 serve as fiscal agent for the revenue bonds or may  
18 elect to limit the functions the director of finance  
19 shall perform as the fiscal agent, that the director  
20 of finance may deem necessary, advisable, or  
21 expedient;



- 1           (7) The authority may sell the revenue bonds either at  
2           public or private sale;
- 3           (8) If no trustee shall be appointed to collect, hold, and  
4           administer the revenues derived from the special  
5           facility for which the revenue bonds are issued, the  
6           revenues shall be held in a separate account in the  
7           treasury of the State, separate and apart from the  
8           Hawaii community development revolving fund, to be  
9           applied solely to the carrying out of the resolution,  
10          certificate, trust indenture, or trust agreement  
11          authorizing or securing the revenue bonds;
- 12          (9) If the resolution, certificate, trust indenture, or  
13          trust agreement shall provide that no revenue bonds  
14          issued thereunder shall be valid or obligatory for any  
15          purpose unless certified or authenticated by the  
16          trustee for the holders of the revenue bonds,  
17          signatures of the officers of the State upon the bonds  
18          required by section 39-56 may be facsimiles of their  
19          signatures;
- 20          (10) Proceeds of the revenue bonds may be used and applied  
21          by the authority to reimburse the other person to the



1 special facility lease for all preliminary costs and  
2 expenses, including architectural and legal costs; and  
3 (11) If the special facility lease shall require the other  
4 person to operate, maintain, and repair the special  
5 facility which is the subject of the lease, at the  
6 other person's expense, the requirement shall  
7 constitute compliance by the authority with section  
8 39-61(a)(2), and none of the revenues derived by the  
9 authority from the special facility shall be required  
10 to be applied to the purposes of section 39-62(2).  
11 Sections 39-62(4), 39-62(5), and 39-62(6) shall not  
12 apply to the revenues derived from a special facility  
13 lease."

14 SECTION 9. All existing members of the Hawaii community  
15 development authority in office as of the effective date of this  
16 Act shall be removed immediately, and new members shall be  
17 appointed pursuant to section 206E-3, Hawaii Revised Statutes.

18 SECTION 10. This Act does not affect rights and duties  
19 that matured, penalties that were incurred, and proceedings that  
20 were begun before its effective date.

21 SECTION 11. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.





1 SECTION 12. This Act shall take effect on July 1, 2014.

2

INTRODUCED BY: Scott. Am

Wella A. Relatti  
Tom Brown

Ch

At  
Brind Kojubi

JAN 17 2014



# H.B. NO. 1866

**Report Title:**

Hawaii Community Development Authority

**Description:**

Amends the manner in which members are appointed to the Hawaii Community Development Authority. Enhances legislative oversight of the Authority.

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

