

October 8, 2020

MEMO TO: Members of Water, Infrastructure, and Transportation Committee

F R O M: Yuki Lei Sugimura, Chair
Water, Infrastructure, and Transportation Committee



SUBJECT: **COMMUNITY FACILITIES DISTRICT** (WIT-38)

Please consider the attachment at today's Committee meeting.

wit:ltr:038amc01:rem

Attachment

2020 OCT -8 AM 8:10
OFFICE OF THE
COUNTY COUNCIL

RECEIVED

Community Facilities Districts (WIT-38): Factors to Keep in Mind

- 1) Chapter 3.75, Maui County Code, was established last term as an enabling ordinance, creating a process to establish Community Facilities Districts, consistent with the authorization in Section 46-80.1, Hawaii Revised Statutes.
- 2) Once a community facility district is created by ordinance, the County may levy a special tax on property located within the district.
- 3) The tax revenue would finance major public improvements within the district such as infrastructure, roads, and flood controls.
- 4) A CFD may be initiated either by a petition signed by owners of at least 25 percent of the land in the proposed district or by the Council's own volition.
- 5) The Council has received no petition since Chapter 3.75 was established.
- 6) It is doubtful whether the Council would want to try to impose a CFD on a community without receiving a petition.
- 7) When considering the creation of a CFD, the Council has to first adopt a "resolution of intention," including the following elements:
 - a. A statement that the CFD is under consideration.
 - b. Name of the proposed CFD.
 - c. Duration of the proposed CFD.
 - d. Boundaries of the proposed CFD.
 - e. Special improvements to be financed.
 - f. Anticipated incidental expenses.
 - g. Estimated annual amount of the special tax.
 - h. Amount of bonds to be issued.
 - i. Time and place of public hearing to be scheduled 30-60 days after resolution's adoption.
 - j. A statement of the protest procedure.
- 8) If owners of at least 55 percent of the land in the proposed district object at or before the public hearing, the CFD may not be created.
- 9) If the Council proceeds to establish a CFD, it must enact an ordinance including the following elements:
 - a. A statement that the CFD is established.
 - b. Name of the CFD.
 - c. Duration of the CFD.
 - d. Boundaries of the CFD.
 - e. Special improvements to be financed.
 - f. Incidental expenses.
 - g. Annual amount of the special tax.
 - h. Amount of bonds to be issued.