THE SENATE TWENTY-EIGHTH LEGISLATURE, 2016 STATE OF HAWAII S.B. NO. 3077 S.D. 1 H.D. 1

A BILL FOR AN ACT

RELATING TO STATEWIDE COMMUNITY PLANNING.

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

1 SECTION 1. The legislature finds that with Honolulu's construction of an elevated rail transit system, the State has 2 3 an opportunity to enhance Oahu's urban environment and increase 4 the quality of life for residents by utilizing sound smart 5 growth and transit-oriented development principles to revitalized neighborhoods and increase affordable housing 6 inventory, among other public benefits. As the largest 7 landowner of properties along the transit line, with 8 approximately two thousand acres under the jurisdiction of 9 10 various departments, the State must be proactive and coordinate planning and development efforts among state agencies to 11 12 maximize the benefits of redevelopment of state lands in areas 13 served by public transit.

14 The legislature further finds that in 2015, the ad-hoc
15 state transit-oriented development task force was convened to
16 identify and determine priority sites and projects that should
17 be considered for transit-oriented development master planning
18 and development. Task force members included state and city and
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1	county agencies, elected officials, and numerous private				
2	individuals and entities. In December 2015, the task force				
3	submitted a report to the legislature, which included various				
4	recommendations such as formally constituting the state transit-				
5	oriented development task force to promote effective and				
6	efficient transit-oriented development planning and coordination				
7	among state agencies and counties statewide.				
8	To ensure that the State has a unified vision and approach				
9	toward redevelopment of its properties, the purpose of this Act				
10	is to:				
11	(1) Designate the office of planning as the lead agency to				
12	coordinate and advance smart growth and transit-				
13	oriented development planning in the State; and				
14	(2) Establish an interagency council for transit-oriented				
15	development within the department of business,				
16	economic development, and tourism to coordinate				
17	effective and efficient transit-oriented development				
18	planning statewide.				
19	This Act also authorizes the department of education to use				
20	school impact fees collected from transit-oriented development				
21	projects to be used for existing schools in the transit-oriented				

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1	development area to address increases in school populations due
2	to transit oriented development.
3	SECTION 2. Chapter 226, Hawaii Revised Statutes, is
4	amended by adding two new sections to part II to be
5	appropriately designated and to read as follows:
6	" <u>§226-A</u> Hawaii interagency council for transit-oriented
7	development. (a) There is established the Hawaii interagency
8	council for transit-oriented development, which shall be an
9	advisory body exempt from section 26-34, to coordinate and
10	facilitate state agency transit-oriented development planning,
11	and facilitate consultation and collaboration between the State
12	and the counties on transit-oriented development initiatives.
13	The Hawaii interagency council for transit-oriented development
14	shall be established within the department of business, economic
15	development, and tourism for administrative purposes.
16	(b) The Hawaii interagency council for transit-oriented
17	development shall:
18	(1) Serve as the State's transit-oriented development
19	planning and policy development entity with
20	representation from state and county government and
21	the community;

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1	(2)	Formulate and advise the governor on the
2		implementation of a strategic plan to address transit-
3		oriented development projects, including mixed use and
4		affordable and rental housing projects, on state lands
5		in each county;
6	(3)	Facilitate the acquisition of funding and resources
7		for state and county transit-oriented development
8		programs, including affordable and rental housing
9		projects, on state lands;
10	(4)	Monitor the preparation and conduct of plans and
11		studies to facilitate implementation of state transit-
12		oriented development plans prepared pursuant to this
13		section, including but not limited to the preparation
14		of site or master plans and implementation plans and
15		studies;
16	(5)	Review all capital improvement project requests to the
17		legislature for transit-oriented development projects,
18		including mixed use and affordable and rental housing
19		projects, on state lands within county-designated
20		transit-oriented development zones or within a one-
21		half-mile radius of public transit stations, if a

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1		county has not designated transit-oriented development
2		zones;
3	(6)	Recommend policy, regulatory, and statutory changes,
4		and identify resource strategies for the successful
5		execution of the strategic plan;
6	<u>(7)</u>	Assemble accurate fiscal and demographic information
7		to support policy development and track outcomes;
8	(8)	Consider collaborative transit-oriented development
9		initiatives of other states that have demonstrated
10		positive outcomes; and
11	(9)	Report annually to the governor, the legislature, and
1 2		the mayor of each county on the progress of its
13		activities, including formulation and progress on the
14		strategic plan no later than twenty days prior to the
15		convening of each regular session.
16	(c)	The strategic plan developed by the Hawaii interagency
17	<u>council f</u>	or transit-oriented development shall:
18	(1)	Coordinate with the counties on transit-oriented
19		development;
20	(2)	For each county, compile an inventory of state,
21		county, and private sector transit-oriented



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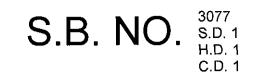
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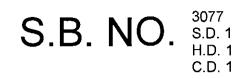
1,		development projects lacking infrastructure,
2		identifying the type of infrastructure each project
3		lacks, and the approximate timeframe when additional
4		capacity is needed;
5	(3)	Prioritize the development of transit-oriented
6		development projects, including mixed use and
7		affordable and rental housing projects, on state
8		lands;
9	(4)	Identify financing and prioritize state financing for
10		the public infrastructure, facility, and service
11		investments required to support transit-oriented
1 2		development, mixed use, and affordable and rental
13		housing project plans; and
14	(5)	Encourage and promote partnerships between public and
15 [°]		private entities to identify, renovate, and secure
16		affordable housing options on state lands within
17		county-designated transit-oriented development areas
18		or within a one-half-mile radius of public transit
19		stations, if a county has not designated transit-
20		oriented development zones.

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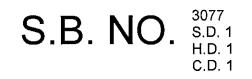


1	500 <i>6</i>	-B Hawaii interagency council for transit-oriented				
1	<u>§226</u>	-B nawall interagency council for clamsic-offeneed				
2	development membership. (a) The Hawaii interagency council for					
3	transit-o	riented development shall be composed of the following				
4	members:					
5	(1)	Director of the office of planning, who shall serve as				
6		co-chair;				
7	(2)	Executive director of the Hawaii housing finance and				
8		development corporation, who shall serve as co-chair;				
9	(3)	Chief of staff, office of the governor;				
10	(4)	Chairperson of the board of land and natural				
11		resources;				
12	(5)	Director of transportation;				
13	(6)	Comptroller;				
14	(7)	Director of health;				
15	(8)	Director of human services;				
16	(9)	Director of public safety;				
17	(10)	Chairperson of the Hawaiian homes commission;				
18	(11)	Chairperson of the stadium authority;				
19	(12)	President of the University of Hawaii;				
20	(13)	Superintendent of education;				



1	(14)	Executive director of the Hawaii community development
2		authority;
3	(15)	Executive director of the Hawaii public housing
4		authority;
5	(16)	One member of the house of representatives to be
6		designated by the speaker of the house of
7		representatives; provided that the speaker of the
8		house of representatives may designate a second member
9		of the house of representatives to serve as an
10		<u>alternate;</u>
11	(17)	One member of the senate to be designated by the
12		president of the senate; provided that the president
13		of the senate may designate a second member of the
14		senate to serve as an alternate;
15	(18)	The mayor of each county;
16	(19)	A representative of the Honolulu field office of the
17		United States Department of Housing and Urban
18		Development, who shall be requested to serve on a non-
19		voting ex-officio basis by the governor;
20	(20)	A representative of the business community, to be
21		designated by the governor;

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1	(21)	A representative of the community who is a housing
2		advocate, to be designated by the governor; and
3	(22)	A representative of the community with experience in
4		housing and real estate development, to be designated
5		by the governor.
6	(b)	The nongovernmental members of the Hawaii interagency
7	council f	or transit-oriented development shall serve without
8	compensat	ion but shall be reimbursed for expenses, including
9	travel ex	penses, necessary for the performance of their duties.
10	(c)	Except as provided in subsection (a)(16) and (17), if
11	a member	of the Hawaii interagency council for transit-oriented
1 2	developme	nt is unable to attend a meeting, that member may
13	appoint a	designee to attend and to act on the member's behalf
14	during th	e meeting."
15	SECT	ION 3. Section 225M-2, Hawaii Revised Statutes, is
16	amended b	y amending subsection (b) to read as follows:
17	"(b)	The office of planning shall gather, analyze, and
18	provide i	nformation to the governor to assist in the overall
19	analysis	and formulation of state policies and strategies to
20	provide c	entral direction and cohesion in the allocation of
21	resources	and effectuation of state activities and programs and

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1	effective	ly ad	dress current or emerging issues and		
2	opportunities. More specifically, the office shall engage in				
3	the follo	wing	activities:		
4	(1)	Stat	e comprehensive planning and program coordination.		
5		Form	ulating and articulating comprehensive statewide		
6		goal	s, objectives, policies, and priorities, and		
7	×	coor	dinating their implementation through the		
8		stat	ewide planning system established in part II of		
9		chap	ter 226;		
10	(2)	Stra	tegic planning. Identifying and analyzing		
11		sign	ificant issues, problems, and opportunities		
12		conf	ronting the State, and formulating strategies and		
13		alte	rnative courses of action in response to		
14		iden	tified problems and opportunities by:		
15		(A)	Providing in-depth policy research, analysis, and		
16			recommendations on existing or potential areas of		
17			critical state concern;		
18		(B)	Examining and evaluating the effectiveness of		
19			state programs in implementing state policies and		
20			priorities;		

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1		(C)	Monitoring through surveys, environmental
2			scanning, and other techniquescurrent social,
3			economic, and physical conditions and trends; and
4		(D)	Developing, in collaboration with affected public
5			or private agencies and organizations,
6			implementation plans and schedules and, where
7			appropriate, assisting in the mobilization of
8			resources to meet identified needs;
9	(3)	Plan	ning coordination and cooperation. Facilitating
10		coor	dinated and cooperative planning and policy
11		deve	lopment and implementation activities among state
12		agen	cies and between the state, county, and federal
13		gove	rnments, by:
14		(A)	Reviewing, assessing, and coordinating, as
15	·		necessary, major plans, programs, projects, and
16			regulatory activities existing or proposed by
17			state and county agencies;
18		(B)	Formulating mechanisms to simplify, streamline,
19			or coordinate interagency development and
20			regulatory processes; and

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1		(C) Recognizing the presence of federal defense and
2		security forces and agencies in the State as
3		important state concerns;
4	(4)	Statewide planning and geographic information system.
5		Collecting, integrating, analyzing, maintaining, and
6		disseminating various forms of data and information,
7		including geospatial data and information, to further
8		effective state planning, policy analysis and
9		development, and delivery of government services by:
10		(A) Collecting, assembling, organizing, evaluating,
11		and classifying existing geospatial and non-
12		geospatial data and performing necessary basic
13		research, conversions, and integration to provide
14		a common database for governmental planning and
15		geospatial analyses by state agencies;
16		(B) Planning, coordinating, and maintaining a
17		comprehensive, shared statewide planning and
18		geographic information system and associated
19		geospatial database. The office shall be the
20		lead agency responsible for coordinating the
21		maintenance of the multi-agency, statewide

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planning and geographic information system and 1 coordinating, collecting, integrating, and 2 disseminating geospatial data sets that are used 3 to support a variety of state agency applications 4 and other spatial data analyses to enhance 5 decision-making. The office shall promote and 6 encourage free and open data sharing among and 7 8 between all government agencies. To ensure the 9 maintenance of a comprehensive, accurate, up-todate geospatial data resource that can be drawn 10 11 upon for decision-making related to essential public policy issues such as land use planning, 12 13 resource management, homeland security, and the 14 overall health, safety, and well-being of Hawaii's citizens, and to avoid redundant data 15 16 development efforts, state agencies shall provide 17 to the shared system either their respective geospatial databases or, at a minimum, especially 18 19 in cases of secure or confidential data sets that 20 cannot be shared or must be restricted, metadata 21 describing existing geospatial data. In cases

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1		where agencies provide restricted data, the
2		office of planning shall ensure the security of
3		that data; and
4		(C) Maintaining a centralized depository of state and
5		national planning references;
6	(5)	Land use planning. Developing and presenting the
7		position of the State in all boundary change petitions
8		and proceedings before the land use commission,
9		assisting state agencies in the development and
10		submittal of petitions for land use district boundary
11		amendments, and conducting periodic reviews of the
12		classification and districting of all lands in the
13		State, as specified in chapter 205;
14	(6)	Coastal and ocean policy management. Carrying out the
15		lead agency responsibilities for the Hawaii coastal
16		zone management program, as specified in chapter 205A.
17		Also, developing and maintaining an ocean and coastal
18		resources information, planning, and management system
19		further developing and coordinating implementation of
20		the ocean resources management plan, and formulating

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1		ocean policies with respect to the exclusive economic
2		zone, coral reefs, and national marine sanctuaries;
3	(7)	Regional planning and studies. Conducting plans and
4		studies to determine:
5		(A) The capability of various regions within the
6		State to support projected increases in both
7		resident populations and visitors;
8		(B) The potential physical, social, economic, and
9		environmental impact on these regions resulting
10		from increases in both resident populations and
11		visitors;
12		(C) The maximum annual visitor carrying capacity for
13		the State by region, county, and island; and
14		(D) The appropriate guidance and management of
15		selected regions and areas of statewide critical
16		concern.
17		The studies in subparagraphs (A) to (C) shall be
18		conducted at appropriate intervals, but not less than
19		once every five years;
20	(8)	Regional, national, and international planning.
21		Participating in and ensuring that state plans,

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1		poli	cies, and objectives are consistent, to the extent
2		prac	ticable, with regional, national, and
3		inte	rnational planning efforts; [and]
4	(9)	Clim	ate adaptation planning. Conducting plans and
5		stud	ies and preparing reports as follows:
6		(A)	Develop, monitor, and evaluate strategic climate
7			adaptation plans and actionable policy
8			recommendations for the State and counties
9			addressing expected statewide climate change
10			impacts identified under Act 286, Session Laws of
11			Hawaii 2012, through the year 2050;
12		(B)	Provide planning and policy guidance and
13			assistance to state and county agencies regarding
14			climate change; and
15		(C)	Publish its findings, recommendations, and
16			progress reports on actions taken no later than
17			December 31, 2017, and its annual report to the
18			governor and the legislature thereafter [-]; and
19	(10)	Smar	t growth and transit-oriented development. Acting
20		<u>as t</u>	he lead agency to coordinate and advance smart

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1	grow	th and transit-oriented development planning
2	<u>with</u>	in the State as follows:
3	<u>(A)</u>	Identify transit-oriented development
4		opportunities shared between state and county
5		agencies, including relevant initiatives such as
6		the department of health's healthy Hawaii
7		initiative and the Hawaii clean energy
8		<u>initiative;</u>
9	<u>(B)</u>	Refine the definition of "transit-oriented
10		development" in the context of Hawaii, while
11		recognizing the potential for smart growth
12		development patterns in all locations;
13	<u>(C)</u>	Clarify state goals for transit-oriented
14		development and smart growth that support the
15		principles of the Hawaii State Planning Act by
16		preserving non-urbanized land, improving worker
17		access to jobs, and reducing fuel consumption;
18	<u>(D)</u>	Target transit-oriented development areas for
19		significant increase in affordable housing and
20		rental units;

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1	<u>(E)</u>	Conduct outreach to state agencies to help
2		educate state employees about the ways they can
3		support and benefit from transit-oriented
4		development and the State's smart growth goals;
5	<u>(F)</u>	Publicize coordinated state efforts that support
6		smart growth, walkable neighborhoods, and
7		transit-oriented development;
8	<u>(G)</u>	Review state land use decision-making processes
9		to identify ways to make transit-oriented
10		development a higher priority and facilitate
11		better and more proactive leadership in creating
12		walkable communities and employment districts,
13		even if transit will only be provided at a later
14		date; and
15	<u>(H)</u>	Approve all state agencies' development plans for
16		parcels along the rail transit corridor. For the
17		purposes of this subparagraph, "development
18		plans" means conceptual land use plans that
19		identify the location and planned uses within a
20		defined area."

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SECTION 4. Section 302A-1608, Hawaii Revised Statutes, is 1 2 amended to read as follows: "§302A-1608 Accounting and expenditure requirements. (a) 3 Each designated school impact district shall be a separate 4 benefit district. Fees collected within each school impact 5 district shall be spent only within the same school impact 6 district for the purposes collected. 7 (b) Land dedicated by the developer shall be used only as 8 a site for the construction of one or more new schools or for 9 the expansion of existing school facilities. If the land is 10 never used for the school facility, it shall be returned to the 11 developer, or the developer's successor in interest. Once used, 12 13 the land may be sold, with the proceeds used to acquire land for school facilities in the same school impact district. 14 If the land is not used for a school facility within 15 (C) twenty years of its dedication, it shall be returned to the 16 developer, or the developer's successor in interest. 17 18 (d) Once used for school facilities, all or part of the

19 land may be later sold. Proceeds from the sale shall be used to
20 acquire land for school facilities in the same school impact
21 district.

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1	(e) Fee in lieu funds may be used for school site land
2	acquisition and related expenses, including surveying,
3	appraisals, and legal fees. Fee in lieu funds shall not be used
4	for the maintenance or operation of existing schools in the
5	district, construction costs, including architectural,
6	permitting, or financing costs, or for administrative expenses.
7	(f) Notwithstanding any other law to the contrary, fee in
8	lieu funds from projects within a county-designated transit
9	oriented development zone may also be used to purchase completed
10	construction, construct new school facilities in new or existing
11	school sites, improve or renovate existing structures for school
12	use, or lease land or facilities for school use within a county-
13	designated transit oriented development zone.
14	$\left[\frac{f}{f}\right]$ (g) Construction cost component impact fees shall be
15	used only for the costs of new school facilities that expands
16	the student capacity of existing schools or adds student
17	capacity in new schools. Construction cost component impact
18	fees may not be used to replace an existing school located
19	within the same school impact district, either on the same site
20	or on a different site.

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1	[(g)] <u>(h)</u> Eligible construction costs include planning,
2	engineering, architectural, permitting, financing, and
3	administrative expenses, and any other capital equipment
4	expenses pertaining to educational facilities.
5	[(h)] <u>(i)</u> Construction cost component impact fees shall
6	not be expended for:
7	(1) The maintenance or operation of existing schools in
8	the district; or
9	(2) Portable or temporary facilities.
10	$\left[\frac{(j)}{(j)}\right]$ If a closure, demolition, or conversion of an
11	existing permanent department facility within a school impact
12	district that has the effect of reducing student capacity
13	occurs, an amount of new student capacity in permanent buildings
14	equivalent to the lost capacity shall not be funded with school
15	impact fees.
16	$\left[\frac{(j)}{k}\right]$ (k) Fees in lieu, proceeds from the sale of all or
17	part of an existing school site that has been dedicated by a
18	developer pursuant to the requirements of this subpart, and
19	construction cost component impact fees shall be expended or
20	encumbered within twenty years of the date of collection. Fees
21	shall be considered spent or encumbered on a first-in, first-out

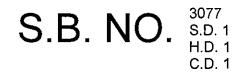
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basis. An expenditure plan for all collected impact fees shall 1 be incorporated into the annual budget process of the department 2 3 and subject to legislative approval of the budget." 4 SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much 5 thereof as may be necessary for fiscal year 2016-2017 to carry 6 7 out the purposes of this Act. 8 The sum appropriated shall be expended by the department of 9 business, economic development, and tourism for the purposes of 10 this Act. 11 SECTION 6. In codifying the new sections added by section 12 2 of this Act, the revisor of statutes shall substitute 13 appropriate section numbers for the letters used in designating 14 the new sections in this Act. 15 SECTION 7. Statutory material to be repealed is bracketed 16 and stricken. New statutory material is underscored. 17 SECTION 8. This Act shall take effect on July 1, 2016.

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Report Title:

Hawaii Interagency Council for Transit-oriented Development; Established; Coordinated Statewide Planning; Appropriation

Description:

Designates the Office of Planning as the lead state agency for transit-oriented development coordination. Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinate effective and efficient transitoriented development planning on a statewide level. Appropriates moneys. Allows the Department of Education to use school impact fees from projects within a county-designated transit oriented development zone for various purposes, including construction of new school facilities in new or existing sites statewide. (CD1)

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

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