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# A BILL FOR AN ACT

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RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

PART I

SECTION 1. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART . EAST KAPOLEI COMMUNITY DEVELOPMENT DISTRICT

§206E- District established; boundaries. The east Kapolei community development district is established. The district shall include the area within the boundaries established under the east Kapolei neighborhood transit-oriented development plan approved by the county council of the city and county of Honolulu.

§206E- East Kapolei community development district; guiding principles. The following development guiding principles shall generally govern the authority's actions in the east Kapolei community development district:



- 1           (1)   Integrate transit into the communities and design and  
2                   guide development to connect neighborhoods within the  
3                   east Kapolei community development district;
- 4           (2)   Create multi-modal and interconnected communities to  
5                   give residents and visitors a range of transportation  
6                   choices so that they can choose the most direct,  
7                   efficient, and economical method of transportation;
- 8           (3)   Create a diverse mix of uses and vibrant communities  
9                   that are attractive to residents and visitors and  
10                  encourage residents and visitors to park their  
11                  automobiles and walk between the different shops,  
12                  attractions, and restaurants;
- 13          (4)   Create gathering places that are public spaces free to  
14                  all and designed to give residents and visitors a  
15                  sense of pride, connection to local culture, and  
16                  ownership;
- 17          (5)   Develop unique rail transit station areas that  
18                  identify the east Kapolei region;
- 19          (6)   Promote a variety of housing choices, including  
20                  student housing, senior housing, live and work  
21                  housing, and multi-family and single family housing



1 for sale and rent within the east Kapolei community  
2 development district; and

- 3 (7) Create a dynamic urban environment that encourages  
4 residents and visitors to actively utilize the  
5 amenities provided at each rail transit station area  
6 and engages street life to reduce automobile usage and  
7 strengthen community social bonds.

8 §206E- East Kapolei community development revolving  
9 fund. (a) There is established in the state treasury the east  
10 Kapolei community development revolving fund, into which shall  
11 be deposited:

- 12 (1) All revenues, income, and receipts of the authority  
13 for the east Kapolei community development district,  
14 notwithstanding any other law to the contrary,  
15 including section 206E-16;

- 16 (2) Moneys directed, allocated, or disbursed to the east  
17 Kapolei community development district from government  
18 agencies or private individuals or organizations,  
19 including grants, gifts, awards, donations, and  
20 assessments of landowners for costs to administer and



1 operate the east Kapolei community development  
2 district; and

3 (3) Moneys appropriated to the fund by the legislature.

4 (b) Moneys in the east Kapolei community development  
5 revolving fund shall be used for the purposes of this part.

6 (c) Investment earnings credited to the assets of the east  
7 Kapolei community development revolving fund shall become part  
8 of the assets of the fund."

9 SECTION 2. Section 171-30, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) The board [~~of land and natural resources~~] shall have  
12 the exclusive responsibility, except as provided herein, of  
13 acquiring, including by way of dedications:

14 (1) All real property or any interest therein and the  
15 improvements thereon, if any, required by the State  
16 for public purposes, including real property together  
17 with improvements, if any, in excess of that needed  
18 for such public use in cases where small remnants  
19 would otherwise be left or where other justifiable  
20 cause necessitates the acquisition to protect and  
21 preserve the contemplated improvements, or public



1 policy demands the acquisition in connection with such  
2 improvements [--]; and

3 (2) Encumbrances, in the form of leases, licenses, or  
4 otherwise on public lands, needed by any state  
5 department or agency for public purposes or for the  
6 disposition for houselots or for economic development.

7 The board shall upon the request of and with the funds from  
8 the state department or agency effectuate all acquisitions as  
9 provided under this section.

10 The acceptance by the territorial legislature or the  
11 legislature of a dedication of land in the Kakaako community  
12 development district by a private owner is sufficient to convey  
13 title to the State [--] for conveyances executed prior to January  
14 1, 2024."

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

17 "**§206E-3 Hawaii community development authority;**  
18 **established.** (a) There is established the Hawaii community  
19 development authority, which shall be a body corporate and a  
20 public instrumentality of the State, for the purpose of  
21 implementing this chapter. The authority shall be placed within



1 the department of business, economic development, and tourism  
2 for administrative purposes.

3 (b) The authority shall consist of the following members:

4 (1) The director of finance or the director's designee;  
5 ~~[the]~~

6 (2) The director of transportation or the director's  
7 designee; ~~[a]~~

8 (3) A cultural specialist; ~~[an]~~

9 (4) An at-large member; ~~[an]~~

10 (5) An at-large member nominated by the senate president;  
11 ~~[an]~~

12 (6) An at-large member nominated by the speaker of the  
13 house ~~[, three]~~ of representatives;

14 (7) Three representatives of the Heeia community  
15 development district, ~~[comprising two]~~ which shall  
16 consist of the following:

17 (A) Two residents of that district or the Koolaupoko  
18 district, which consists of sections 1 through 9  
19 of zone 4 of the first tax map key division ~~[7]~~ i  
20 and ~~[one]~~



1           (B)   One owner of a small business or one officer or  
2                   director of a nonprofit organization in the Heeia  
3                   community development district or Koolaupoko  
4                   district,

5           nominated by the county council of the county in which  
6           the Heeia community development district is located;  
7           [three]

8           (8)   Three representatives of the Kalaeloa community  
9                   development district, [~~comprising two~~] which shall  
10                  consist of the following:

11           (A)   Two residents of the Ewa zone (zone 9, sections 1  
12                   through 2) or the Waianae zone (zone 8, sections  
13                   1 through 9) of the first tax map key  
14                   division[7]; and [one]

15           (B)   One owner of a small business or one officer or  
16                   director of a nonprofit organization in the Ewa  
17                   or Waianae zone,  
18           nominated by the county council of the county in which  
19           the Kalaeloa community development district is  
20           located; [three]



1       (9) Three representatives of the Kakaako community  
2       development district, [~~comprising two~~] which shall  
3       consist of the following:

4       (A) Two residents of the district; and [~~one~~]

5       (B) One owner of a small business or one officer or  
6       director of a nonprofit organization in the  
7       district,

8       nominated by the county council of the county in which  
9       the Kakaako community development district is located;  
10      [~~the~~]

11      (10) Three representatives of the east Kapolei community  
12      development district, which shall consist of the  
13      following:

14      (A) Two residents of the district; and

15      (B) One owner of a small business or one officer or  
16      director of a nonprofit organization in the  
17      district,

18      nominated by the county council of the county in which  
19      the east Kapolei community development district is  
20      located;





1        (11)    The director of planning and permitting of each county  
2                    in which a community development district is located  
3                    or the director's designee, who shall serve in an ex  
4                    officio, nonvoting capacity; and ~~[the]~~

5        (12)    The chairperson of the Hawaiian homes commission or  
6                    the chairperson's designee, who shall serve in an ex  
7                    officio, nonvoting capacity.

8            All members except the director of finance, director of  
9    transportation, county directors of planning and permitting, and  
10   chairperson of the Hawaiian homes commission or their designees  
11   shall be appointed by the governor pursuant to section 26-34.

12   The two at-large members nominated by the senate president and  
13   speaker of the house of representatives and the nine  
14   representatives of the respective community development  
15   districts shall each be appointed by the governor from a list of  
16   three nominees submitted for each position by the nominating  
17   authority specified in this subsection.

18        (c)    The authority shall be organized and shall exercise  
19   jurisdiction as follows:

20        (1)    For matters affecting the Heeia community development  
21                    district, the following members shall be considered in



1 determining quorum and majority and shall be eligible  
2 to vote:

3 (A) The director of finance or the director's  
4 designee;

5 (B) The director of transportation or the director's  
6 designee;

7 (C) The cultural specialist;

8 (D) The three at-large members; and

9 (E) The three representatives of the Heeia community  
10 development district;

11 provided that the director of planning and permitting  
12 of the relevant county or the director's designee  
13 shall participate in these matters as an ex officio,  
14 nonvoting member and shall not be considered in  
15 determining quorum and majority;

16 (2) For matters affecting the Kalaeloa community  
17 development district, the following members shall be  
18 considered in determining quorum and majority and  
19 shall be eligible to vote:

20 (A) The director of finance or the director's  
21 designee;



1 (B) The director of transportation or the director's  
2 designee;

3 (C) The cultural specialist;

4 (D) The three at-large members; and

5 (E) The three representatives of the Kalaeloa  
6 community development district;

7 provided that the director of planning and permitting  
8 of the relevant county and the chairperson of the  
9 Hawaiian homes commission, or their respective  
10 designees, shall participate in these matters as ex  
11 officio, nonvoting members and shall not be considered  
12 in determining quorum and majority;

13 (3) For matters affecting the Kakaako community  
14 development district, the following members shall be  
15 considered in determining quorum and majority and  
16 shall be eligible to vote:

17 (A) The director of finance or the director's  
18 designee;

19 (B) The director of transportation or the director's  
20 designee;

21 (C) The cultural specialist;



1 (D) The three at-large members; and

2 (E) The three representatives of the Kakaako  
3 community development district;

4 provided that the director of planning and permitting  
5 of the relevant county or the director's designee  
6 shall participate in these matters as an ex officio,  
7 nonvoting member and shall not be considered in  
8 determining quorum and majority[-]; and

9 (4) For matters affecting the east Kapolei community  
10 development district, the following members shall be  
11 considered in determining quorum and majority and  
12 shall be eligible to vote:

13 (A) The director of finance or the director's  
14 designee;

15 (B) The director of transportation or the director's  
16 designee;

17 (C) The cultural specialist;

18 (D) The three at-large members; and

19 (E) The three representatives of the east Kapolei  
20 community development district;



1           provided that the director of planning and permitting  
2           of the relevant county or the director's designee  
3           shall participate in these matters as an ex officio,  
4           nonvoting member and shall not be considered in  
5           determining quorum and majority.

6           ~~[In the event of]~~ (d) If a vacancy~~[,]~~ occurs, a member  
7 shall be appointed to fill the vacancy in the same manner as the  
8 original appointment within thirty days of the vacancy or within  
9 ten days of the senate's rejection of a previous appointment, as  
10 applicable.

11           The terms of the director of finance, director of  
12 transportation, county directors of planning and permitting, and  
13 chairperson of the Hawaiian homes commission or their respective  
14 designees shall run concurrently with each official's term of  
15 office. The terms of the appointed voting members shall be for  
16 four years, commencing on July 1 and expiring on June 30;  
17 provided that the initial terms of all voting members initially  
18 appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall  
19 commence on March 1, 2015. The governor shall provide for  
20 staggered terms of the initially appointed voting members so  
21 that the initial terms of four members selected by lot shall be



1 for two years, the initial terms of four members selected by lot  
2 shall be for three years, and the initial terms of the remaining  
3 five members shall be for four years.

4 The governor may remove or suspend for cause any member  
5 after due notice and public hearing.

6 (e) Notwithstanding section 92-15, a majority of all  
7 eligible voting members as specified in this ~~[subsection]~~  
8 section shall constitute a quorum to do business, and the  
9 concurrence of a majority of all eligible voting members as  
10 specified in this ~~[subsection]~~ section shall be necessary to  
11 make any action of the authority valid. All members shall  
12 continue in office until their respective successors have been  
13 appointed and qualified. Except as herein provided, no member  
14 appointed under this ~~[subsection]~~ section shall be an officer or  
15 employee of the State or its political subdivisions.

16 (f) For purposes of this section, "small business" means a  
17 business ~~[which]~~ that is independently owned and ~~[which is]~~ not  
18 dominant in its field of operation.

19 ~~[(e)]~~ (g) The authority shall appoint the executive  
20 director who shall be the chief executive officer. The  
21 authority shall set the salary of the executive director, who



1 shall serve at the pleasure of the authority and shall be exempt  
2 from chapter 76.

3 ~~[(d)]~~ (h) The authority shall annually elect the  
4 chairperson and vice chairperson from among its members.

5 ~~[(e)]~~ (i) The members of the authority appointed under  
6 subsection (b) shall serve without compensation, but each shall  
7 be reimbursed for expenses, including travel expenses, incurred  
8 in the performance of their duties."

9 SECTION 4. Section 212-5.5, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 " ~~[(f)]~~ §212-5.5 ~~[(f)]~~ Foreign-trade zone; jurisdiction.  
12 ~~[Anything to the contrary notwithstanding,]~~ Notwithstanding any  
13 other law to the contrary, the department of business, economic  
14 development, and tourism shall have jurisdiction and  
15 administrative authority over the area in the vicinity of Piers  
16 1 and 2 currently being used as a foreign-trade zone. This area  
17 is defined as all of parcels 2 and 3-A of the Forrest Avenue  
18 subdivision, as shown on the map filed in the bureau of  
19 conveyances of the State of Hawaii, as file plan 2335, and lot  
20 A-1, as shown on map 2, filed in the office of the assistant  
21 registrar of the land court of the State of Hawaii with land



1 court application 1328 [~~;~~ provided that all existing easements  
2 affecting and appurtenant to the parcels to be deleted from the  
3 Kakaako community development district boundaries shall not be  
4 affected by this change]."

5 SECTION 5. Section 266-1.5, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "[~~§~~266-1.5[~~§~~] Honolulu harbor Piers 1 and 2;  
8 jurisdiction. [~~Any law to the contrary notwithstanding,~~]  
9 Notwithstanding any other law to the contrary, the department of  
10 transportation shall have jurisdiction and administrative  
11 authority over Honolulu harbor Piers 1 and 2 and the contiguous  
12 backup fast lands currently used for manifested cargo and  
13 passenger operations. This area is defined as all of lot 3 and  
14 parcels A and B of the Forrest Avenue subdivision, as shown on  
15 the map filed with the bureau of conveyances of the State of  
16 Hawaii, as file plan 2335, and lot A-2, as shown on map 2, filed  
17 in the office of the assistant registrar of the land court of  
18 the State of Hawaii with land court application 1328 [~~;~~ provided  
19 that all existing easements affecting and appurtenant to the  
20 parcels to be deleted from the Kakaako community development  
21 district boundaries shall not be affected by this change]."





## PART II

SECTION 6. No later than January 1, 2020, the Hawaii community development authority shall establish a plan to return planning, zoning, and infrastructure development responsibilities of the Kakaako community development district to the city and county of Honolulu, which shall occur on July 1, 2024. The plan shall include a transition schedule acceptable to the city and county of Honolulu. At a minimum, the plan shall address:

- (1) The designation of functions to appropriate government entities, including the department of land and natural resources, department of transportation, and city and county of Honolulu;
- (2) The disposition of unencumbered moneys deposited in state revolving or special funds applicable to the Kakaako community development district;
- (3) The transfer of state officers and employees impacted by the transfer of responsibilities to the city and county of Honolulu, which shall be documented in a separate, special plan;



- 1 (4) The disposition or amendment of rules, policies,  
2 procedures, guidelines, and other material applicable  
3 to the Kakaako community development district;
- 4 (5) The disposition of deeds, leases, contracts, loans,  
5 agreements, permits, and other documents executed by  
6 or on behalf of the Hawaii community development  
7 authority applicable to the Kakaako community  
8 development district;
- 9 (6) Funding recommendations to facilitate the transition;  
10 and
- 11 (7) The transition of personnel resources from the Kakaako  
12 community development district to the East Kapolei  
13 community development district, to be documented as a  
14 special plan.

15 PART III

16 SECTION 7. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 8. This Act shall take effect on July 1, 2100;  
19 provided that sections 4 and 5 shall take effect on July 1,  
20 2024.



**Report Title:**

Hawaii Community Development Authority; East Kapolei Community Development District; Transit-Oriented Development

**Description:**

Establishes the east Kapolei community development district under the Hawaii Community Development Authority and amends the HCDA membership accordingly. Requires HCDA to establish a plan by 1/1/2020 to return jurisdiction over the Kakaako district to the City and County of Honolulu, to occur on 7/1/2024. (SB2525 HD1)

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

