

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 1389
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Housing and Transportation, to which was referred S.B. No. 1389 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities;
- (2) Authorize the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of HCDA, to establish and operate transit-oriented development infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone;
- (3) Require the Executive Director of HHFDC, in collaboration with the Executive Director of HCDA and the Hawaii Interagency Council for Transit-Oriented Development, to conduct a study examining the current



infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development; and

- (4) Appropriate funds to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone program.

Your Committees received testimony in support of this measure from the Hawaii Community Development Authority, Office of Planning, Building Industry Association Hawaii, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Chamber of Commerce Hawaii, and one member of the City Council of the City and County of Honolulu. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committees find that the lack of coordination and financing of infrastructure improvements, including public facilities, in planned growth areas is a major impediment to realizing the potential of transit-oriented development in meeting housing demands and creating vibrant and sustainable mixed-use communities. Your Committees believe that the State must take a proactive role in investing in critical infrastructure necessary to overcome barriers to transit-oriented development. This measure is a strategic investment of state funds to construct and deliver necessary infrastructure improvements in support of transit-oriented development projects in the State.

Your Committees note that this measure is not intended to limit the use of transit-oriented development infrastructure improvement zones by government users, nor will this project be limited to the City and County of Honolulu.

Your Committees have amended this measure by:

- (1) Deleting the provision that statutorily established the transit-oriented development infrastructure improvement zone program with HCDA's district-wide improvement program and instead inserting the language into a new section in chapter 206E, Hawaii Revised Statutes;



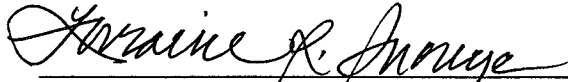
- (2) Requiring HCDA to determine, in consultation with the appropriate county, appropriate mechanisms to be used to pay for the cost of the state infrastructure investment;
- (3) Deleting the requirement of a transit-oriented development infrastructure improvement zone being located within a one-half mile radius around a proposed or existing fixed transit station;
- (4) Deleting the provision that would have required HCDA to establish a transit-oriented development infrastructure zone that includes the Aloha Stadium transit station and also deleting the provisions that would have required the infrastructure study and all of the requirements of the study, including the reporting requirement;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that although the appropriation amount is blank, the Hawaii Community Development Authority requests one full-time equivalent position at \$60,000 for the second half of fiscal year 2019-2020, and \$120,000 for fiscal year 2020-2021 to manage the transit-oriented development infrastructure improvement zone program, plus an additional \$50,000 for annual operating costs.

As affirmed by the records of votes of the members of your Committees on Housing and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1389, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1389, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Housing and
Transportation,



LORRAINE R. INOUE, Chair



STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* SB 1389	Committee Referral: HO4/TRS, VAM	Date: 2/11/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
HARIMOTO, Breene (VC)	✓			
ENGLISH, J. Kalani				✓
SHIMABUKURO, Maile S.L.				✓
FEVELLA, Kurt	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Harit</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes