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# A BILL FOR AN ACT

RELATING TO COMMUNITY DEVELOPMENT.

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

1           SECTION 1. The purpose of this Act is to require the  
2 Hawaii community development authority to develop a transit-  
3 oriented development (TOD) zone improvement program to foster  
4 community development by strategically investing in public  
5 facilities.

6           The legislature finds that the construction and  
7 installation of certain public facilities are necessary and  
8 desirable to facilitate the renewal and redevelopment of areas  
9 proximate to proposed fixed transit stations. TOD is a powerful  
10 tool that can ultimately deliver a wide range of social,  
11 environmental, and economic benefits. TOD promotes development  
12 patterns that support quality of life; preserves the natural  
13 environment; provides a range of housing choices for residents;  
14 and encourages walking, biking, and mass transit.

15           The State plays an important role in overcoming barriers to  
16 TOD, including encouraging needed investments in regional public  
17 facilities such as roads, sewers, and storm water management



1 systems. This Act is intended to move current TOD planning  
2 efforts forward into structures that benefit the community.

3 The legislature further finds that, currently, no single  
4 entity has the authority to redevelop the State's assets along  
5 the transit corridor in the best interest of the State. This  
6 Act will consolidate long-term master planning and zoning  
7 regarding state owned lands within each of the TODs under the  
8 jurisdiction of the Hawaii community development authority to  
9 resolve any ambiguities.

10 SECTION 2. Section 206E-2, Hawaii Revised Statutes, is  
11 amended by adding a new definition to be appropriately inserted  
12 and to read as follows:

13 "Transit-oriented development zone" means the parcels of  
14 land within a one-half mile radius around a proposed or existing  
15 fixed transit station as determined by the authority, taking  
16 into account proximity, walkability, adopted county plans, and  
17 other relevant factors."

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

20 "(b) The authority shall consist of the director of  
21 finance or the director's designee; the director of



1 transportation or the director's designee; a cultural  
2 specialist; an at-large member; an at-large member nominated by  
3 the senate president; an at-large member nominated by the  
4 speaker of the house; three representatives of the Heeia  
5 community development district, comprising two residents of that  
6 district or the Koolaupoko district, which consists of sections  
7 1 through 9 of zone 4 of the first tax map key division, and one  
8 owner of a small business or one officer or director of a  
9 nonprofit organization in the Heeia community development  
10 district or Koolaupoko district, nominated by the county council  
11 of the county in which the Heeia community development district  
12 is located; three representatives of the Kalaeloa community  
13 development district, comprising two residents of the Ewa zone  
14 (zone 9, sections 1 through 2) or the Waianae zone (zone 8,  
15 sections 1 through 9) of the first tax map key division, and one  
16 owner of a small business or one officer or director of a  
17 nonprofit organization in the Ewa or Waianae zone, nominated by  
18 the county council of the county in which the Kalaeloa community  
19 development district is located; three representatives of the  
20 Kakaako community development district, comprising two residents  
21 of the district and one owner of a small business or one officer



1 or director of a nonprofit organization in the district,  
2 nominated by the county council of the county in which the  
3 Kakaako community development district is located; the director  
4 of planning and permitting of each county in which a community  
5 development district is located or the director's designee, who  
6 shall serve in an ex officio, nonvoting capacity; and the  
7 chairperson of the Hawaiian homes commission or the  
8 chairperson's designee, who shall serve in an ex officio,  
9 nonvoting capacity.

10 All members except the director of finance, director of  
11 transportation, county directors of planning and permitting, and  
12 chairperson of the Hawaiian homes commission or their designees  
13 shall be appointed by the governor pursuant to section 26-34.  
14 The two at-large members nominated by the senate president and  
15 speaker of the house and the nine representatives of the  
16 respective community development districts shall each be  
17 appointed by the governor from a list of three nominees  
18 submitted for each position by the nominating authority  
19 specified in this subsection.

20 The authority shall be organized and shall exercise  
21 jurisdiction as follows:



- 1           (1) For matters affecting the Heeia community development  
2           district, the following members shall be considered in  
3           determining quorum and majority and shall be eligible  
4           to vote:
- 5           (A) The director of finance or the director's  
6           designee;
  - 7           (B) The director of transportation or the director's  
8           designee;
  - 9           (C) The cultural specialist;
  - 10          (D) The three at-large members; and
  - 11          (E) The three representatives of the Heeia community  
12          development district;
- 13           provided that the director of planning and permitting  
14           of the relevant county or the director's designee  
15           shall participate in these matters as an ex officio,  
16           nonvoting member and shall not be considered in  
17           determining quorum and majority;
- 18          (2) For matters affecting the Kalaeloa community  
19          development district, the following members shall be  
20          considered in determining quorum and majority and  
21          shall be eligible to vote:



- 1 (A) The director of finance or the director's
- 2 designee;
- 3 (B) The director of transportation or the director's
- 4 designee;
- 5 (C) The cultural specialist;
- 6 (D) The three at-large members; and
- 7 (E) The three representatives of the Kalaeloa
- 8 community development district;
- 9 provided that the director of planning and permitting
- 10 of the relevant county and the chairperson of the
- 11 Hawaiian homes commission, or their respective
- 12 designees, shall participate in these matters as ex
- 13 officio, nonvoting members and shall not be considered
- 14 in determining quorum and majority;
- 15 (3) For matters affecting the Kakaako community
- 16 development district, the following members shall be
- 17 considered in determining quorum and majority and
- 18 shall be eligible to vote:
- 19 (A) The director of finance or the director's
- 20 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 Kakaako  
6 community development district;

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

12 (4) For matters affecting transit-oriented development  
13 zones, including the creation of transit-oriented  
14 development zones, the following members and the  
15 director of the office of planning or the director's  
16 designee shall be considered in determining quorum and  
17 majority and shall be eligible to vote:

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

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



1           (C) The cultural specialist; and  
2           (D) The three at-large members;  
3           provided that the director of planning and permitting  
4           of the relevant county or the director's designee  
5           shall participate in these matters as an ex officio,  
6           nonvoting member and shall not be considered in  
7           determining quorum and majority.

8           In the event of a vacancy, a member shall be appointed to  
9           fill the vacancy in the same manner as the original appointment  
10          within thirty days of the vacancy or within ten days of the  
11          senate's rejection of a previous appointment, as applicable.

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



1 initially appointed voting members so that the initial terms of  
2 four members selected by lot shall be for two years, the initial  
3 terms of four members selected by lot shall be for three years,  
4 and the initial terms of the remaining five members shall be for  
5 four years.

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

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

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

20 SECTION 4. Section 206E-4, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           "§206E-4 Powers; generally. Except as otherwise limited  
2 by this chapter, the authority may:

- 3           (1) Sue and be sued;
- 4           (2) Have a seal and alter the same at pleasure;
- 5           (3) Make and execute contracts and all other instruments  
6           necessary or convenient for the exercise of its powers  
7           and functions under this chapter;
- 8           (4) Make and alter bylaws for its organization and  
9           internal management;
- 10          (5) Make rules with respect to its projects, operations,  
11          properties, and facilities, which rules shall be in  
12          conformance with chapter 91;
- 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



1 mixed property or any interest therein; to own, hold,  
2 clear, improve, and rehabilitate, and to sell, assign,  
3 exchange, transfer, convey, lease, or otherwise  
4 dispose of or encumber the same;

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

10 (10) By itself [7] or in partnership with qualified persons,  
11 acquire, reacquire, construct, reconstruct,  
12 rehabilitate, improve, alter, or repair or provide for  
13 the construction, reconstruction, improvement,  
14 alteration, or repair of any project; own, hold, sell,  
15 assign, transfer, convey, exchange, lease, or  
16 otherwise dispose of or encumber any project [7]; and  
17 in the case of the sale of any project, accept a  
18 purchase money mortgage in connection therewith; and  
19 repurchase or otherwise acquire any project that the  
20 authority has theretofore sold or otherwise conveyed,  
21 transferred, or disposed of;



- 1           (11) Arrange or contract for the planning, replanning,  
2                   opening, grading, or closing of streets, roads,  
3                   roadways, alleys, or other places, or for the  
4                   furnishing of facilities or for the acquisition of  
5                   property or property rights or for the furnishing of  
6                   property or services in connection with a project;
- 7           (12) Grant options to purchase any project or to renew any  
8                   lease entered into by it in connection with any of its  
9                   projects, on terms and conditions as it deems  
10                  advisable;
- 11          (13) Prepare or cause to be prepared plans, specifications,  
12                  designs, and estimates of costs for the construction,  
13                  reconstruction, rehabilitation, improvement,  
14                  alteration, or repair of any project, and, from time  
15                  to time ~~to~~, modify the plans, specifications,  
16                  designs, or estimates of any project;
- 17          (14) Provide advisory, consultative, training, and  
18                  educational services, technical assistance, and advice  
19                  to any person, partnership, or corporation, either  
20                  public or private, to carry out the purposes of this  
21                  chapter, and engage the services of consultants on a



- 1 contractual basis for rendering professional and  
2 technical assistance and advice;
- 3 (15) Procure insurance against any loss in connection with  
4 its property and other assets and operations in  
5 amounts and from insurers as it deems desirable;
- 6 (16) Contract for and accept gifts or grants in any form  
7 from any public agency or from any other source;
- 8 (17) Do any and all things necessary to carry out its  
9 purposes and exercise the powers given and granted in  
10 this chapter; [~~and~~]
- 11 (18) Allow satisfaction of any affordable housing  
12 requirements imposed by the authority upon any  
13 proposed development project through the construction  
14 of reserved housing, as defined in section 206E-101,  
15 by a person on land located outside the geographic  
16 boundaries of the authority's jurisdiction; provided  
17 that the authority may permit cash payments in lieu of  
18 providing reserved housing. The substituted housing  
19 shall be located on the same island as the development  
20 project and shall be substantially equal in value to  
21 the required reserved housing units that were to be



1 developed on site. The authority shall establish the  
2 following priority in the development of reserved  
3 housing:

- 4 (A) Within the community development district;
- 5 (B) Within areas immediately surrounding the  
6 community development district;
- 7 (C) Areas within the central urban core;
- 8 (D) In outlying areas within the same island as the  
9 development project.

10 The Hawaii community development authority shall  
11 adopt rules relating to the approval of reserved  
12 housing that are developed outside of a community  
13 development district. The rules shall include, but  
14 are not limited to, the establishment of guidelines to  
15 ensure compliance with the above priorities[-]; and  
16 (19) Create transit-oriented development zones and transit-  
17 oriented development zone improvement programs;  
18 provided that transit-oriented development zones shall  
19 not be established on lands administered by the Hawaii  
20 public housing authority, lands administered by the



1           stadium authority, nor any community development  
2           districts designated pursuant to section 206E-5."

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

5           1. By amending the title and subsections (a) and (b) to  
6 read:

7           "§206E-6 District-wide and transit-oriented development  
8 zone improvement [program.] programs. (a) The authority shall  
9 develop a district-wide improvement program and a transit-  
10 oriented development zone improvement program to identify  
11 necessary district-wide and transit-oriented development zone  
12 public facilities within a community development district[-] or  
13 transit-oriented development zone.

14           (b) Whenever the authority shall determine to undertake,  
15 or cause to be undertaken, any public facility as part of the  
16 district-wide or transit-oriented development zone improvement  
17 program, the cost of providing the public facilities shall be  
18 assessed against the real property in the community development  
19 district or transit-oriented development zone specially  
20 benefiting from such public facilities. The authority shall  
21 determine the areas of the community development district



1 ~~[which]~~ or transit-oriented development zone that will benefit  
2 from the public facilities to be undertaken and, if less than  
3 the entire community development district or transit-oriented  
4 development zone benefits, the authority may establish  
5 assessment areas within the community development district[-] or  
6 transit-oriented development zone. The authority may issue and  
7 sell bonds in such amounts as may be authorized by the  
8 legislature to provide funds to finance such public facilities.  
9 The authority shall fix the assessments against real property  
10 specially benefited. All assessments made pursuant to this  
11 section shall be a statutory lien against each lot or parcel of  
12 land assessed from the date of the notice declaring the  
13 assessment until paid and such lien shall have priority over all  
14 other liens except the lien of property taxes. As between liens  
15 of assessments, the earlier lien shall be superior to the later  
16 lien."

17 2. By amending subsection (i) to read:

18 "(i) Notwithstanding any law to the contrary, whenever as  
19 part of a district-wide or transit-oriented development zone  
20 improvement program, it becomes necessary to remove, relocate,  
21 replace, or reconstruct public utility facilities, the authority



1 shall establish by rule the allocation of cost between the  
 2 authority, the affected public utilities, and the properties  
 3 that may specially benefit from such improvement, if any. In  
 4 determining the allocation of cost, the authority shall consider  
 5 the cost allocation policies for improvement districts  
 6 established by the county in which the removal, relocation,  
 7 replacement, or reconstruction is to take place."

8 SECTION 6. There is appropriated out of the general  
 9 revenues of the State of Hawaii the sum of \$60,000 or so much  
 10 thereof as may be necessary for fiscal year 2021-2022 and the  
 11 same sum or so much thereof as may be necessary for fiscal year  
 12 2022-2023 for one full-time equivalent (1.00 FTE) temporary  
 13 position in the Hawaii community development authority to  
 14 maintain the staff necessary to develop and manage the transit-  
 15 oriented development zone improvement program.

16 The sums appropriated shall be expended by the Hawaii  
 17 community development authority for the purposes of this Act.

18 SECTION 7. Statutory material to be repealed is bracketed  
 19 and stricken. New statutory material is underscored.

20 SECTION 8. This Act shall take effect on July 1, 2021.



**Report Title:**

Transit-oriented Development; Hawaii Community Development Authority; Appropriation

**Description:**

Requires the Hawaii community development authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. Appropriates funds to HCDA for staff necessary to develop and manage the TOD zone improvement program. (SD1)

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

