

---

# 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 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. Transit-oriented  
10 development is a powerful tool that can ultimately deliver a  
11 wide range of social, environmental, and economic benefits.  
12 Transit-oriented development promotes development patterns that  
13 support quality of life; preserves the natural environment;  
14 provides a range of housing choices for residents; and  
15 encourages walking, biking, and mass transit.

16           The State plays an important role in overcoming barriers to  
17 transit-oriented development, including encouraging needed



1 investments in regional public facilities such as roads, sewers,  
2 and storm water management systems. This Act is intended to  
3 move current transit-oriented development planning efforts  
4 forward into structures that benefit the community.

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

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

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

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



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

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

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

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



1           The authority shall be organized and shall exercise  
2 jurisdiction as follows:

3           (1) For matters affecting the Heeia community development  
4 district, the following members shall be considered in  
5 determining quorum and majority and shall be eligible  
6 to vote:

7           (A) The director of finance or the director's  
8 designee;

9           (B) The director of transportation or the director's  
10 designee;

11           (C) The cultural specialist;

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

13           (E) The three representatives of the Heeia community  
14 development district;

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

20           (2) For matters affecting the Kalaeloa community  
21 development district, the following members shall be



1 considered in determining quorum and majority and  
2 shall be eligible 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 Kalaeloa  
10 community development district;  
11 provided that the director of planning and permitting  
12 of the relevant county and the chairperson of the  
13 Hawaiian homes commission, or their respective  
14 designees, shall participate in these matters as ex  
15 officio, nonvoting members and shall not be considered  
16 in determining quorum and majority;  
17 (3) For matters affecting the Kakaako community  
18 development district, the following members shall be  
19 considered in determining quorum and majority and  
20 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 Kakaako
- 8 community development district;

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

14 (4) For matters affecting transit-oriented development  
 15 zones, including the creation of transit-oriented  
 16 development zones, the following members and the  
 17 director of the state office of planning or the  
 18 director's designee shall be considered in determining  
 19 quorum and majority and 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; and
- 4           (D) The three at-large members;
- 5           provided that the director of planning and permitting
- 6           of the relevant county or the director's designee
- 7           shall participate in these matters as an ex officio,
- 8           nonvoting member and shall not be considered in
- 9           determining quorum and majority.

10           In the event of a vacancy, a member shall be appointed to

11 fill the vacancy in the same manner as the original appointment

12 within thirty days of the vacancy or within ten days of the

13 senate's rejection of a previous appointment, as applicable.

14           The terms of the director of finance, director of

15 transportation, county directors of planning and permitting,

16 [~~and~~] chairperson of the Hawaiian homes commission, and director

17 of the state office of planning or their respective designees

18 shall run concurrently with each official's term of office. The

19 terms of the appointed voting members shall be for four years,

20 commencing on July 1 and expiring on June 30; provided that the

21 initial terms of all voting members initially appointed pursuant



1 to Act 61, Session Laws of Hawaii 2014, shall commence on  
2 March 1, 2015. The governor shall provide for staggered terms  
3 of the initially appointed voting members so that the initial  
4 terms of four members selected by lot shall be for two years,  
5 the initial terms of four members selected by lot shall be for  
6 three years, and the initial terms of the remaining five members  
7 shall be for four years.

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

10 Notwithstanding section 92-15, a majority of all eligible  
11 voting members as specified in this subsection shall constitute  
12 a quorum to do business, and the concurrence of a majority of  
13 all eligible voting members as specified in this subsection  
14 shall be necessary to make any action of the authority valid.

15 All members shall continue in office until their respective  
16 successors have been appointed and qualified. Except as herein  
17 provided, no member appointed under this subsection shall be an  
18 officer or employee of the State or its political subdivisions.

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



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

3 "**§206E-4 Powers; generally.** Except as otherwise limited  
4 by this chapter, the authority may:

- 5 (1) Sue and be sued;
- 6 (2) Have a seal and alter the same at pleasure;
- 7 (3) Make and execute contracts and all other instruments  
8 necessary or convenient for the exercise of its powers  
9 and functions under this chapter;
- 10 (4) Make and alter bylaws for its organization and  
11 internal management;
- 12 (5) Make rules with respect to its projects, operations,  
13 properties, and facilities, which rules shall be in  
14 conformance with chapter 91;
- 15 (6) Through its executive director appoint officers,  
16 agents, and employees, prescribe their duties and  
17 qualifications, and fix their salaries, without regard  
18 to chapter 76;
- 19 (7) Prepare or cause to be prepared a community  
20 development plan for all designated community  
21 development districts;



- 1           (8) Acquire, reacquire, or contract to acquire or  
2           reacquire by grant or purchase real, personal, or  
3           mixed property or any interest therein; to own, hold,  
4           clear, improve, and rehabilitate, and to sell, assign,  
5           exchange, transfer, convey, lease, or otherwise  
6           dispose of or encumber the same;
- 7           (9) Acquire or reacquire by condemnation real, personal,  
8           or mixed property or any interest therein for public  
9           facilities, including but not limited to streets,  
10          sidewalks, parks, schools, and other public  
11          improvements;
- 12          (10) By itself[~~7~~] or in partnership with qualified persons,  
13          acquire, reacquire, construct, reconstruct,  
14          rehabilitate, improve, alter, or repair or provide for  
15          the construction, reconstruction, improvement,  
16          alteration, or repair of any project; own, hold, sell,  
17          assign, transfer, convey, exchange, lease, or  
18          otherwise dispose of or encumber any project[~~7~~]; and  
19          in the case of the sale of any project, accept a  
20          purchase money mortgage in connection therewith; and  
21          repurchase or otherwise acquire any project that the



1 authority has theretofore sold or otherwise conveyed,  
2 transferred, or disposed of;

3 (11) Arrange or contract for the planning, replanning,  
4 opening, grading, or closing of streets, roads,  
5 roadways, alleys, or other places, or for the  
6 furnishing of facilities or for the acquisition of  
7 property or property rights or for the furnishing of  
8 property or services in connection with a project;

9 (12) Grant options to purchase any project or to renew any  
10 lease entered into by it in connection with any of its  
11 projects, on terms and conditions as it deems  
12 advisable;

13 (13) Prepare or cause to be prepared plans, specifications,  
14 designs, and estimates of costs for the construction,  
15 reconstruction, rehabilitation, improvement,  
16 alteration, or repair of any project, and, from time  
17 to time ~~to~~, modify the plans, specifications,  
18 designs, or estimates of any project;

19 (14) Provide advisory, consultative, training, and  
20 educational services, technical assistance, and advice  
21 to any person, partnership, or corporation, either



1 public or private, to carry out the purposes of this  
2 chapter, and engage the services of consultants on a  
3 contractual basis for rendering professional and  
4 technical assistance and advice;

5 (15) Procure insurance against any loss in connection with  
6 its property and other assets and operations in  
7 amounts and from insurers as it deems desirable;

8 (16) Contract for and accept gifts or grants in any form  
9 from any public agency or from any other source;

10 (17) Do any and all things necessary to carry out its  
11 purposes and exercise the powers given and granted in  
12 this chapter; [~~and~~]

13 (18) Allow satisfaction of any affordable housing  
14 requirements imposed by the authority upon any  
15 proposed development project through the construction  
16 of reserved housing, as defined in section 206E-101,  
17 by a person on land located outside the geographic  
18 boundaries of the authority's jurisdiction; provided  
19 that the authority may permit cash payments in lieu of  
20 providing reserved housing. The substituted housing  
21 shall be located on the same island as the development



1 project and shall be substantially equal in value to  
 2 the required reserved housing units that were to be  
 3 developed on site. The authority shall establish the  
 4 following priority in the development of reserved  
 5 housing:

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

12 The Hawaii community development authority shall  
 13 adopt rules relating to the approval of reserved  
 14 housing that are developed outside of a community  
 15 development district. The rules shall include, but  
 16 are not limited to, the establishment of guidelines to  
 17 ensure compliance with the above priorities[~~-~~]; and

18 (19) Create transit-oriented development zones and transit-  
 19 oriented development zone improvement programs;  
 20 provided that transit-oriented development zones shall  
 21 not be established on lands administered by the Hawaii



1           public housing authority, lands administered by the  
 2           stadium authority, nor any community development  
 3           districts designated pursuant to section 206E-5."

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

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

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

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



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

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

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



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

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

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

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

21 SECTION 8. This Act shall take effect on July 1, 2050.



**Report Title:**

Transit-oriented Development; HCDA; Appropriation

**Description:**

Requires the Hawaii community development authority to develop a transit-oriented development zone improvement program. Authorizes the Hawaii community development authority to establish transit-oriented development zones for certain state lands within a one-half mile radius around fixed transit stations. Appropriates funds to the Hawaii community development authority for staff necessary to develop and manage the transit-oriented development zone improvement program. Effective 7/1/2050. (SD2)

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

