
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

1 SECTION 1. The legislature finds that Act 184, Session
2 Laws of Hawaii 2022 (Act 184), which established
3 transit-oriented development infrastructure improvement
4 districts, could be more efficient. The transit-oriented
5 development infrastructure improvement districts were comprised
6 of the land within county-designated transit-oriented
7 development zones or within a one-half mile radius of a proposed
8 or existing transit station if the county has not designated
9 transit-oriented development zones, as designated by the board.
10 Act 184 also established the transit-oriented development
11 infrastructure improvement district boards for each county,
12 under the Hawaii community development authority for
13 administrative purposes. To date these boards have not been
14 constituted, due in part to a lack of community volunteers
15 willing to serve.

16 The purpose of this Act is to streamline transit-oriented
17 development infrastructure improvements by making chapter 206E,



1 part X, Hawaii Revised Statutes, relating to transit-oriented
2 development infrastructure improvements, a program under the
3 Hawaii community development authority, rather than districts to
4 be overseen by a board.

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

7 "**§206E-1 Findings and purpose.** The legislature finds that
8 many areas of the State are substantially undeveloped, blighted,
9 or economically depressed, and are or are potentially in need of
10 renewal, renovation, or improvement to alleviate such conditions
11 as dilapidation, deterioration, age, and other such factors or
12 conditions [~~which~~] that make such areas an economic or social
13 liability.

14 The legislature further finds that there exists within the
15 State vast, unmet community development needs. These include,
16 but are not limited to, a lack of suitable affordable housing;
17 insufficient commercial and industrial facilities for rent;
18 residential areas [~~which~~] that do not have facilities necessary
19 for basic liveability, such as parks and open space; [~~and~~] areas
20 [~~which~~] that are planned for extensive land allocation to one,
21 rather than mixed uses[~~-~~]; a lack of infrastructure necessary to



1 facilitate community development; and insufficient culturally
2 appropriate agriculture, education, and natural-resource
3 restoration and management.

4 It is further determined that the lack of planning and
5 coordination in such areas has given rise to these community
6 development needs and that existing laws and public and private
7 mechanisms have either proven incapable or inadequate to
8 facilitate timely redevelopment and renewal[-], or restoration
9 and management, as the case may be.

10 The legislature finds that a new and comprehensive
11 authority for community development must be created to join the
12 strengths of private enterprise, public development, and
13 regulation into a new form capable of long-range planning and
14 implementation of improved community development. The purpose
15 of this chapter is to establish such a mechanism in the Hawaii
16 community development authority, which is a public entity
17 [~~which~~] that shall determine community development programs and
18 projects and cooperate with private enterprise and the various
19 components of federal, state, and county governments in bringing
20 plans and projects to fruition. [~~For such areas designated as~~
21 ~~community development districts, the] The legislature believes~~



1 that the planning and implementation [~~program~~] expertise of the
 2 Hawaii community development authority will result in
 3 communities [~~which~~] that serve the highest needs and aspirations
 4 of Hawaii's people.

5 The legislature finds that the creation of the Hawaii
 6 community development authority, the establishment of community
 7 development districts[~~, and~~] and program areas, the issuance of
 8 bonds pursuant to this chapter to finance public facilities, and
 9 the ability of the Hawaii community development authority to
 10 cooperate with or assist public and private sector entities to
 11 engage in projects that improve the State, serve the public
 12 interest and are matters of statewide concern."

13 SECTION 3. Chapter 206E, part X, Hawaii Revised Statutes,
 14 is amended to read as follows:

15 "[+]PART X. [+] **TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE**
 16 **IMPROVEMENT [DISTRICT] PROGRAM**

17 "[+]§206E-241[+] **Findings and purpose.** The legislature
 18 finds that construction, installation, and improvement of
 19 certain infrastructure is necessary and desirable to facilitate
 20 renewal and redevelopment of areas designated by the State and
 21 the counties for transit-oriented development. Transit-oriented



1 development is a powerful tool that can ultimately deliver a
2 wide range of social, environmental, and economic benefits.
3 Transit-oriented development promotes development patterns that
4 support quality of life, preserves the natural environment,
5 provides a range of housing choices for residents, and
6 encourages walking, biking, and use of mass transit. The State
7 plays an important role in overcoming barriers to
8 transit-oriented development, including encouraging needed
9 investments in improving regional infrastructure such as roads,
10 sewers, water, power, communication, and storm water management
11 systems. This part is intended to move transit-oriented
12 development planning efforts forward into infrastructure
13 improvements that benefit the community. The legislature
14 further finds that, currently, no single state agency has the
15 authority to improve infrastructure along a transit corridor in
16 the best interest of the State. This part will enable the
17 delivery of infrastructure needed to support development on
18 lands within designated transit-oriented development zones.

19 Accordingly, [~~the purpose of this part is to establish~~]
20 there is established the transit-oriented development
21 infrastructure improvement [districts] program to be



1 administered by the authority to foster community development by
2 strategically investing in infrastructure improvements.

3 ~~[+]§206E-242[+]~~ **Definitions.** As used in this part:

4 ~~["Board" means the transit-oriented development~~
5 ~~infrastructure improvement district board.~~

6 ~~"District" means the transit-oriented development~~
7 ~~infrastructure improvement district within each county-~~
8 ~~designated transit-oriented development zone, or within a one-~~
9 ~~half mile radius of a proposed or existing transit station if~~
10 ~~the county has not designated transit-oriented development~~
11 ~~zones, as determined by the board.]~~

12 "Fund" means the transit-oriented development
13 infrastructure improvement ~~[district]~~ program special fund
14 established under section 206E-247.

15 "Program" means the transit-oriented development
16 infrastructure improvement ~~[district]~~ program developed by the
17 ~~[board]~~ authority pursuant to section 206E-246.

18 ~~[+]§206E-243[-] District established; boundaries.]~~

19 Transit-oriented development infrastructure improvement program
20 areas; established. ~~[-(a) The transit-oriented development~~



1 ~~infrastructure improvement district is hereby established under~~
2 ~~the authority.~~

3 ~~(b)]~~ The ~~[district]~~ transit-oriented development
4 infrastructure improvement program areas shall comprise the
5 parcels of land either within county-designated transit-oriented
6 development zones, or within a one-half mile radius of a
7 proposed or existing transit station if the county has not
8 designated transit-oriented development zones, as determined by
9 the ~~[board,]~~ authority, which shall take into account proximity,
10 walkability, adopted county plans, and other relevant factors~~[~~
11 ~~provided that in a county with a population in excess of five~~
12 ~~hundred thousand, a transit-oriented development zone shall~~
13 ~~include a rail station or a planned rail station].~~ The
14 ~~[district]~~ program areas shall include all parcels of land of
15 which any portion of the parcels are located within the county-
16 designated transit-oriented development zones, or within a one-
17 half mile radius around proposed or existing transit stations if
18 the county has not designated transit-oriented development
19 zones.

20 ~~[[S206E-244] Transit-oriented development infrastructure~~
21 ~~improvement district board; established; members; terms;~~



1 ~~vacancies.~~ (a) ~~There is established the transit-oriented~~
2 ~~development infrastructure improvement district board, which~~
3 ~~shall be placed under the authority within the department of~~
4 ~~business, economic development, and tourism for administrative~~
5 ~~purposes. The board shall carry out the duties and~~
6 ~~responsibilities as set forth in this part.~~

7 ~~(b) The board shall consist of the following voting~~
8 ~~members:~~

- 9 ~~(1) The director of finance or the director's designee;~~
10 ~~(2) The director of transportation or the director's~~
11 ~~designee;~~
12 ~~(3) The director of the office of planning and sustainable~~
13 ~~development or the director's designee;~~
14 ~~(4) The director of planning and permitting of the county~~
15 ~~in which each district is located or the director's~~
16 ~~designee; and~~
17 ~~(5) The following members, who shall be appointed by the~~
18 ~~governor pursuant to section 26-34:~~
19 ~~(A) A cultural specialist;~~



1 ~~one district member selected by lot shall be for four years, and~~
2 ~~the term of the cultural specialist shall be for two years.~~

3 ~~(d) If a vacancy occurs, a member shall be appointed to~~
4 ~~fill the vacancy in the same manner as the original appointment~~
5 ~~within thirty days of the vacancy or within ten days of the~~
6 ~~senate's rejection of a previous appointment, as applicable.~~

7 ~~(e) The terms of the director of finance, director of~~
8 ~~transportation, director of the office of planning and~~
9 ~~sustainable development, and the county directors of planning~~
10 ~~and permitting, or their respective designees, shall run~~
11 ~~concurrently with each director's term of office.~~

12 ~~(f) Notwithstanding section 92-15, a majority of all~~
13 ~~eligible voting members as specified in this section shall~~
14 ~~constitute a quorum to do business, and the concurrence of a~~
15 ~~majority of all eligible voting members present shall be~~
16 ~~necessary to make any action of the board valid. All members~~
17 ~~shall continue in office until their respective successors have~~
18 ~~been appointed and received advice and consent of the senate.~~
19 ~~Except as provided herein, no member appointed under this~~
20 ~~section shall be an officer or employee of the State or its~~
21 ~~political subdivisions.~~



1 ~~(g) The members of the board shall serve without~~
2 ~~compensation but each shall be reimbursed for expenses,~~
3 ~~including travel expenses, incurred in the performance of their~~
4 ~~duties.~~

5 ~~[\$206E-245] Transit-oriented development infrastructure~~
6 ~~improvement district board; powers; generally. Except as~~
7 ~~otherwise limited by this part, with respect to the development,~~
8 ~~construction, and improvement of infrastructure within the~~
9 ~~districts, the board may:~~

- 10 ~~(1) Establish and administer districts and programs;~~
11 ~~(2) Make and execute contracts and all other instruments~~
12 ~~necessary or convenient for the exercise of its powers~~
13 ~~and functions under this part;~~
14 ~~(3) Prepare or cause to be prepared an infrastructure~~
15 ~~improvement plan for the district;~~
16 ~~(4) Acquire, reacquire, or contract to acquire or~~
17 ~~reacquire, by grant or purchase, real, personal, or~~
18 ~~mixed property, or any interest therein, and own,~~
19 ~~hold, clear, improve, rehabilitate, sell, assign,~~
20 ~~exchange, transfer, convey, lease, or otherwise~~
21 ~~dispose of or encumber the same;~~



- 1 ~~(5) Acquire or reacquire by condemnation real, personal,~~
2 ~~or mixed property, or any interest therein, for~~
3 ~~infrastructure improvement;~~
- 4 ~~(6) By itself or in partnership with qualified persons,~~
5 ~~acquire, reacquire, construct, reconstruct,~~
6 ~~rehabilitate, improve, alter, or repair or provide for~~
7 ~~the construction, reconstruction, improvement,~~
8 ~~alteration, or repair of any infrastructure and own,~~
9 ~~hold, sell, assign, transfer, convey, exchange, lease,~~
10 ~~or otherwise dispose of or encumber any infrastructure~~
11 ~~improvement;~~
- 12 ~~(7) Arrange or contract for the planning, replanning,~~
13 ~~opening, grading, or closing of streets, roads,~~
14 ~~roadways, alleys, or other places, or the furnishing~~
15 ~~of facilities, or for the acquisition of property or~~
16 ~~property rights, or for the furnishing of property or~~
17 ~~services in connection with an infrastructure~~
18 ~~improvement project;~~
- 19 ~~(8) Prepare or cause to be prepared plans, specifications,~~
20 ~~designs, and estimates of costs for the construction,~~
21 ~~reconstruction, rehabilitation, improvement,~~



1 ~~alteration, or repair of any infrastructure~~
2 ~~improvement project, and, from to time, modify the~~
3 ~~plans, specifications, designs, or estimates of any~~
4 ~~infrastructure improvement project;~~

5 ~~(9) Provide advisory, consultative, training, and~~
6 ~~educational services; technical assistance; and advice~~
7 ~~to any person, partnership, or corporation, either~~
8 ~~public or private, to carry out the purposes of this~~
9 ~~part, and engage the services of consultants on a~~
10 ~~contractual basis for rendering professional and~~
11 ~~technical assistance and advice;~~

12 ~~(10) Procure insurance against any loss in connection with~~
13 ~~its property and other assets and operations in~~
14 ~~amounts and from insurers as it deems desirable;~~

15 ~~(11) Contract for and accept gifts or grants in any form~~
16 ~~from any public agency or from any other source; and~~

17 ~~(12) Do any and all things necessary to carry out its~~
18 ~~purposes and exercise the powers given and granted in~~
19 ~~this part.~~

20 ~~[§206E-246]~~ **Transit-oriented development infrastructure**

21 **improvement [district] program; assessment; rules. (a) The**



1 ~~[board]~~ authority shall develop a transit-oriented development
2 infrastructure improvement ~~[district]~~ program to identify
3 infrastructure improvements within each ~~[district.]~~ program
4 area. In determining the required infrastructure improvements
5 to be undertaken, the ~~[board]~~ authority shall consider the
6 strategic plan prepared and the prioritization of transit-
7 oriented development projects established by the Hawaii
8 interagency council for transit-oriented development pursuant to
9 section 226-63(c) and subsequent plans and studies prepared by,
10 or approved by, an appropriate governmental agency to further
11 implement the strategic plan and the transit-oriented
12 development projects therein.

13 (b) ~~[Whenever the board determines to undertake, or causes~~
14 ~~to be undertaken, any infrastructure improvement as part of the~~
15 ~~program,]~~ The authority may assess all beneficiaries of the
16 program a user fee for their fair share of the cost of providing
17 ~~[the]~~ any infrastructure improvement the user may be ~~[assessed~~
18 ~~against the real property in each district]~~ specially benefiting
19 from ~~[the infrastructure improvement]~~. The ~~[board]~~ authority
20 shall determine the program areas ~~[of each district]~~ that will
21 benefit from the infrastructure improvement to be undertaken,



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

14 (c) Bonds issued to provide funds to finance transit-
15 oriented development infrastructure improvements shall be
16 secured [~~solely by the real properties benefited or improved,~~
17 ~~the assessments thereon,~~] in a manner to be determined through
18 the bond issuance process, or the revenues derived from the
19 program for which the bonds are issued, including reserve
20 accounts and earnings thereon, insurance proceeds, and other
21 revenues, or any combination thereof. The bonds may be



1 additionally secured by the pledge or assignment of loans and
2 other agreements or any note or other undertaking, obligation,
3 or property held by the [~~board.~~] authority. Bonds issued
4 pursuant to this section and the income therefrom shall be
5 exempt from all state and county taxation, except transfer and
6 estate taxes. The bonds shall be issued subject to rules
7 adopted by the [~~board~~] authority pursuant to this section.

8 [~~(d) Notwithstanding any other law to the contrary, in~~
9 ~~assessing real property for transit-oriented development~~
10 ~~infrastructure improvement, the board shall assess the real~~
11 ~~property within an assessment area according to the special~~
12 ~~benefits conferred upon the real property by the infrastructure~~
13 ~~improvement. These methods may include assessment on a frontage~~
14 ~~basis or according to the area of real property within an~~
15 ~~assessment area or any other assessment method that assesses the~~
16 ~~real property according to the special benefit conferred, or any~~
17 ~~combination thereof. No assessment levied against real property~~
18 ~~specially benefited as provided by this part shall constitute a~~
19 ~~tax on real property within the meanings of any constitutional~~
20 ~~or statutory provisions. No assessment shall be levied against~~
21 ~~real property owned by the federal government, the State, or a~~



1 ~~county, or an agency thereof, without the prior written consent~~
2 ~~of the owner.~~

3 ~~(e)]~~ (d) The ~~[board shall]~~ authority may adopt rules for
4 the purposes of this part pursuant to chapter 91, and to provide
5 for the method of undertaking and financing transit-oriented
6 development infrastructure improvement in ~~[an assessment area or~~
7 ~~an entire district.]~~ a program area or transit-oriented
8 development zone. ~~[The rules adopted pursuant to this section~~
9 ~~shall include but not be limited to:~~

- 10 ~~(1) The methods by which the board shall establish~~
11 ~~assessment areas;~~
- 12 ~~(2) The method of assessment of real properties specially~~
13 ~~benefited;~~
- 14 ~~(3) The costs to be borne by the board, the county in~~
15 ~~which districts are situated, and the property owners;~~
- 16 ~~(4) The procedures before the board relating to the~~
17 ~~creation of the assessment areas by the owners of real~~
18 ~~property therein, including provisions for petitions,~~
19 ~~bids, contracts, bonds, and notices;~~
- 20 ~~(5) Provisions relating to assessments;~~



- 1 ~~(6) Provisions relating to financing, including bonds,~~
- 2 ~~revolving funds, advances from available funds,~~
- 3 ~~special funds for payment of bonds, payment of~~
- 4 ~~principal and interest, and sale and use of the bonds;~~
- 5 ~~(7) Provisions relating to funds and refunding of~~
- 6 ~~outstanding debts;~~
- 7 ~~(8) Provisions relating to limitations on time to sue; and~~
- 8 ~~(9) Other related provisions.~~

9 ~~(f)]~~ (e) Notwithstanding any other provisions to the
10 contrary, the ~~[board]~~ authority may, in its discretion, enter
11 into any agreement with the county in which the ~~[districts]~~
12 program areas are located to implement all or part of the
13 purposes of this section.

14 ~~(g)]~~ (f) All sums collected under this section shall be
15 deposited into the transit-oriented development infrastructure
16 improvement ~~[district]~~ program special fund established under
17 section 206E-247 and shall be applied solely to:

- 18 (1) The payment of the principal and interest on the bonds
- 19 and the cost of administering, operating, and
- 20 maintaining the program;
- 21 (2) The establishment of reserves; and

1 (3) Other purposes as may be authorized in the proceedings
2 providing for the issuance of the bonds.

3 If any surplus remains in the fund after the payment of the
4 bonds chargeable against the fund, it shall be credited to and
5 become a part of the fund.

6 [~~(h)~~] (g) The transit-oriented development infrastructure
7 improvements [~~to be financed through bonds issued by the board~~]
8 may be dedicated to the county in which the infrastructure
9 improvements are to be located. The [~~board~~] authority shall
10 ensure that the infrastructure improvements are designed and
11 constructed to meet county requirements and shall enter into an
12 agreement with the county for dedication of the public
13 facilities.

14 [~~(i)~~] (h) Notwithstanding any law to the contrary,
15 whenever it becomes necessary to remove, relocate, replace, or
16 reconstruct public utility facilities that are part of a
17 program, the [~~board~~] authority shall establish by rule the
18 allocation of cost between the [~~board~~] authority, the affected
19 public utilities, and the [~~properties~~] users that may specially
20 benefit from the improvement, if any. In determining the
21 allocation of cost, the [~~board~~] authority shall consider the



1 cost allocation policies for districts established by the county
2 in which the removal, relocation, replacement, or reconstruction
3 is to take place.

4 ~~[§206E-247]~~ **Transit-oriented development**
5 **infrastructure improvement ~~[district]~~ program special fund.** (a)

6 There is established in the state treasury the transit-oriented
7 development infrastructure improvement ~~[district]~~ program
8 special fund, into which shall be deposited:

- 9 (1) All revenues, income, and receipts from the
10 transit-oriented development infrastructure
11 improvement ~~[district]~~ program;
- 12 (2) Moneys directed, allocated, or disbursed to the
13 ~~[district]~~ program from government agencies or private
14 individuals or organizations, including grants, gifts,
15 awards, and donations [~~and assessments of landowners~~]
16 for costs to administer and operate the ~~[district]~~;
17 program;
- 18 (3) ~~[Assessments]~~ User fees collected under section
19 206E-246; and
- 20 (4) Moneys appropriated to the fund by the legislature.



1 (b) Moneys in the fund shall be used only for the purposes
2 of this part.

3 (c) Investment earnings credited to the assets of the fund
4 shall become part of the fund.

5 **§206E- Condemnation of real property.** The authority,
6 upon making a finding that it is necessary to acquire any real
7 property for its immediate or future use for the purposes of
8 this part, may acquire the property, including property already
9 devoted to a public use, by condemnation pursuant to chapter
10 101. The property shall not thereafter be taken for any other
11 public use without the consent of the authority. No award of
12 compensation shall be increased by reason of any increase in the
13 value of real property caused by the designation of the transit-
14 oriented development infrastructure improvement program areas,
15 or the actual or proposed acquisition, use, or disposition of
16 any other real property by the authority.

17 **[+]§206E-248[+]** **Memorandum of agreement.** The [board]
18 authority may execute memoranda of agreement with appropriate
19 governmental agencies[-] for purposes of this part.

20 **[+]§206E-249[+]** **Annual comprehensive report.** The [board]
21 authority shall submit an annual comprehensive report on the



1 progress of [~~development within~~] the [~~district~~] program to the
2 legislature no later than twenty days prior to the convening of
3 each regular session."

4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Transit-Oriented Development Infrastructure Improvement Program;
HCDA; Department of Business, Economic Development, and Tourism;
Program

Description:

Authorizes the Hawaii Community Development Authority to cooperate with or assist public and private sector entities to engage in projects that improve the State. Establishes the transit-oriented development infrastructure improvement program under the Hawaii Community Development Authority. Repeals the transit-oriented development infrastructure improvement district and board. Effective 7/1/3000. (HD1)

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