
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 and effective. The
5 transit-oriented development infrastructure improvement
6 districts were comprised of the land within county-designated
7 transit-oriented development zones or within a one-half mile
8 radius of a proposed or existing transit station if the county
9 has not designated transit-oriented development zones, as
10 designated by the board. Act 184 also established the
11 transit-oriented development infrastructure improvement district
12 boards for each county, under the Hawaii community development
13 authority for administrative purposes. To date these boards
14 have not been constituted, due in part to a lack of community
15 volunteers willing to serve.

16 The legislature further finds that the best-proven models
17 of successful, affordable, healthy, and vibrant communities in



1 transit-oriented development areas require sufficient water,
2 sewer, and power infrastructure; affordable housing; safe,
3 comfortable, and convenient pedestrian and multi-modal transit
4 connectivity; meaningful community amenities such as parks,
5 recreational facilities, and event venues; and community
6 programs that provide for community-based economic development,
7 culture, arts, communication, safety, security, and cleanliness.

8 The legislature also finds that while significant effort
9 has been made to plan for and prioritize affordable housing in
10 transit-oriented development areas, the Hawaii community
11 development authority's current model of primarily relying on
12 private developers to provide for affordable units,
13 infrastructure, and community amenities in many cases has meant
14 districts such as Kakaako have fallen short of achieving real
15 affordability, liveability, and desired quality of life.

16 Too often, basic community infrastructure such as
17 sidewalks, safe multi-modal connectivity, public spaces,
18 community-based economic development, and amenities required for
19 successful, livable communities never materialize without a lead
20 agency taking ownership, prioritizing key community elements,
21 and executing projects. In most cases, basic community



1 infrastructure is not a priority for any department or agency.
2 Sometimes this results in costly retrofits after people move in,
3 discover gaps in their quality of life, and pay for missing
4 infrastructure needed to enable families to reduce their cost of
5 transportation and living. In other cases, basic community
6 infrastructure can no longer be implemented because buildout in
7 the area has already occurred, leaving residents stranded with
8 higher costs of living and no recourse. This results in
9 communities having a higher cost of living than necessary and
10 developments that are often sufficient for transient investment
11 units and vacation properties but not best-suited for local
12 families and permanent residents.

13 The legislature also finds that ensuring the inclusion of
14 complete community infrastructure in planning and implementation
15 can replicate four successful strategies commonly used in
16 successful cities to help significantly reduce the cost of
17 housing and cost of living. Primarily, these include
18 aggregating amenities such as parking and green space into
19 public space, removing those costs from each new development.
20 Secondly, constructing public infrastructure and properties that
21 generate revenue can help to pay for adequate infrastructure and



1 amenities implementation, as well as reduce the cost of
2 maintenance, security, and similar costs for area residents.
3 Thirdly, using financing mechanisms, such as community financing
4 districts, can provide more capacity to ensure that complete
5 community infrastructure and amenities are planned for and
6 included. Fourthly, constructing multiple lower-story concrete
7 or wood buildings on the same footprint of a tower or podium
8 project can achieve the same number of units on a block, but
9 through a much cheaper per-unit cost because lower structures do
10 not require costly vertical engineering and safety and related
11 components. In numerous other cities, these types of equally
12 dense but less expensive affordable housing developments are
13 often built by both the private and public sectors.

14 The legislature further finds that the two highest costs
15 contributing to the cost of living are housing and
16 transportation. By broadening the State's focus to develop
17 affordable communities with fully built community infrastructure
18 and amenities, rather than just affordable housing, the cost of
19 a single unit can often be reduced by as much as \$75,000, and
20 the cost of transportation for families living there can be
21 reduced by \$15,000 or more per year.



1 Units in many recent housing projects have become
2 prohibitively expensive. On average, about \$50,000 is added to
3 the cost of a unit per associated parking stall constructed, and
4 as much as \$25,000 per unit for associated building amenities.
5 Numerous cities and jurisdictions have begun constructing
6 separate, aggregated parking stalls and building amenities,
7 lowering the cost of each unit produced by as much as \$75,000.

8 The legislature further finds that building infrastructure,
9 such as separate parking garages, allows residents in an area to
10 lease space or use a parking stall as may be needed, rather than
11 having the cost forced upon them through higher mortgage costs.
12 This is especially important considering Hawaii's latest
13 generation is driving considerably less than previous
14 generations. Since 2000, the percentage of eighteen- to
15 twenty-nine-year-olds with a driver's license has decreased
16 nearly forty per cent. Many individuals desire to live in
17 walkable, bikeable communities without the costly average
18 expense of \$10,000 per year for each additional vehicle along
19 with the \$50,000 cost of owning a parking stall.

20 Additionally, relieving housing developers of the burden of
21 building excessive amenities and gathering spaces in each



1 building lowers the cost of living in those units. Aggregating
2 public spaces for open plazas, gathering spaces, parks, and
3 green spaces available to everyone also creates and fosters a
4 better sense of community and opportunities for better mixed-use
5 commercial, retail, and food options at a lower overall cost.

6 The legislature additionally finds that the most successful
7 affordable communities incorporate mixed-use commercial and
8 retail space into public projects, which not only puts daily
9 needs within walking distance of residents, but also provides
10 revenue-generating lease rent and other opportunities that can
11 help pay for community infrastructure, amenities, security,
12 cleanliness, and maintenance, and lower maintenance fees and the
13 cost of living for residents in the area.

14 Accordingly, the purpose of this Act is to empower the
15 Hawaii community development authority to implement these and
16 other proven strategies to build better, more affordable, more
17 liveable communities and provide residents with a higher quality
18 of life. Secondly, this Act streamlines transit-oriented
19 development infrastructure improvements by making chapter 206E,
20 part X, Hawaii Revised Statutes, relating to transit-oriented
21 development infrastructure improvements, a program under the



1 Hawaii community development authority. This will enable the
 2 Hawaii community development authority to develop community
 3 improvement projects in transit-oriented development areas
 4 outside its existing designated districts, provided that
 5 planning and implementation shall be assisted by a new board of
 6 members with expertise with successful strategies commonly
 7 employed elsewhere that the Hawaii community development
 8 authority currently does not have, rather than the existing
 9 multiple districts and boards for each county.

10 Additionally, this Act provides additional financing tools
 11 and flexibility to fill the gaps in Hawaii's community planning
 12 and implementation. This will provide better community
 13 improvements and deliver complete communities with lower housing
 14 and transportation costs, safer streets, public spaces, parks,
 15 and community amenities that provide a better quality of life.

16 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
 17 amended by adding two new sections to be appropriately
 18 designated and to read as follows:

19 "§206E- Issuance of bonds for the development of
 20 infrastructure. (a) Notwithstanding section 206E-21 and
 21 206E-225, the authority, pursuant to and in accordance with this



1 subpart and section 46-80.1(a), may issue bonds for the purpose
2 of financing the development of infrastructure for:

3 (1) Land owned by the authority or land within a community
4 development district or area established under this
5 chapter or the stadium development district
6 established in section 206E-223; and

7 (2) Infrastructure projects under section 206E-246.

8 (b) All bonds issued by the authority for improvements by
9 assessments, and the interest thereon, shall be exempt from all
10 state, county, and municipal taxation, except inheritance,
11 transfer, and estate taxes.

12 **§206E- Condemnation of real property.** The authority,
13 upon making a finding that it is necessary to acquire any real
14 property for its immediate or future use for the purposes of
15 this part, may acquire the property by condemnation pursuant to
16 chapter 101. The property shall not thereafter be taken for any
17 other public use without the consent of the authority. No award
18 of compensation shall be increased by reason of any increase in
19 the value of real property caused by the designation of
20 community improvement program areas, or the actual or proposed



1 acquisition, use, or disposition of any other real property by
2 the authority."

3 SECTION 3. Section 206E-1, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**S206E-1 Findings and purpose.** The legislature finds that
6 many areas of the State are substantially undeveloped, blighted,
7 or economically depressed, and are or are potentially in need of
8 renewal, renovation, or improvement to alleviate such conditions
9 as dilapidation, deterioration, age, and other such factors or
10 conditions [~~which~~] that make [~~such~~] the areas an economic or
11 social liability.

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



1 appropriate agriculture, education, and natural-resource
2 restoration and management.

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

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



1 Hawaii community development authority will result in
2 communities [~~which serve the highest needs and aspirations of~~]
3 that provide for the best quality of life for Hawaii's people.

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

12 The legislature also finds that there are many areas of the
13 State, outside of the Hawaii community development authority's
14 existing community development districts, where this
15 comprehensive planning, and redevelopment agency should use its
16 powers to facilitate timely redevelopment, renewal, community
17 building, and economic development."

18 SECTION 4. Chapter 206E, part X, Hawaii Revised Statutes,
19 is amended to read as follows:

20 "[+]PART X. [+] TRANSIT-ORIENTED [~~DEVELOPMENT INFRASTRUCTURE~~
21 ~~IMPROVEMENT DISTRICT~~] COMMUNITY IMPROVEMENT PROGRAM



1 [+]§206E-241[+] **Findings and purpose.** The legislature
2 finds that construction, installation, and improvement of
3 certain infrastructure is necessary and desirable to facilitate
4 renewal and redevelopment of areas designated by the State and
5 the counties for transit-oriented development. Transit-oriented
6 development is a powerful tool that can ultimately deliver a
7 wide range of social, environmental, and economic benefits.
8 Transit-oriented development promotes development patterns that
9 support quality of life, preserves the natural environment,
10 provides a range of housing choices for residents, and
11 encourages walking, biking, and use of mass transit. The State
12 plays an important role in overcoming barriers to
13 transit-oriented development, including encouraging needed
14 investments in improving regional infrastructure such as roads,
15 sewers, water, power, communication, and storm water management
16 systems. This part is intended to move transit-oriented
17 development planning efforts forward into infrastructure
18 improvements that benefit the community. The legislature
19 further finds that, currently, no single state agency has the
20 authority to improve infrastructure along a transit corridor in
21 the best interest of the State. This part will enable the



1 delivery of infrastructure [~~needed to support development on~~
2 ~~lands within designated transit-oriented development zones.~~

3 ~~Accordingly, the purpose of this part is to establish~~
4 ~~transit-oriented development infrastructure improvement~~
5 ~~districts to foster community development by strategically~~
6 ~~investing in infrastructure improvements.] and community
7 amenities that are needed to enable affordable, liveable,
8 communities in transit-oriented development areas and provide
9 for the best quality of life for local residents.~~

10 Accordingly, there is established the transit-oriented
11 community improvement program to be administered by the
12 authority to foster community improvement by strategically
13 investing in infrastructure.

14 **[f]§206E-242 [j] Definitions.** As used in this part:

15 "Board" means the transit-oriented [~~development~~
16 ~~infrastructure improvement district board~~] community improvement
17 program board.

18 [~~"District" means the transit-oriented development~~
19 ~~infrastructure improvement district within each county-~~
20 ~~designated transit-oriented development zone, or within a one-~~
21 ~~half mile radius of a proposed or existing transit station if~~



1 ~~the county has not designated transit-oriented development~~
2 ~~zones, as determined by the board.]~~

3 "Fund" means the transit-oriented [~~development~~
4 ~~infrastructure improvement district~~] community improvement
5 program special fund established under section 206E-247.

6 "Program" means the transit-oriented [~~development~~
7 ~~infrastructure improvement district~~] community improvement
8 program developed by the board pursuant to section 206E-246.

9 ~~[§206E-243] District established; boundaries.]~~

10 **Transit-oriented community improvement program areas;**

11 **established.** [~~(a) The transit-oriented development~~
12 ~~infrastructure improvement district is hereby established under~~
13 ~~the authority.~~

14 ~~(b)]~~ (a) The [~~district~~] transit-oriented community
15 improvement program areas shall comprise the parcels of land
16 within legislatively-designated transit-oriented community
17 improvement areas, and either within county-designated
18 transit-oriented development zones, or within a one-half mile
19 radius of a proposed or existing transit station if the county
20 has not designated transit-oriented development zones, as
21 determined by the board, which shall take into account



1 proximity, walkability, adopted county plans, and other relevant
 2 factors[+ ~~provided that in a county with a population in excess~~
 3 ~~of five hundred thousand, a transit-oriented development zone~~
 4 ~~shall include a rail station or a planned rail station]. The~~
 5 ~~[district shall] program areas may include all parcels of land~~
 6 of which any portion of the parcels are located within the
 7 legislatively-designated transit-oriented community improvement
 8 areas or county-designated transit-oriented development zones,
 9 or within a one-half mile radius around proposed or existing
 10 transit stations if the county has not designated
 11 transit-oriented development zones.

12 (b) The board may establish and administer
 13 transit-oriented community improvement program areas.

14 ~~[f]§206E-244[+]~~ **Transit-oriented [development**
 15 **~~infrastructure improvement district] community improvement~~**
 16 **board; established; members; terms; vacancies.** (a) There is
 17 established the transit-oriented ~~[development infrastructure~~
 18 ~~improvement district] community improvement board, which shall
 19 be placed under the authority within the department of business,
 20 economic development, and tourism for administrative purposes.
 21 The board shall carry out the duties and responsibilities for~~



1 guiding planning and implementation for the authority in
2 transit-oriented community improvement program areas and any
3 other areas outside of designated transit-oriented community
4 improvement program areas or transit-oriented development zones
5 as set forth in this part.

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

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

9 (2) ~~[The director of transportation or the director's~~
10 ~~designee;]~~ The department of transportation multimodal
11 transportation coordinator, or the coordinator's
12 designee;

13 (3) The director of the office of planning and sustainable
14 development or the director's designee;

15 ~~[(4) The director of planning and permitting of the county~~
16 ~~in which each district is located or the director's~~
17 ~~designee; and~~

18 ~~(5) The following members, who shall be appointed by the~~
19 ~~governor pursuant to section 26-34:~~

20 ~~(A) A cultural specialist;~~



- 1 ~~(B) An at-large member, to be selected from a list of~~
- 2 ~~three nominees submitted by the president of the~~
- 3 ~~senate;~~
- 4 ~~(C) An at-large member, to be selected from a list of~~
- 5 ~~three nominees submitted by the speaker of the~~
- 6 ~~house of representatives;~~
- 7 ~~(D) A resident of the county where the district is~~
- 8 ~~located, to be selected from a list of three~~
- 9 ~~nominees submitted by the president of the~~
- 10 ~~senate; and~~
- 11 ~~(E) A resident of the county where the district is~~
- 12 ~~located, to be selected from a list of three~~
- 13 ~~nominees submitted by the speaker of the house of~~
- 14 ~~representatives.]~~
- 15 (4) The head of the community-based economic development
- 16 program of the department of business, economic
- 17 development, and tourism or designee;
- 18 (5) The director of the state foundation on culture and
- 19 the arts or the director's designee;
- 20 (6) One individual with history and expertise in public
- 21 spaces, and one individual with history and expertise



1 in urban planning, to be appointed by the president of
2 the senate; and

3 (7) One individual with history and expertise in public
4 spaces, and one individual with history and expertise
5 in urban planning, to be appointed by the speaker of
6 the house.

7 Chairs of the house of representatives and senate standing
8 committees with jurisdiction over transportation and housing
9 shall serve as ex officio, nonvoting members.

10 (c) The terms of the appointed members shall be for four
11 years, commencing on July 1 and expiring on June 30[~~; provided~~
12 ~~that the governor shall provide for staggered terms of the~~
13 ~~initially appointed members so that the initial terms of one at-~~
14 ~~large member and one district member selected by lot shall be~~
15 ~~for three years, the initial terms of one at-large member and~~
16 ~~one district member selected by lot shall be for four years, and~~
17 ~~the term of the cultural specialist shall be for two years].~~

18 (d) If a vacancy occurs, a member shall be appointed to
19 fill the vacancy in the same manner as the original appointment
20 [~~within thirty days of the vacancy or within ten days of the~~
21 ~~senate's rejection of a previous appointment, as applicable.~~



1 ~~(e) The terms of the director of finance, director of~~
2 ~~transportation, director of the office of planning and~~
3 ~~sustainable development, and the county directors of planning~~
4 ~~and permitting,].~~

5 (e) The terms of the board members not appointed by the
6 president of the senate or speaker of the house of
7 representatives, or their respective designees, shall run
8 concurrently with ~~[each director's]~~ the governor's term of
9 office.

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

20 (g) The members of the board shall serve without
21 compensation but each shall be reimbursed for expenses,



1 including travel expenses, incurred in the performance of their
2 duties.

3 (h) No member shall have a financial interest or conflict
4 of interest in any project, real property, business, or
5 development located in a transit-oriented community improvement
6 area.

7 ~~[+]§206E-245[+]~~ **Transit-oriented [development**
8 **infrastructure improvement district] community improvement**
9 **board; powers; generally.** Except as otherwise limited by this
10 part, with respect to the development, construction, and
11 improvement of infrastructure within the districts, the board
12 may:

- 13 (1) Have a seal and alter the same at its pleasure;
14 (2) Establish and administer [districts] transit-oriented
15 community improvement areas and programs;
16 [+2+] (3) Make and execute contracts and all other
17 instruments necessary or convenient for the exercise
18 of its powers and functions under this part;
19 (4) Carry out surveys, research, investigations, site
20 visits, and similar examinations into technological,
21 business, financial, consumer trends, and other



1 aspects of affordable housing, transportation,
 2 walkable communities, public spaces, revenue
 3 generation, leisure or recreational land uses that may
 4 be relevant for transit-oriented community improvement
 5 planning and implementation;

6 ~~[(3)]~~ (5) Prepare or cause to be prepared an infrastructure
 7 improvement plan for the district;

8 ~~[(4)]~~ (6) Acquire, reacquire, or contract to acquire or
 9 reacquire, by grant or purchase, real, personal, or
 10 mixed property, or any interest therein, and own,
 11 hold, clear, improve, rehabilitate, sell, assign,
 12 exchange, transfer, convey, lease, or otherwise
 13 dispose of or encumber the same;

14 ~~[(5)]~~ (7) Acquire or reacquire by condemnation real,
 15 personal, or mixed property, or any interest therein,
 16 for infrastructure improvement;

17 ~~[(6)]~~ ~~By itself or in partnership with qualified persons,~~
 18 ~~acquire, reacquire, construct, reconstruct,~~
 19 ~~rehabilitate, improve, alter, or repair or provide for~~
 20 ~~the construction, reconstruction, improvement,~~
 21 ~~alteration, or repair of any infrastructure and own,~~



1 ~~hold, sell, assign, transfer, convey, exchange, lease,~~
2 ~~or otherwise dispose of or encumber any infrastructure~~
3 ~~improvement;~~

4 ~~(7)]~~ (8) Arrange or contract for the planning, replanning,
5 opening, grading, or closing of streets, roads,
6 roadways, alleys, or other places, or the furnishing
7 of facilities, or for the acquisition of property or
8 property rights, or for the furnishing of property or
9 services in connection with an infrastructure
10 improvement project;

11 ~~(8)]~~ (9) Prepare or cause to be prepared plans,
12 specifications, designs, and estimates of costs for
13 the construction, reconstruction, rehabilitation,
14 improvement, alteration, or repair of any
15 infrastructure improvement project, and, from to time,
16 modify the plans, specifications, designs, or
17 estimates of any infrastructure improvement project;

18 ~~(9)~~ ~~Provide advisory, consultative, training, and~~
19 ~~educational services; technical assistance; and advice~~
20 ~~to any person, partnership, or corporation, either~~
21 ~~public or private, to carry out the purposes of this~~



1 ~~part, and engage the services of consultants on a~~
2 ~~contractual basis for rendering professional and~~
3 ~~technical assistance and advice;]~~

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

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

9 (12) Do any and all things necessary to carry out its
10 purposes and exercise the powers given and granted in
11 this part.

12 ~~[+]§206E-246[+]~~ **Transit-oriented [development**
13 **~~infrastructure improvement district] community improvement~~**
14 **program; assessment; rules.** (a) The board shall develop a
15 transit-oriented ~~[development infrastructure improvement~~
16 ~~district]~~ community improvement program to identify
17 infrastructure improvements within each ~~[district.]~~ program
18 area. In determining the required infrastructure improvements
19 to be undertaken, the board shall ~~[consider the strategic plan~~
20 ~~prepared]~~ endeavor to achieve policy, planning, and
21 implementation goals of the legislature, and consider any



1 relevant strategic plans prepared by the Hawaii interagency
2 council for transit-oriented development pursuant to section
3 226-63(c) and subsequent plans and studies prepared by, or
4 approved by, an appropriate governmental agency to further
5 implement the strategic plan and the transit-oriented
6 development projects therein.

7 (b) [~~Whenever the board determines to undertake, or causes~~
8 ~~to be undertaken, any infrastructure improvement as part of the~~
9 ~~program,~~] The board may assess all beneficiaries of the program
10 a user fee for their fair share of the cost of providing [the]
11 any infrastructure improvement the user may be [~~assessed against~~
12 ~~the real property in each district]~~ specially benefiting from
13 [~~the infrastructure improvement]~~. The board shall determine the
14 program areas [of each district] that will benefit from the
15 infrastructure improvement to be undertaken, and if less than
16 the entire [~~district]~~ transit-oriented community improvement
17 program area benefits, the board may establish [~~assessment]~~ user
18 fee areas within the [~~district.~~] program area. The board may
19 issue and sell bonds in amounts as may be authorized by the
20 legislature to provide funds to finance the infrastructure
21 improvements. [~~The board may fix the assessments against real~~



1 ~~property specially benefited. All assessments made pursuant to~~
2 ~~this section shall be a statutory lien against each lot or~~
3 ~~parcel of land assessed from the date of the notice declaring~~
4 ~~the assessment until the assessment is paid, and the lien shall~~
5 ~~have priority over all other liens except the lien of property~~
6 ~~taxes. As between liens of assessments, the earlier lien shall~~
7 ~~be superior to the later lien.]~~

8 (c) Bonds issued to provide funds to finance
9 transit-oriented development infrastructure improvements shall
10 be secured [~~solely by the real properties benefited or improved,~~
11 ~~the assessments thereon,~~] in a manner to be determined through
12 the bond issuance process, or the revenues derived from the
13 program for which the bonds are issued, including reserve
14 accounts and earnings thereon, insurance proceeds, and other
15 revenues, or any combination thereof. The bonds may be
16 additionally secured by the pledge or assignment of loans and
17 other agreements or any note or other undertaking, obligation,
18 or property held by the board. Bonds issued pursuant to this
19 section and the income therefrom shall be exempt from all state
20 and county taxation, except transfer and estate taxes. The



1 bonds shall be issued subject to rules adopted by the board
2 pursuant to this section.

3 ~~[(d) Notwithstanding any other law to the contrary, in~~
4 ~~assessing real property for transit-oriented development~~
5 ~~infrastructure improvement, the board shall assess the real~~
6 ~~property within an assessment area according to the special~~
7 ~~benefits conferred upon the real property by the infrastructure~~
8 ~~improvement. These methods may include assessment on a frontage~~
9 ~~basis or according to the area of real property within an~~
10 ~~assessment area or any other assessment method that assesses the~~
11 ~~real property according to the special benefit conferred, or any~~
12 ~~combination thereof. No assessment levied against real property~~
13 ~~specially benefited as provided by this part shall constitute a~~
14 ~~tax on real property within the meanings of any constitutional~~
15 ~~or statutory provisions. No assessment shall be levied against~~
16 ~~real property owned by the federal government, the State, or a~~
17 ~~county, or an agency thereof, without the prior written consent~~
18 ~~of the owner.~~

19 ~~(e)}~~ (d) The board ~~[shall]~~ may adopt rules for the
20 purposes of this part, pursuant to chapter 91, and to provide
21 for the method of undertaking and financing transit-oriented



1 ~~[development infrastructure improvement in an assessment area or~~
2 ~~an entire district. The rules adopted pursuant to this section~~
3 ~~shall include but not be limited to:~~

- 4 ~~(1) The methods by which the board shall establish~~
5 ~~assessment areas;~~
- 6 ~~(2) The method of assessment of real properties specially~~
7 ~~benefited;~~
- 8 ~~(3) The costs to be borne by the board, the county in~~
9 ~~which districts are situated, and the property owners;~~
- 10 ~~(4) The procedures before the board relating to the~~
11 ~~creation of the assessment areas by the owners of real~~
12 ~~property therein, including provisions for petitions,~~
13 ~~bids, contracts, bonds, and notices;~~
- 14 ~~(5) Provisions relating to assessments;~~
- 15 ~~(6) Provisions relating to financing, including bonds,~~
16 ~~revolving funds, advances from available funds,~~
17 ~~special funds for payment of bonds, payment of~~
18 ~~principal and interest, and sale and use of the bonds;~~
- 19 ~~(7) Provisions relating to funds and refunding of~~
20 ~~outstanding debts;~~
- 21 ~~(8) Provisions relating to limitations on time to sue; and~~



1 ~~(9) Other related provisions.]~~ community improvement
2 infrastructure in a program area or transit-oriented
3 development zone.

4 ~~(f)]~~ (e) Notwithstanding any other provisions to the
5 contrary, the board may, in its discretion, enter into any
6 agreement with the county in which the ~~[districts]~~ program areas
7 are located to implement all or part of the purposes of this
8 section.

9 ~~(g)]~~ (f) All sums collected under this section shall be
10 deposited into the transit-oriented ~~[development infrastructure~~
11 ~~improvement district]~~ community improvement special fund
12 established under section 206E-247 and shall be applied solely
13 to:

- 14 (1) The payment of the principal and interest on the bonds
15 and the cost of administering, operating, and
16 maintaining the program;
- 17 (2) The establishment of reserves; and
- 18 (3) Other purposes as may be authorized in the proceedings
19 providing for the issuance of the bonds.



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

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

11 ~~[(i)]~~ (h) Notwithstanding any law to the contrary,
12 whenever it becomes necessary to remove, relocate, replace, or
13 reconstruct public utility facilities that are part of a
14 program, the board shall establish by rule the allocation of
15 cost between the board, the affected public utilities, and the
16 ~~[properties]~~ users that may specially benefit from the
17 improvement, if any. In determining the allocation of cost, the
18 board shall consider the cost allocation policies for districts
19 established by the county in which the removal, relocation,
20 replacement, or reconstruction is to take place.



1 ~~[§]206E-247[§]~~ Transit-oriented ~~[development~~
2 ~~infrastructure improvement district]~~ community improvement
3 **special fund.** (a) There ~~[is]~~ shall be established in the state
4 treasury the transit-oriented ~~[development infrastructure~~
5 ~~improvement district]~~ community improvement special fund, into
6 which shall be deposited:

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



1 (c) Investment earnings credited to the assets of the fund
2 shall become part of the fund.

3 ~~§206E-248~~ **Memorandum of agreement.** The board
4 authority may execute memoranda of agreement with appropriate
5 governmental agencies ~~[-]~~ for purposes of this part.

6 ~~§206E-249~~ **Annual comprehensive report.** The board
7 shall submit an annual comprehensive report on the progress of
8 ~~[development within]~~ the ~~[district]~~ program to the legislature
9 no later than twenty days prior to the convening of each regular
10 session."

11 SECTION 5. The Hawaii community development authority may
12 issue revenue bonds from time to time to finance the development
13 of infrastructure within transit-oriented community improvement
14 program areas, lands within community development districts
15 established under chapter 206E, Hawaii Revised Statutes, or the
16 stadium development district established in section 206E-223,
17 Hawaii Revised Statutes, and lands owned by the authority. The
18 total principal amount of the revenue bonds authorized by this
19 Act shall not exceed \$; provided that neither revenue
20 bonds issued to refund revenue bonds heretofore issued, to the
21 extent that the refunding revenue bonds do not exceed the



1 principal amount of the revenue bonds being refunded, nor
2 revenue bonds of the Hawaii community development authority
3 outstanding at the effective date of this Act shall cause the
4 amount of the above authorization to be decreased. The revenue
5 bonds shall be issued pursuant to section 206E-246, Hawaii
6 Revised Statutes. The principal and interest on the revenue
7 bonds, to the extent not paid from the proceeds of the bonds,
8 shall be paid solely from, and secured solely by the revenue of
9 the Hawaii community development authority as defined in chapter
10 206E-2, Hawaii Revised Statutes.

11 SECTION 6. There is appropriated out of the revenue bond
12 proceeds and interest earned thereon authorized by section 5 of
13 this Act the sum of \$ or so much thereof as may be
14 necessary for the fiscal year 2025-2026 to carry out the
15 purposes of section 5 of this Act; provided that any unexpected
16 and unencumbered balance of the appropriation shall not lapse at
17 the end of the fiscal year 2025-2026 and shall lapse instead on
18 June 30, 2030.

19 SECTION 7. The Hawaii community development authority
20 shall notify the legislature upon the issuance of the revenue
21 bonds authorized by section 5 of this Act, including a detailed



1 list and description of all projects to be funded through the
2 revenue bonds authorized by this Act.

3 SECTION 8. If any provision of this Act, or the
4 application thereof to any person or circumstance, is held
5 invalid, the invalidity does not affect other provisions or
6 applications of the Act that can be given effect without the
7 invalid provision or application, and to this end the provisions
8 of this Act are severable.

9 SECTION 9. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 10. This Act shall take effect on July 1, 3000.



Report Title:

HCDA; Department of Business, Economic Development, and Tourism;
Transit-Oriented Community Improvement Program; Special Fund;
Appropriations

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 Community Improvement Program and board under the HCDA. Repeals the Transit-Oriented Development Infrastructure Improvement District and Board. Authorizes the HCDA to issue revenue bonds to finance the development of infrastructure outside of HCDA's community development districts. Appropriates funds into and out of the special fund for the program and positions. Effective 7/1/3000. (SD2)

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