

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1355

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

July 1, 2025

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 1, 2025, the following bill was signed into law:

H.B. NO. 1007, H.D. 2,
S.D. 2, C.D. 1

RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY.
ACT 252

Mahalo,

A handwritten signature in cursive script that reads "Josh Green M.D.".

Josh Green, M.D.
Governor, State of Hawai'i

Approved by the Governor

on JUL 1 2025

HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

ACT 252
H.B. NO. 1007
H.D. 2
S.D. 2
C.D. 1

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 comprised 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 Too often, basic community infrastructure such as
9 sidewalks, safe multi-modal connectivity, public spaces,
10 community-based economic development, and amenities required for
11 successful, livable communities never materialize without a lead
12 agency taking ownership, prioritizing key community elements,
13 and executing projects. In most cases, basic community
14 infrastructure is not a priority for any department or agency.
15 Sometimes this results in costly retrofits after people move in,
16 discover gaps in their quality of life, and pay for missing
17 infrastructure needed to enable families to reduce their cost of
18 transportation and living. In other cases, basic community
19 infrastructure can no longer be implemented because buildout in
20 the area has already occurred, leaving residents stranded with
21 higher costs of living and no recourse. This results in



1 communities having a higher cost of living than necessary and
2 developments that are often sufficient for transient investment
3 units and vacation properties but not best-suited for local
4 families and permanent residents.

5 The legislature also finds that ensuring the inclusion of
6 complete community infrastructure in planning and implementation
7 can replicate four successful strategies commonly used in
8 successful cities to help significantly reduce the cost of
9 housing and cost of living. Primarily, these include
10 aggregating amenities such as parking and green space into
11 public space, removing those costs from each new development.
12 Secondly, constructing public infrastructure and properties that
13 generate revenue can help to pay for adequate infrastructure and
14 amenities implementation, as well as reduce the cost of
15 maintenance, security, and similar costs for area residents.
16 Thirdly, using financing mechanisms such as community financing
17 districts can provide more capacity to ensure that complete
18 community infrastructure and amenities are planned for and
19 included. Fourthly, constructing multiple lower-story concrete
20 or wood buildings on the same footprint of a tower or podium
21 project can achieve the same number of units on a block, but



1 through a much cheaper per-unit cost because lower structures do
2 not require costly vertical engineering and safety and related
3 components. In numerous other cities, these types of equally
4 dense but less expensive affordable housing developments are
5 often built by both the private and public sectors.

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

14 Units in many recent housing projects have become
15 prohibitively expensive. On average, approximately \$50,000 is
16 added to the cost of a unit per associated parking stall
17 constructed, and as much as \$25,000 per unit is added for
18 associated building amenities. Numerous cities and
19 jurisdictions have begun constructing separate, aggregated
20 parking stalls and building amenities, lowering the cost of each
21 unit produced by as much as \$75,000.



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

13 Additionally, relieving housing developers of the burden of
14 building excessive amenities and gathering spaces in each
15 building lowers the cost of living in those units. Aggregating
16 public spaces for open plazas, gathering spaces, parks, and
17 green spaces available to everyone also creates and fosters a
18 better sense of community and opportunities for better mixed-use
19 commercial, retail, and food options at a lower overall cost.

20 The legislature additionally finds that the most successful
21 affordable communities incorporate mixed-use commercial and



1 retail space into public projects, which not only puts daily
2 needs within walking distance of residents, but also provides
3 revenue-generating lease rent and other opportunities that can
4 help pay for community infrastructure, amenities, security,
5 cleanliness, and maintenance, and lower maintenance fees and the
6 cost of living for residents in the area.

7 Accordingly, the purpose of this Act is to empower the
8 Hawaii community development authority to implement these and
9 other proven strategies to build infrastructure and projects for
10 better, more affordable, more livable communities and provide
11 residents with a higher quality of life. Secondly, this Act
12 streamlines transit-oriented development infrastructure
13 improvements by recasting provisions of chapter 206E, part X,
14 Hawaii Revised Statutes, relating to transit-oriented
15 development infrastructure improvements, as a program under the
16 Hawaii community development authority. This will enable the
17 Hawaii community development authority to develop community
18 improvement projects in transit-oriented development areas
19 outside its existing designated districts, provided that
20 planning and implementation shall be assisted by a new board of
21 members having expertise with successful strategies commonly



1 employed elsewhere, rather than the existing multiple districts
2 and boards for each county.

3 This Act also provides additional financing tools and
4 flexibility to fill the gaps in Hawaii's community planning and
5 implementation. This will provide better community improvements
6 and deliver complete communities with lower housing and
7 transportation costs, safer streets, public spaces, parks, and
8 community amenities that provide a better quality of life.

9 The legislature finds that the Hawaii community development
10 authority may begin to employ these new strategies and use these
11 new tools by assisting with the planning, development, and
12 implementation of the proposed park-and-ride transit and
13 community hub adjacent to the Skyline's Waiawa, Pearl Highlands
14 station on Oahu.

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

18 "§206E- Issuance of bonds for the development of
19 infrastructure. (a) Notwithstanding section 206E-21 and
20 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 the
20 transit-oriented development infrastructure improvement program



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

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

5 "**§206E-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~~] that serve the highest needs and aspirations
3 of 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 community development districts, where this comprehensive
15 planning, and redevelopment agency should use its powers to
16 facilitate timely redevelopment, renewal, community building,
17 and economic development."

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



1 district, comprising one resident of the district and one owner
2 of a small business or one officer or director of a nonprofit
3 organization in the district; [and] two representatives of the
4 Pulehunui community development district, consisting of one
5 resident of the island of Maui, and one owner of a small
6 business or one officer or director of a nonprofit organization
7 on the island of Maui[-]; and, for the purposes of part X of
8 this chapter only, two experts on transit-oriented development,
9 to be appointed one each by the president of the senate and the
10 speaker of the house of representatives; and the following ex
11 officio, nonvoting members: the chairpersons of the respective
12 senate and house of representatives standing committees having
13 jurisdiction over transportation, and the chairpersons of the
14 respective senate and house of representatives standing
15 committees having jurisdiction over housing.

16 All members except the director of finance[-]; director of
17 transportation[-]; county directors of planning or planning and
18 permitting[-]; director of business, economic development, and
19 tourism[-]; chairperson of the board of land and natural
20 resources[-]; the two experts on transit-oriented development
21 appointed by the president of the senate and speaker of the



1 house of representatives, respectively; the chairpersons of the
2 respective senate and house of representatives standing
3 committees having jurisdiction over transportation; the
4 chairpersons of the respective senate and house of
5 representatives standing committees having jurisdiction over
6 housing; or, where relevant, their respective designees shall be
7 appointed by the governor pursuant to section 26-34. The two
8 at-large members nominated by the president of the senate and
9 speaker of the house of representatives shall each be invited to
10 serve and appointed by the governor from a list of three
11 nominees submitted for each position by the nominating authority
12 specified in this subsection.

13 The president of the senate and the speaker of the house of
14 representatives shall each submit a list of six nominees for
15 each district to the governor to fill the two district
16 representative positions for each community development
17 district. For each community development district, the governor
18 shall appoint one member from a list of nominees submitted by
19 the president of the senate and one member from a list of
20 nominees submitted by the speaker of the house of
21 representatives, and of the two appointees, one shall meet the



1 district residency requirement and one shall meet the district
2 small business owner or nonprofit organization officer or
3 director requirement.

4 The president of the senate and the speaker of the house of
5 representatives shall each appoint a member having expertise and
6 experience in urban planning and community development to fill
7 the two positions designated for experts on transit-oriented
8 development.

9 The authority shall be organized and shall exercise
10 jurisdiction as follows:

11 (1) For matters affecting the Heeia community development
12 district, the following members shall be considered in
13 determining quorum and majority and shall be eligible
14 to vote:

15 (A) The director of finance or the director's
16 designee;

17 (B) The director of transportation or the director's
18 designee;

19 (C) The director of business, economic development,
20 and tourism or the director's designee;



1 (D) The director of planning and permitting for the
2 county in which the Heeia community development
3 district is located or the director's designee;

4 (E) The cultural specialist;

5 (F) The two at-large members; and

6 (G) The two representatives of the Heeia community
7 development district;

8 (2) For matters affecting the Kalaeloa community
9 development district, the following members shall be
10 considered in determining quorum and majority and
11 shall be eligible to vote:

12 (A) The director of finance or the director's
13 designee;

14 (B) The director of transportation or the director's
15 designee;

16 (C) The director of business, economic development,
17 and tourism or the director's designee;

18 (D) The director of planning and permitting for the
19 county in which the Kalaeloa community
20 development district is located or the director's
21 designee;



- 1 (E) The cultural specialist;
- 2 (F) The two at-large members; and
- 3 (G) The two representatives of the Kalaeloa community
- 4 development district;
- 5 (3) For matters affecting the Kakaako community
- 6 development district, the following members shall be
- 7 considered in determining quorum and majority and
- 8 shall be eligible to vote:
- 9 (A) The director of finance or the director's
- 10 designee;
- 11 (B) The director of transportation or the director's
- 12 designee;
- 13 (C) The director of business, economic development,
- 14 and tourism or the director's designee;
- 15 (D) The director of planning and permitting for the
- 16 county in which the Kakaako community development
- 17 district is located or the director's designee;
- 18 (E) The cultural specialist;
- 19 (F) The two at-large members; and
- 20 (G) The two representatives of the Kakaako community
- 21 development district; ~~and~~



- 1 (4) For matters affecting the Pulehunui community
2 development district, the following members shall be
3 considered in determining quorum and majority and
4 shall be eligible 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 director of business, economic development,
10 and tourism or the director's designee;
- 11 (D) The director of planning for the county in which
12 the Pulehunui community development district is
13 located or the director's designee;
- 14 (E) The chairperson of the board of land and natural
15 resources or the chairperson's designee;
- 16 (F) The cultural specialist;
- 17 (G) The two at-large members; and
- 18 (H) The two representatives of the Pulehunui
19 community development district[~~+~~]; and



- 1 (5) For matters affecting part X of this chapter only, the
2 following members shall be considered in determining
3 quorum and majority and shall be eligible to vote:
- 4 (A) The director of finance or the director's
5 designee;
- 6 (B) The director of transportation or the director's
7 designee;
- 8 (C) The director of business, economic development,
9 and tourism or the director's designee;
- 10 (D) The chairperson of the board of land and natural
11 resources or the chairperson's designee;
- 12 (E) The director of planning for the county in which
13 the program area is located or the director's
14 designee;
- 15 (F) The cultural specialist;
- 16 (G) The two at-large members; and
- 17 (H) The two experts on transit-oriented development
18 appointed by the president of the senate and the
19 speaker of the house of representatives.

20 In the event of a vacancy, a member shall be appointed to
21 fill the vacancy in the same manner as the original appointment



1 within thirty days of the vacancy or within ten days of the
2 senate's rejection of a previous appointment, as applicable.

3 The terms of the director of finance; director of
4 transportation; county directors of planning and permitting;
5 director of business, economic development, and tourism; and
6 chairperson of the board of land and natural resources; or their
7 respective designees shall run concurrently with each official's
8 term of office. The terms of the appointed voting members shall
9 be for four years, commencing on July 1 and expiring on June 30.
10 The governor shall provide for staggered terms of the initially
11 appointed voting members so that the initial terms of four
12 members selected by lot shall be for two years, the initial
13 terms of four members selected by lot shall be for three years,
14 and the initial terms of the remaining three members shall be
15 for four years. The terms on the authority of the chairpersons
16 of the senate and house of representatives standing committees
17 having jurisdiction over housing and the chairpersons of the
18 senate and house of representatives standing committees having
19 jurisdiction over transportation shall run concurrently with
20 that respective legislator's term as the chairperson of that
21 respective committee.



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

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

12 For purposes of this section, "small business" means a
13 business that is independently owned and that is not dominant in
14 its field of operation."

15 SECTION 5. Chapter 206E, part X, Hawaii Revised Statutes,
16 is amended to read as follows:

17 "[+]PART X. [+] TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE
18 IMPROVEMENT [DISTRICT] PROGRAM

19 [+]§206E-241[+] Findings and purpose. The legislature
20 finds that construction, installation, and improvement of
21 certain infrastructure is necessary and desirable to facilitate



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



1 Accordingly, [~~the purpose of this part is to establish~~]
2 there shall be established the transit-oriented development
3 infrastructure improvement [~~districts~~] program, to be
4 administered by the authority to foster community development by
5 strategically investing in infrastructure improvements.

6 [~~§206E-242~~] **Definitions.** As used in this part:

7 [~~"Board" means the transit-oriented development~~
8 ~~infrastructure improvement district board.~~

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

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

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



1 ~~[†]§206E-243[‡]—District established; boundaries.~~
2 Transit-oriented development infrastructure improvement program
3 areas; established. ~~[(a) The transit-oriented development~~

4 ~~infrastructure improvement district is hereby established under~~
5 ~~the authority.~~

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

1 proposed or existing transit stations if the county has not
2 designated transit-oriented development zones.

3 (b) The authority may establish and administer
4 transit-oriented development infrastructure improvement program
5 areas.

6 ~~[[§206E-244] Transit-oriented development infrastructure~~
7 ~~improvement district board; established; members; terms;~~
8 ~~vacancies. (a) There is established the transit-oriented~~
9 ~~development infrastructure improvement district board, which~~
10 ~~shall be placed under the authority within the department of~~
11 ~~business, economic development, and tourism for administrative~~
12 ~~purposes. The board shall carry out the duties and~~
13 ~~responsibilities as set forth in this part.~~

14 ~~(b) The board shall consist of the following voting~~
15 ~~members:~~

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

17 ~~(2) The director of transportation or the director's~~
18 ~~designee;~~

19 ~~(3) The director of the office of planning and sustainable~~
20 ~~development or the director's designee;~~



- 1 ~~(4) The director of planning and permitting of the county~~
- 2 ~~in which each district is located or the director's~~
- 3 ~~designee; and~~

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

- 6 ~~(A) A cultural specialist;~~

- 7 ~~(B) An at large member, to be selected from a list of~~
- 8 ~~three nominees submitted by the president of the~~
- 9 ~~senate;~~

- 10 ~~(C) An at large member, to be selected from a list of~~
- 11 ~~three nominees submitted by the speaker of the~~
- 12 ~~house of representatives;~~

- 13 ~~(D) A resident of the county where the district is~~
- 14 ~~located, to be selected from a list of three~~
- 15 ~~nominees submitted by the president of the~~
- 16 ~~senate; and~~

- 17 ~~(E) A resident of the county where the district is~~
- 18 ~~located, to be selected from a list of three~~
- 19 ~~nominees submitted by the speaker of the house of~~
- 20 ~~representatives.~~



1 ~~(c) The terms of the appointed members shall be for four~~
2 ~~years, commencing on July 1 and expiring on June 30; provided~~
3 ~~that the governor shall provide for staggered terms of the~~
4 ~~initially appointed members so that the initial terms of one at-~~
5 ~~large member and one district member selected by lot shall be~~
6 ~~for three years, the initial terms of one at large member and~~
7 ~~one district member selected by lot shall be for four years, and~~
8 ~~the term of the cultural specialist shall be for two years.~~

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

13 ~~(e) The terms of the director of finance, director of~~
14 ~~transportation, director of the office of planning and~~
15 ~~sustainable development, and the county directors of planning~~
16 ~~and permitting, or their respective designees, shall run~~
17 ~~concurrently with each director's term of office.~~

18 ~~(f) Notwithstanding section 92-15, a majority of all~~
19 ~~eligible voting members as specified in this section shall~~
20 ~~constitute a quorum to do business, and the concurrence of a~~
21 ~~majority of all eligible voting members present shall be~~



1 ~~necessary to make any action of the board valid. All members~~
2 ~~shall continue in office until their respective successors have~~
3 ~~been appointed and received advice and consent of the senate.~~
4 ~~Except as provided herein, no member appointed under this~~
5 ~~section shall be an officer or employee of the State or its~~
6 ~~political subdivisions.~~

7 ~~(g) The members of the board shall serve without~~
8 ~~compensation but each shall be reimbursed for expenses,~~
9 ~~including travel expenses, incurred in the performance of their~~
10 ~~duties.~~

11 ~~**[\$206E-245] Transit-oriented development infrastructure**~~
12 ~~**improvement district board; powers; generally.** Except as~~
13 ~~otherwise limited by this part, with respect to the development,~~
14 ~~construction, and improvement of infrastructure within the~~
15 ~~districts, the board may:~~

- 16 ~~(1) Establish and administer districts and programs;~~
- 17 ~~(2) Make and execute contracts and all other instruments~~
18 ~~necessary or convenient for the exercise of its powers~~
19 ~~and functions under this part;~~
- 20 ~~(3) Prepare or cause to be prepared an infrastructure~~
21 ~~improvement plan for the district;~~



- 1 ~~(4) Acquire, reacquire, or contract to acquire or~~
2 ~~reacquire, by grant or purchase, real, personal, or~~
3 ~~mixed property, or any interest therein, and own,~~
4 ~~hold, clear, improve, rehabilitate, sell, assign,~~
5 ~~exchange, transfer, convey, lease, or otherwise~~
6 ~~dispose of or encumber the same;~~
- 7 ~~(5) Acquire or reacquire by condemnation real, personal,~~
8 ~~or mixed property, or any interest therein, for~~
9 ~~infrastructure improvement;~~
- 10 ~~(6) By itself 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 infrastructure and own,~~
15 ~~hold, sell, assign, transfer, convey, exchange, lease,~~
16 ~~or otherwise dispose of or encumber any infrastructure~~
17 ~~improvement;~~
- 18 ~~(7) Arrange or contract for the planning, replanning,~~
19 ~~opening, grading, or closing of streets, roads,~~
20 ~~roadways, alleys, or other places, or the furnishing~~
21 ~~of facilities, or for the acquisition of property or~~



- 1 ~~property rights, or for the furnishing of property or~~
2 ~~services in connection with an infrastructure~~
3 ~~improvement project;~~
- 4 ~~(8) Prepare or cause to be prepared plans, specifications,~~
5 ~~designs, and estimates of costs for the construction,~~
6 ~~reconstruction, rehabilitation, improvement,~~
7 ~~alteration, or repair of any infrastructure~~
8 ~~improvement project, and, from to time, modify the~~
9 ~~plans, specifications, designs, or estimates of any~~
10 ~~infrastructure improvement project;~~
- 11 ~~(9) Provide advisory, consultative, training, and~~
12 ~~educational services; technical assistance; and advice~~
13 ~~to any person, partnership, or corporation, either~~
14 ~~public or private, to carry out the purposes of this~~
15 ~~part, and engage the services of consultants on a~~
16 ~~contractual basis for rendering professional and~~
17 ~~technical assistance and advice;~~
- 18 ~~(10) Procure insurance against any loss in connection with~~
19 ~~its property and other assets and operations in~~
20 ~~amounts and from insurers as it deems desirable;~~



1 ~~(11) Contract for and accept gifts or grants in any form~~
 2 ~~from any public agency or from any other source; and~~
 3 ~~(12) Do any and all things necessary to carry out its~~
 4 ~~purposes and exercise the powers given and granted in~~
 5 ~~this part.~~

6 ~~[]~~**\$206E-246[+]** **Transit-oriented development infrastructure**
 7 **improvement [district] program; assessment; rules.** (a) The
 8 ~~[board]~~ authority shall develop a transit-oriented development
 9 infrastructure improvement [district] program to identify
 10 infrastructure improvements within each ~~[district.]~~ program
 11 area. In determining the required infrastructure improvements
 12 to be undertaken, the ~~[board]~~ authority shall consider the
 13 strategic plan prepared and the prioritization of
 14 transit-oriented development projects established by the Hawaii
 15 interagency council for transit-oriented development, pursuant
 16 to section 226-63(c), and subsequent plans and studies prepared
 17 by, or approved by, an appropriate governmental agency to
 18 further implement the strategic plan and the transit-oriented
 19 development projects therein.

20 (b) ~~[Whenever the board determines to undertake, or causes~~
 21 ~~to be undertaken, any infrastructure improvement as part of the~~



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



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

16 [~~(d) Notwithstanding any other law to the contrary, in~~
17 ~~assessing real property for transit-oriented development~~
18 ~~infrastructure improvement, the board shall assess the real~~
19 ~~property within an assessment area according to the special~~
20 ~~benefits conferred upon the real property by the infrastructure~~
21 ~~improvement. These methods may include assessment on a frontage~~



1 ~~basis or according to the area of real property within an~~
 2 ~~assessment area or any other assessment method that assesses the~~
 3 ~~real property according to the special benefit conferred, or any~~
 4 ~~combination thereof. No assessment levied against real property~~
 5 ~~specially benefited as provided by this part shall constitute a~~
 6 ~~tax on real property within the meanings of any constitutional~~
 7 ~~or statutory provisions. No assessment shall be levied against~~
 8 ~~real property owned by the federal government, the State, or a~~
 9 ~~county, or an agency thereof, without the prior written consent~~
 10 ~~of the owner.~~

11 ~~(e)] (d) The [board shall] authority may adopt rules for~~
 12 ~~the purposes of this part, pursuant to chapter 91, and to~~
 13 ~~provide for the method of undertaking and financing~~
 14 ~~transit-oriented development infrastructure improvement in [an~~
 15 ~~assessment area or an entire district. The rules adopted~~
 16 ~~pursuant to this section shall include but not be limited to:~~

- 17 ~~(1) The methods by which the board shall establish~~
 18 ~~assessment areas;~~
- 19 ~~(2) The method of assessment of real properties specially~~
 20 ~~benefited;~~



- 1 ~~(3) The costs to be borne by the board, the county in~~
- 2 ~~which districts are situated, and the property owners;~~
- 3 ~~(4) The procedures before the board relating to the~~
- 4 ~~creation of the assessment areas by the owners of real~~
- 5 ~~property therein, including provisions for petitions,~~
- 6 ~~bids, contracts, bonds, and notices;~~
- 7 ~~(5) Provisions relating to assessments;~~
- 8 ~~(6) Provisions relating to financing, including bonds,~~
- 9 ~~revolving funds, advances from available funds,~~
- 10 ~~special funds for payment of bonds, payment of~~
- 11 ~~principal and interest, and sale and use of the bonds;~~
- 12 ~~(7) Provisions relating to funds and refunding of~~
- 13 ~~outstanding debts;~~
- 14 ~~(8) Provisions relating to limitations on time to sue; and~~
- 15 ~~(9) Other related provisions.]~~ a program area or
- 16 transit-oriented development zone.

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



1 [~~(e)~~] (f) All sums collected under this section shall be
2 deposited into the transit-oriented development infrastructure
3 improvement [~~district~~] program special fund established under
4 section 206E-247 and shall be applied solely to:

- 5 (1) The payment of the principal and interest on the bonds
6 and the cost of administering, operating, and
7 maintaining the program;
- 8 (2) The establishment of reserves; and
- 9 (3) Other purposes as may be authorized in the proceedings
10 providing for the issuance of the bonds.

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

14 [~~(h)~~] (g) The transit-oriented development infrastructure
15 improvements [~~to be financed through bonds issued by the board~~]
16 may be dedicated to the county in which the infrastructure
17 improvements are to be located. The [~~board~~] authority shall
18 ensure that the infrastructure improvements are designed and
19 constructed to meet county requirements and shall enter into an
20 agreement with the county for dedication of the public
21 facilities.



1 ~~(i)~~ (h) Notwithstanding any law to the contrary,
2 whenever it becomes necessary to remove, relocate, replace, or
3 reconstruct public utility facilities that are part of a
4 program, the ~~board~~ authority shall establish by rule the
5 allocation of cost between the ~~board,~~ authority, the affected
6 public utilities, and the ~~properties~~ users that may specially
7 benefit from the improvement, if any. In determining the
8 allocation of cost, the ~~board~~ authority shall consider the
9 cost allocation policies for districts established by the county
10 in which the removal, relocation, replacement, or reconstruction
11 is to take place.

12 ~~{}~~§206E-247~~}~~ **Transit-oriented development**
13 **infrastructure improvement ~~district~~ program special fund.** (a)
14 There ~~is~~ shall be established in the state treasury the
15 transit-oriented development infrastructure improvement
16 ~~district~~ program special fund, into which shall be deposited:
17 (1) All revenues, income, and receipts from the
18 transit-oriented development infrastructure
19 improvement ~~district~~ program;
20 (2) Moneys directed, allocated, or disbursed to the
21 ~~district~~ program from government agencies or private



1 individuals or organizations, including grants, gifts,
2 awards, and donations [~~and assessments of landowners~~]
3 for costs to administer and operate the [~~district,~~]
4 program;

5 (3) [~~Assessments~~] User fees collected under section
6 206E-246; and

7 (4) Moneys appropriated to the fund by the legislature.

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

10 (c) Investment earnings credited to the assets of the fund
11 shall become part of the fund.

12 **[+]§206E-248[+]** **Memorandum of agreement.** The [~~board~~]
13 authority may execute memoranda of agreement with appropriate
14 governmental agencies [~~and~~] for purposes of this part.

15 **[+]§206E-249[+]** **Annual comprehensive report.** The [~~board~~]
16 authority shall submit an annual comprehensive report on the
17 progress of [~~development within~~] the [~~district~~] program to the
18 legislature no later than twenty days prior to the convening of
19 each regular session."

20 SECTION 6. The Hawaii community development authority may
21 issue revenue bonds from time to time to finance the development



1 of infrastructure within transit-oriented development
2 infrastructure improvement program areas, lands within community
3 development districts established under chapter 206E, Hawaii
4 Revised Statutes, or the stadium development district
5 established in section 206E-223, Hawaii Revised Statutes, and
6 lands owned by the authority. The total principal amount of the
7 revenue bonds authorized by this Act shall not exceed
8 \$180,000,000; provided that neither revenue bonds issued to
9 refund revenue bonds heretofore issued, to the extent that the
10 refunding revenue bonds do not exceed the principal amount of
11 the revenue bonds being refunded, nor revenue bonds of the
12 Hawaii community development authority outstanding as of the
13 effective date of this Act shall cause the amount authorized in
14 this section to be decreased. The revenue bonds shall be issued
15 pursuant to section 206E-246, Hawaii Revised Statutes. The
16 principal and interest on the revenue bonds, to the extent not
17 paid from the proceeds of the bonds, shall be paid solely from,
18 and secured solely by the revenue of the Hawaii community
19 development authority.

20 SECTION 7. There is appropriated out of the revenue bond
21 proceeds and interest earned thereon authorized by section 6 of



1 this Act the sum of \$180,000,000 or so much thereof as may be
2 necessary for the fiscal year 2025-2026 to carry out the
3 purposes of chapter 206E, Hawaii Revised Statutes; provided that
4 any unexpended and unencumbered balance of the appropriation
5 shall not lapse at the end of fiscal year 2025-2026, but shall
6 lapse instead on June 30, 2030.

7 SECTION 8. The Hawaii community development authority
8 shall notify the legislature upon the issuance of the revenue
9 bonds authorized by section 6 of this Act, including a detailed
10 list and description of all projects to be funded through the
11 revenue bonds authorized by this Act.

12 SECTION 9. If any provision of this Act, or the
13 application thereof to any person or circumstance, is held
14 invalid, the invalidity shall not affect other provisions or
15 applications of the Act that can be given effect without the
16 invalid provision or application, and to this end the provisions
17 of this Act are severable.

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

20 SECTION 11. This Act shall take effect on July 1, 2025.



H.B. NO.

1007
H.D. 2
S.D. 2
C.D. 1

APPROVED this 1st day of July, 2025

A handwritten signature in black ink, appearing to read "Josh Green". The signature is fluid and cursive, with a large initial "J" and "G".

GOVERNOR OF THE STATE OF HAWAII

HB No. 1007, HD 2, SD 2, CD 1

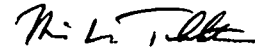
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura
Speaker
House of Representatives

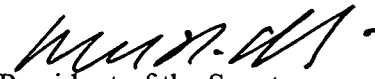



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI‘I

Date: April 30, 2025
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2025.


President of the Senate


Clerk of the Senate