

ACT 311

S.B. NO. 1063

A Bill for an Act Relating to Community Development.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Severe financial problems have shut down Hamakua Sugar company and threaten the economic and social stability of the entire Hamakua coast of the island of Hawaii.

The Hawaii community development authority, established pursuant to Chapter 206E, Hawaii Revised Statutes, determines long-range community planning, development, and redevelopment programs in cooperation with private enterprise and various components of federal, state, and county governments.

Section 206E-5 provides that the "legislature, by statute, may designate an area as a community development district if it determines that there is need for replanning, renewal, or redevelopment of that area."

Having found a need, the purpose of this Act is to designate the Hamakua planning region, as described in the Hamakua regional plan published by the Hamakua steering committee in November, 1990, a community development district within the meaning of chapter 206E.

SECTION 2. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**"PART . HAMAKUA COMMUNITY
DEVELOPMENT DISTRICT**

§206E- District established; boundaries. The Hamakua community development district is established comprised of all land within the north Hilo and Hamakua judicial districts, from Kaiaka in the south to the rim of Waipio Valley in the north, as provided in the Hamakua regional plan.

§206E- Hamakua community development district; development guidance policies. The following shall be the development guidance policies generally governing the authority's action in the Hamakua community development district:

- (1) Development shall seek to promote economic stability and employment opportunities by fostering diversified land uses in addition to continuing agricultural practices. Urban and rural design policies should be established to provide guidelines for ensuring that the nature and pattern of public and private development is in keeping with the existing sense of community and the rural character and quality of life of the Hamakua coast.
- (2) While the authority's development responsibilities apply only to the area within the district, the authority may engage in any studies or coordinative activities permitted in this chapter which affect areas lying outside the district, where the authority, in its discretion, decides that those activities are necessary to implement the intent of this chapter. The studies or coordinative activities may address facility systems, resident and industrial relocation, and other activities with the county and appropriate state agencies. The authority may engage in construction activities outside of the district; provided that such construction relates to infrastructure development or residential or business relocation activities; provided further, notwithstanding sec-

tion 206E-7, that such construction shall comply with the general plan, development plan, ordinances, and rules of the county in which the district is located;

- (3) No plan or implementation strategy shall prevent continued activity or redevelopment of existing agricultural and other uses which meet reasonable performance standards;
- (4) Major scenic, cultural, environmental, and open space resources such as the Waipio Valley rim shall be preserved through appropriate regulation and design review;
- (5) Historic sites and culturally significant facilities, settings, or locations shall be preserved;
- (6) Land use and redevelopment activities within the district shall be coordinated with and, to the extent possible, complement existing county and state policies, plans, and programs affecting the district; and
- (7) Public facilities within the district shall be planned, located, and developed so as to support the redevelopment policies for the district established by this chapter and plans and rules adopted pursuant to it.

§206E- Hamakua community development district plan. No community development district plan developed pursuant to this part shall take effect until the county enacts an ordinance establishing a community facilities district pursuant to section 46-80.1 or a tax increment financing district pursuant to section 46-103 to finance special improvements in the Hamakua community development district."

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

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

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

It is further determined that the lack of planning and coordination in such areas has given rise to these community development needs and that existing laws and public and private mechanisms have either proven incapable or inadequate to facilitate timely redevelopment and renewal.

The legislature finds that a new and comprehensive authority for community development must be created to join the strengths of private enterprise, public development and regulation into a new form capable of long-range planning and implementation of improved community development. The purpose of this chapter is to establish such a mechanism in the Hawaii community development authority, a public entity which shall determine community development programs and cooperate with private enterprise and the various components of federal, state, and county governments in bringing plans to fruition. For such areas designated as community development districts, the legislature believes that the planning and implementation program of the Hawaii community development authority will

result in communities which serve the highest needs and aspirations of Hawaii's people.

The legislature finds that the creation of the Hawaii community development authority, the establishment of community development districts, and the issuance of bonds pursuant to this chapter to finance public facilities serve the public interest and are matters of statewide concern."

SECTION 4. Section 206E-3, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The authority shall consist of eleven voting members. The director of finance, the director of business, economic development, and tourism, the comptroller, and the director of transportation, or their respective designated representatives shall serve as ex officio, voting members. Seven members shall be appointed by the governor for staggered terms pursuant to section 26-34; provided that four members shall be appointed at large and, initially, three members, hereinafter referred to as county members, shall be selected from a list of ten prospective appointees recommended by the local governing body of the county in which the initial designated district is situated; and provided further that when vacancies occur in any of the three positions for which the members were selected from a list of county recommendations, the governor shall fill such vacancies on the basis of one from a list of four recommendations, two from a list of seven recommendations, or three from a list of ten recommendations. The list of recommendations shall be made by the local governing body of the county. If an additional district is designated by the legislature in a county other than the county in which the initial designated district is situated, the total membership of the authority shall be increased as prescribed above by the appointment of three additional members. Notwithstanding section 92-15, a majority of all members shall constitute a quorum to do business, and the concurrence of a majority of all members shall be necessary to make any action of the authority valid; except that, on any matter relating solely to a specific community development district, the county members representing districts other than that specific community development district shall not vote, and concurrence shall be required of a majority of that portion of the authority made up of all ex officio voting members, members at large, and county members representing the district for which action is being proposed in order for such action to be valid. All members shall continue in office until their respective successors have been appointed and qualified. Except as herein provided, no member appointed under this subsection shall be an officer or employee of the State or its political subdivisions."

SECTION 5. Section 206E-151, Hawaii Revised Statutes, is amended to read as follows:

"**§206E-151 Findings and declarations.** The legislature finds and declares that the health, safety, and general welfare of the people of the State require that every opportunity be taken to assist the redevelopment of community development districts; that [because of their location within or proximity to the urban core,] the redevelopment and revitalization of these districts will alleviate community needs for employment, housing, parks, open space, and commercial and industrial facilities; that a significant deterrent to redevelopment is the cost of public facilities; that interest rates on moneys necessary to finance such public facilities add significantly to the cost of such facilities and that more favorable interest rates would be available through the issuance of tax-exempt bonds; and that the availability of

ACT 311

revenue bonds to finance the cost of public facilities will facilitate redevelopment of community development districts.

The legislature further finds that the powers conferred, the issuance of revenue bonds, and the expenditure of public moneys under this part constitute a serving of a valid public purpose, and that this enactment is in the public interest and is so declared as an express legislative determination.”

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary for fiscal year 1993-1994, to carry out the purposes of this Act. The sum appropriated shall be expended by the department of business, economic development, and tourism for purposes of this Act.

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 8. This Act shall take effect upon its approval except that Section 6 shall take effect on July 1, 1993.

(Approved June 21, 1993.)