
A BILL FOR AN ACT

RELATING TO STATEWIDE COMMUNITY PLANNING.

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

1 SECTION 1. The legislature finds that with Honolulu's
2 construction of an elevated rail transit system, the State has
3 an opportunity to enhance Oahu's urban environment and increase
4 the quality of life for residents by utilizing sound smart
5 growth and transit-oriented development principles to
6 revitalized neighborhoods and increase affordable housing
7 inventory, among other public benefits. As the largest
8 landowner of properties along the transit line, with
9 approximately two-thousand acres under the jurisdiction of
10 various departments, the State must be proactive and coordinate
11 planning and development efforts among State agencies to
12 maximize the benefits of redevelopment of state lands in areas
13 served by public transit.

14 The legislature further finds that in 2015, the ad-hoc
15 state transit-oriented development task force was convened to
16 identify and determine priority sites and projects that should
17 be considered for transit-oriented development master planning



1 and development. Task force members included state and city and
2 county agencies, elected officials, and numerous private
3 individuals and entities. In December 2015, the task force
4 submitted a report to the legislature, which included various
5 recommendations such as formally constituting the state transit-
6 oriented development task force to promote effective and
7 efficient transit-oriented development planning and coordination
8 among state agencies and counties statewide.

9 To ensure that the State has a unified vision and approach
10 toward redevelopment of its properties, the purpose of this Act
11 is to:

- 12 (1) Designate the office of planning as the lead agency to
13 coordinate and advance smart growth and transit-
14 oriented development planning in the state; and
- 15 (2) Establish an interagency council for transit-oriented
16 development within the department of business,
17 economic development, and tourism to coordinate
18 effective and efficient transit-oriented development
19 planning statewide.

20 This Act also authorizes the department of education to use
21 school impact fees collected from transit-oriented development



1 projects to be used for existing schools in the transit-oriented
2 development area to address increases in school populations due
3 to transit oriented development.

4 SECTION 2. Chapter 226, Hawaii Revised Statutes, is
5 amended by adding two new sections to part II to be
6 appropriately designated and to read as follows:

7 "§226-A Hawaii interagency council for transit-oriented
8 development. (a) There is established the Hawaii interagency
9 council for transit-oriented development, which shall be an
10 advisory body exempt from section 26-34, to coordinate and
11 facilitate state agency transit-oriented development planning,
12 and facilitate consultation and collaboration between the State
13 and the counties on transit-oriented development initiatives.
14 The Hawaii interagency council for transit-oriented development
15 shall be established within the department of business, economic
16 development, and tourism for administrative purposes.

17 (b) The Hawaii interagency council for transit-oriented
18 development shall:

19 (1) Serve as the State's transit-oriented development
20 planning and policy development entity with



- 1 representation from state and county government and
2 the community;
- 3 (2) Formulate and advise the governor on the
4 implementation of a strategic plan to address transit-
5 oriented development projects on state lands in each
6 county;
- 7 (3) Facilitate the acquisition of funding and resources
8 for state and county transit-oriented development
9 programs on state lands;
- 10 (4) Monitor the preparation and conduct of plans and
11 studies to facilitate implementation of state transit-
12 oriented development plans prepared pursuant to this
13 section, including but not limited to the preparation
14 of site or master plans and implementation plans and
15 studies;
- 16 (5) Review all capital improvement project requests to the
17 legislature for transit-oriented development projects
18 on state lands within county-designated transit-
19 oriented development zones or within a one-half-mile
20 radius of public transit stations, if a county has not
21 designated transit-oriented development zones;



- 1 (6) Recommend policy, regulatory, and statutory changes,
2 and identify resource strategies for the successful
3 execution of the strategic plan;
- 4 (7) Assemble accurate fiscal and demographic information
5 to support policy development and track outcomes;
- 6 (8) Consider collaborative transit-oriented development
7 initiatives of other states that have demonstrated
8 positive outcomes; and
- 9 (9) Report annually to the governor, the legislature, and
10 the mayor of each county on the progress of its
11 activities, including formulation and progress on the
12 strategic plan no later than twenty days prior to the
13 convening of each regular session.
- 14 (c) The strategic plan developed by the Hawaii interagency
15 council for transit-oriented development shall:
- 16 (1) Coordinate with the counties on transit-oriented
17 development;
- 18 (2) For each county, compile an inventory of state,
19 county, and private sector transit-oriented
20 development projects lacking infrastructure,
21 identifying the type of infrastructure each project



1 lacks, and the approximate timeframe when additional
2 capacity is needed;

3 (3) Prioritize the development of transit-oriented
4 development projects on state lands;

5 (4) Identify financing and prioritize state financing for
6 the public infrastructure, facility, and service
7 investments required to support transit-oriented
8 development plans; and

9 (5) Encourage and promote partnerships between public and
10 private entities to identify, renovate, and secure
11 affordable housing options on state lands within
12 county-designated transit-oriented development areas
13 or within a one-half-mile radius of public transit
14 stations, if a county has not designated transit-
15 oriented development zones.

16 §226-B Hawaii interagency council for transit-oriented
17 development membership. (a) The Hawaii interagency council for
18 transit-oriented development shall be composed of the following
19 members:

20 (1) Director of the office of planning, who shall serve as
21 co-chair;



- 1 (2) Executive director of the Hawaii housing finance and
2 development corporation, who shall serve as co-chair;
- 3 (3) Chairperson of the board of land and natural
4 resources;
- 5 (4) Director of transportation;
- 6 (5) Comptroller;
- 7 (6) Director of health;
- 8 (7) Director of human services;
- 9 (8) Director of public safety;
- 10 (9) Chairperson of the Hawaiian homes commission;
- 11 (10) Chairperson of the board of trustees of the Office of
12 Hawaiian Affairs;
- 13 (11) President of the University of Hawaii;
- 14 (12) Superintendent of education;
- 15 (13) Executive director of the Hawaii community development
16 authority;
- 17 (14) Executive director of the Hawaii public housing
18 authority;
- 19 (15) One member of the house of representatives to be
20 designated by the speaker of the house of
21 representatives; provided that the speaker of the



1 house of representatives may designate a second member
2 of the house of representatives to serve as an
3 alternate;

4 (16) One member of the senate to be designated by the
5 president of the senate; provided that the president
6 of the senate may designate a second member of the
7 senate to serve as an alternate;

8 (17) The mayor of each county;

9 (18) A representative of the Honolulu field office of the
10 United States Department of Housing and Urban
11 Development, who shall be requested to serve on an ex-
12 officio basis by the governor;

13 (19) A representative of the business community, to be
14 designated by the governor; and

15 (20) A representative of the community who is a housing
16 advocate, to be designated by the governor.

17 (b) The nongovernmental members of the Hawaii interagency
18 council for transit-oriented development shall serve without
19 compensation but shall be reimbursed for expenses, including
20 travel expenses, necessary for the performance of their duties.



1 (c) Except as provided in subsection (a) (15) and (16), if
2 a member of the Hawaii interagency council for transit-oriented
3 development is unable to attend a meeting, that member may
4 appoint a designee to attend and to act on the member's behalf
5 during the meeting."

6 SECTION 3. Section 225M-2, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) The office of planning shall gather, analyze, and
9 provide information to the governor to assist in the overall
10 analysis and formulation of state policies and strategies to
11 provide central direction and cohesion in the allocation of
12 resources and effectuation of state activities and programs and
13 effectively address current or emerging issues and
14 opportunities. More specifically, the office shall engage in
15 the following activities:

16 (1) State comprehensive planning and program coordination.
17 Formulating and articulating comprehensive statewide
18 goals, objectives, policies, and priorities, and
19 coordinating their implementation through the
20 statewide planning system established in part II of
21 chapter 226;



- 1 (2) Strategic planning. Identifying and analyzing
2 significant issues, problems, and opportunities
3 confronting the State, and formulating strategies and
4 alternative courses of action in response to
5 identified problems and opportunities by:
- 6 (A) Providing in-depth policy research, analysis, and
7 recommendations on existing or potential areas of
8 critical state concern;
- 9 (B) Examining and evaluating the effectiveness of
10 state programs in implementing state policies and
11 priorities;
- 12 (C) Monitoring through surveys, environmental
13 scanning, and other techniques--current social,
14 economic, and physical conditions and trends; and
- 15 (D) Developing, in collaboration with affected public
16 or private agencies and organizations,
17 implementation plans and schedules and, where
18 appropriate, assisting in the mobilization of
19 resources to meet identified needs;
- 20 (3) Planning coordination and cooperation. Facilitating
21 coordinated and cooperative planning and policy



1 development and implementation activities among state
2 agencies and between the state, county, and federal
3 governments, by:

4 (A) Reviewing, assessing, and coordinating, as
5 necessary, major plans, programs, projects, and
6 regulatory activities existing or proposed by
7 state and county agencies;

8 (B) Formulating mechanisms to simplify, streamline,
9 or coordinate interagency development and
10 regulatory processes; and

11 (C) Recognizing the presence of federal defense and
12 security forces and agencies in the State as
13 important state concerns;

14 (4) Statewide planning and geographic information system.
15 Collecting, integrating, analyzing, maintaining, and
16 disseminating various forms of data and information,
17 including geospatial data and information, to further
18 effective state planning, policy analysis and
19 development, and delivery of government services by:

20 (A) Collecting, assembling, organizing, evaluating,
21 and classifying existing geospatial and non-



1 geospatial data and performing necessary basic
2 research, conversions, and integration to provide
3 a common database for governmental planning and
4 geospatial analyses by state agencies;

5 (B) Planning, coordinating, and maintaining a
6 comprehensive, shared statewide planning and
7 geographic information system and associated
8 geospatial database. The office shall be the
9 lead agency responsible for coordinating the
10 maintenance of the multi-agency, statewide
11 planning and geographic information system and
12 coordinating, collecting, integrating, and
13 disseminating geospatial data sets that are used
14 to support a variety of state agency applications
15 and other spatial data analyses to enhance
16 decision-making. The office shall promote and
17 encourage free and open data sharing among and
18 between all government agencies. To ensure the
19 maintenance of a comprehensive, accurate, up-to-
20 date geospatial data resource that can be drawn
21 upon for decision-making related to essential



1 public policy issues such as land use planning,
2 resource management, homeland security, and the
3 overall health, safety, and well-being of
4 Hawaii's citizens, and to avoid redundant data
5 development efforts, state agencies shall provide
6 to the shared system either their respective
7 geospatial databases or, at a minimum, especially
8 in cases of secure or confidential data sets that
9 cannot be shared or must be restricted, metadata
10 describing existing geospatial data. In cases
11 where agencies provide restricted data, the
12 office of planning shall ensure the security of
13 that data; and

14 (C) Maintaining a centralized depository of state and
15 national planning references;

16 (5) Land use planning. Developing and presenting the
17 position of the State in all boundary change petitions
18 and proceedings before the land use commission,
19 assisting state agencies in the development and
20 submittal of petitions for land use district boundary
21 amendments, and conducting periodic reviews of the



1 classification and districting of all lands in the
2 State, as specified in chapter 205;

3 (6) Coastal and ocean policy management. Carrying out the
4 lead agency responsibilities for the Hawaii coastal
5 zone management program, as specified in chapter 205A.
6 Also, developing and maintaining an ocean and coastal
7 resources information, planning, and management system
8 further developing and coordinating implementation of
9 the ocean resources management plan, and formulating
10 ocean policies with respect to the exclusive economic
11 zone, coral reefs, and national marine sanctuaries;

12 (7) Regional planning and studies. Conducting plans and
13 studies to determine:

14 (A) The capability of various regions within the
15 State to support projected increases in both
16 resident populations and visitors;

17 (B) The potential physical, social, economic, and
18 environmental impact on these regions resulting
19 from increases in both resident populations and
20 visitors;

- 1 (C) The maximum annual visitor carrying capacity for
- 2 the State by region, county, and island; and
- 3 (D) The appropriate guidance and management of
- 4 selected regions and areas of statewide critical
- 5 concern.

6 The studies in subparagraphs (A) to (C) shall be
 7 conducted at appropriate intervals, but not less than
 8 once every five years;

- 9 (8) Regional, national, and international planning.
- 10 Participating in and ensuring that state plans,
- 11 policies, and objectives are consistent, to the extent
- 12 practicable, with regional, national, and
- 13 international planning efforts; ~~and~~

- 14 (9) Climate adaptation planning. Conducting plans and
- 15 studies and preparing reports as follows:

- 16 (A) Develop, monitor, and evaluate strategic climate
- 17 adaptation plans and actionable policy
- 18 recommendations for the State and counties
- 19 addressing expected statewide climate change
- 20 impacts identified under Act 286, Session Laws of
- 21 Hawaii 2012, through the year 2050;



1 (B) Provide planning and policy guidance and
2 assistance to state and county agencies regarding
3 climate change; and

4 (C) Publish its findings, recommendations, and
5 progress reports on actions taken no later than
6 December 31, 2017, and its annual report to the
7 governor and the legislature thereafter[-]; and

8 (10) Smart growth and transit-oriented development. Acting
9 as the lead agency to coordinate and advance smart
10 growth and transit-oriented development planning
11 within the State as follows:

12 (A) Identify transit-oriented development
13 opportunities shared between state and county
14 agencies, including relevant initiatives such as
15 the department of health's healthy Hawaii
16 initiative and the Hawaii clean energy
17 initiative;

18 (B) Refine the definition of "transit-oriented
19 development" in the context of Hawaii, while
20 recognizing the potential for smart growth
21 development patterns in all locations;



- 1 (C) Clarify state goals for transit-oriented
2 development and smart growth that support the
3 principles of the Hawaii State Planning Act by
4 preserving non-urbanized land, improving worker
5 access to jobs, and reducing fuel consumption;
- 6 (D) Target transit-oriented development areas for
7 significant increase in affordable housing and
8 rental units;
- 9 (E) Conduct outreach to state agencies to help
10 educate state employees about the ways they can
11 support and benefit from transit-oriented
12 development and the State's smart growth goals;
- 13 (F) Publicize coordinated state efforts that support
14 smart growth, walkable neighborhoods, and
15 transit-oriented development;
- 16 (G) Review state land use decision-making processes
17 to identify ways to make transit-oriented
18 development a higher priority and facilitate
19 better and more proactive leadership in creating
20 walkable communities and employment districts,



1 even if transit will only be provided at a later
2 date; and

3 (H) Approve all state agencies' development plans for
4 parcels along the rail transit corridor."

5 SECTION 4. Section 302A-1608, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§302A-1608 Accounting and expenditure requirements. (a)

8 Each designated school impact district shall be a separate
9 benefit district. Fees collected within each school impact
10 district shall be spent only within the same school impact
11 district for the purposes collected.

12 (b) Land dedicated by the developer shall be used only as
13 a site for the construction of one or more new schools or for
14 the expansion of existing school facilities. If the land is
15 never used for the school facility, it shall be returned to the
16 developer, or the developer's successor in interest. Once used,
17 the land may be sold, with the proceeds used to acquire land for
18 school facilities in the same school impact district.

19 (c) If the land is not used for a school facility within
20 twenty years of its dedication, it shall be returned to the
21 developer, or the developer's successor in interest.



1 (d) Once used for school facilities, all or part of the
2 land may be later sold. Proceeds from the sale shall be used to
3 acquire land for school facilities in the same school impact
4 district.

5 (e) Fee in lieu funds may be used for school site land
6 acquisition and related expenses, including surveying,
7 appraisals, and legal fees. Fee in lieu funds shall not be used
8 for the maintenance or operation of existing schools in the
9 district, construction costs, including architectural,
10 permitting, or financing costs, or for administrative expenses.

11 (f) Notwithstanding subsection (e), fee in lieu funds may
12 be used to purchase completed construction, construct new school
13 facilities, improve or renovate existing structures for school
14 use, or lease land or facilities for school use.

15 [~~f~~] (g) Construction cost component impact fees shall be
16 used only for the costs of new school facilities that expands
17 the student capacity of existing schools or adds student
18 capacity in new schools. Construction cost component impact
19 fees may not be used to replace an existing school located
20 within the same school impact district, either on the same site
21 or on a different site.



1 ~~[(g)]~~ (h) Eligible construction costs include planning,
2 engineering, architectural, permitting, financing, and
3 administrative expenses, and any other capital equipment
4 expenses pertaining to educational facilities.

5 ~~[(h)]~~ (i) Construction cost component impact fees shall
6 not be expended for:

7 (1) The maintenance or operation of existing schools in
8 the district; or

9 (2) Portable or temporary facilities.

10 ~~[(i)]~~ (j) If a closure, demolition, or conversion of an
11 existing permanent department facility within a school impact
12 district that has the effect of reducing student capacity
13 occurs, an amount of new student capacity in permanent buildings
14 equivalent to the lost capacity shall not be funded with school
15 impact fees.

16 ~~[(j)]~~ (k) Fees in lieu, proceeds from the sale of all or
17 part of an existing school site that has been dedicated by a
18 developer pursuant to the requirements of this subpart, and
19 construction cost component impact fees shall be expended or
20 encumbered within twenty years of the date of collection. Fees
21 shall be considered spent or encumbered on a first-in, first-out



1 basis. An expenditure plan for all collected impact fees shall
2 be incorporated into the annual budget process of the department
3 and subject to legislative approval of the budget."

4 SECTION 5. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2016-2017 to carry
7 out the purposes of this Act.

8 The sum appropriated shall be expended by the department of
9 business, economic development, and tourism for the purposes of
10 this Act.

11 SECTION 6. In codifying the new sections added by section
12 2 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 Section 8. This Act shall take effect on July 1, 2076.



Report Title:

Hawaii Interagency Council for Transit-oriented Development;
Established; Coordinated Statewide Planning; Appropriation

Description:

Designates the Office of Planning as the lead state agency for transit-oriented development coordination. Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level. Appropriates moneys. Allows the Department of Education to use school impact fees for schools statewide. (SB3077 HD1)

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