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# A BILL FOR AN ACT

RELATING TO COMMUNITY DEVELOPMENT.

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

1           SECTION 1. The purpose of this Act is to require the  
2 Hawaii community development authority to develop a transit-  
3 oriented development (TOD) zone improvement program to foster  
4 community development by strategically investing in public  
5 facilities.

6           The legislature finds that the construction and  
7 installation of certain public facilities is necessary and  
8 desirable to facilitate the renewal and redevelopment of areas  
9 proximate to proposed fixed transit stations. TOD is a powerful  
10 tool that can ultimately deliver a wide range of social,  
11 environmental, and economic benefits. TOD promotes development  
12 patterns that support quality of life, preserve the natural  
13 environment, provide a range of housing choices for residents,  
14 and encourage walking, biking, and mass transit.

15           The State plays an important role in overcoming barriers to  
16 TOD, including encouraging needed investments in regional public  
17 facilities such as roads, sewer, and storm water. This Act is



1 intended to move current TOD planning efforts forward into  
2 structures that benefit the community.

3 SECTION 2. Section 206E-2, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "§206E-2 Definitions. As used in this chapter, the  
6 following words and terms shall have the following meanings  
7 unless the context shall indicate another or different meaning  
8 or intent:

- 9 (1) "Authority" means the Hawaii community development  
10 authority established by section 206E-3.
- 11 (2) "County" means any county of the State.
- 12 (3) "Local governing body" means the county council.
- 13 (4) "Project" means a specific work or improvement,  
14 including real and personal properties, or any  
15 interest therein, acquired, owned, constructed,  
16 reconstructed, rehabilitated, or improved by the  
17 authority, including a residential project, a  
18 redevelopment project, or a commercial project, all as  
19 defined herein, or any combination thereof, which  
20 combination shall hereinafter be called and known as a  
21 "multipurpose project".



- 1 (A) "Residential project" means a project or that  
2 portion of a multipurpose project, including  
3 residential dwelling units, designed and intended  
4 for the purpose of providing housing and such  
5 facilities as may be incidental or appurtenant  
6 thereto;
- 7 (B) "Redevelopment project" means an undertaking for  
8 the acquisition, clearance, replanning,  
9 reconstruction, and rehabilitation or a  
10 combination of these and other methods, of an  
11 area for a residential project, for an incidental  
12 commercial project, and for other facilities  
13 incidental or appurtenant thereto, pursuant to  
14 and in accordance with this chapter. The terms  
15 "acquisition, clearance, replanning,  
16 reconstruction, and rehabilitation" shall include  
17 renewal, redevelopment, conservation,  
18 restoration, or improvement, or any combination  
19 thereof;
- 20 (C) "Commercial project" means an undertaking  
21 involving commercial or light industrial



1 development, which includes a mixed use  
2 development where commercial or light industrial  
3 facilities may be built into, adjacent to, under  
4 or above residential units.

5 (5) "Project cost" means the total of all costs incurred  
6 by the authority in carrying out all undertakings  
7 which it deems reasonable and necessary for the  
8 development of a project including but not limited to:  
9 studies; surveys; plans; specifications;  
10 architectural, engineering, or any other development  
11 related services; acquisition of land and any  
12 improvement thereon; site preparation and development;  
13 construction; reconstruction; rehabilitation; the  
14 necessary expenses in administering the chapter; the  
15 cost of financing the project; and relocation costs.

16 (6) "Public agency" means any office, department, board,  
17 commission, bureau, division, public corporation  
18 agency, or instrumentality of the federal, state, or  
19 county government.

20 (7) "Public facilities" includes streets, utility and  
21 service corridors, and utility lines where applicable,



1 sufficient to adequately service developable  
 2 improvements in the district, sites for schools,  
 3 parks, parking garage, sidewalks, pedestrian ways, and  
 4 other community facilities. "Public facilities" shall  
 5 also include public highways, as defined by statute,  
 6 storm drainage systems, water systems, street lighting  
 7 systems, off-street parking facilities, and sanitary  
 8 sewerage systems.

9 (8) "Qualified person" includes any individual,  
 10 partnership, corporation or any public agency,  
 11 possessing the competence, expertise, experience, and  
 12 resources, including financial, personnel and tangible  
 13 resources, required for the purposes of the project  
 14 and such other qualifications as may be deemed  
 15 desirable by the authority in administering the  
 16 chapter.

17 (9) "Real property" means lands, structures, and interests  
 18 in land, including lands under water and riparian  
 19 rights, space rights, and air rights and any and all  
 20 other things and rights usually included within the  
 21 term. Real property also means any and all interests



1 in such property less than full title, such as  
2 easements, incorporeal hereditaments and every estate,  
3 interest, or right, legal or equitable, including  
4 terms for years and liens thereon by way of judgments,  
5 mortgages, or otherwise.

6 (10) "TOD" means transit-oriented development.

7 (11) "TOD zone" means the parcels of land within a one-half  
8 mile radius around a proposed or existing fixed  
9 transit station as determined by the authority, taking  
10 into account proximity, walkability, adopted county  
11 plans, and other relevant factors; provided that TOD  
12 zones shall not be established in lands administered  
13 by the Hawaii public housing authority, lands  
14 administered by the stadium authority, or any  
15 community development districts established under  
16 section 206E-5."

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

19 "(b) The authority shall consist of the director of  
20 finance or the director's designee; the director of  
21 transportation or the director's designee; a cultural



1 specialist; an at-large member; an at-large member nominated by  
2 the senate president; an at-large member nominated by the  
3 speaker of the house; three representatives of the Heeia  
4 community development district, comprising two residents of that  
5 district or the Koolaupoko district, which consists of sections  
6 1 through 9 of zone 4 of the first tax map key division, and one  
7 owner of a small business or one officer or director of a  
8 nonprofit organization in the Heeia community development  
9 district or Koolaupoko district, nominated by the county council  
10 of the county in which the Heeia community development district  
11 is located; three representatives of the Kalaeloa community  
12 development district, comprising two residents of the Ewa zone  
13 (zone 9, sections 1 through 2) or the Waianae zone (zone 8,  
14 sections 1 through 9) of the first tax map key division, and one  
15 owner of a small business or one officer or director of a  
16 nonprofit organization in the Ewa or Waianae zone, nominated by  
17 the county council of the county in which the Kalaeloa community  
18 development district is located; three representatives of the  
19 Kakaako community development district, comprising two residents  
20 of the district and one owner of a small business or one officer  
21 or director of a nonprofit organization in the district,



1 nominated by the county council of the county in which the  
2 Kakaako community development district is located; the director  
3 of planning and permitting of each county in which a community  
4 development district is located or the director's designee, who  
5 shall serve in an ex officio, nonvoting capacity; and the  
6 chairperson of the Hawaiian homes commission or the  
7 chairperson's designee, who shall serve in an ex officio,  
8 nonvoting capacity.

9 All members except the director of finance, director of  
10 transportation, county directors of planning and permitting, and  
11 chairperson of the Hawaiian homes commission or their designees  
12 shall be appointed by the governor pursuant to section 26-34.  
13 The two at-large members nominated by the senate president and  
14 speaker of the house and the nine representatives of the  
15 respective community development districts shall each be  
16 appointed by the governor from a list of three nominees  
17 submitted for each position by the nominating authority  
18 specified in this subsection.

19 The authority shall be organized and shall exercise  
20 jurisdiction as follows:





1 (1) For matters affecting the Heeia community development  
2 district, the following members shall be considered in  
3 determining quorum and majority and shall be eligible  
4 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 cultural specialist;

10 (D) The three at-large members; and

11 (E) The three representatives of the Heeia community  
12 development district;

13 provided that the director of planning and permitting  
14 of the relevant county or the director's designee  
15 shall participate in these matters as an ex officio,  
16 nonvoting member and shall not be considered in  
17 determining quorum and majority;

18 (2) For matters affecting the Kalaeloa community  
19 development district, the following members shall be  
20 considered in determining quorum and majority and  
21 shall be eligible to vote:



- 1 (A) The director of finance or the director's
- 2 designee;
- 3 (B) The director of transportation or the director's
- 4 designee;
- 5 (C) The cultural specialist;
- 6 (D) The three at-large members; and
- 7 (E) The three representatives of the Kalaeloa
- 8 community development district;
- 9 provided that the director of planning and permitting
- 10 of the relevant county and the chairperson of the
- 11 Hawaiian homes commission, or their respective
- 12 designees, shall participate in these matters as ex
- 13 officio, nonvoting members and shall not be considered
- 14 in determining quorum and majority;
- 15 (3) For matters affecting the Kakaako community
- 16 development district, the following members shall be
- 17 considered in determining quorum and majority and
- 18 shall be eligible to vote:
- 19 (A) The director of finance or the director's
- 20 designee;



1 (B) The director of transportation or the director's  
2 designee;

3 (C) The cultural specialist;

4 (D) The three at-large members; and

5 (E) The three representatives of the Kakaako  
6 community development district;

7 provided that the director of planning and permitting  
8 of the relevant county or the director's designee  
9 shall participate in these matters as an ex officio,  
10 nonvoting member and shall not be considered in  
11 determining quorum and majority.

12 (4) For matters affecting TOD zones, including the  
13 creation of TOD zones, the following members shall be  
14 considered in determining quorum and majority and  
15 shall be eligible to vote:

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

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

20 (C) The director of the office of planning or the  
21 director's designee;



1           (D) The cultural specialist; and  
2           (E) The three at-large members;  
3           provided that the director of planning and permitting  
4           of the relevant county or the director's designee  
5           shall participate in these matters as an ex officio,  
6           nonvoting member and shall not be considered in  
7           determining quorum and majority.

8           In the event of a vacancy, a member shall be appointed to  
9 fill the vacancy in the same manner as the original appointment  
10 within thirty days of the vacancy or within ten days of the  
11 senate's rejection of a previous appointment, as applicable.

12           The terms of the director of finance, director of  
13 transportation, county directors of planning and permitting, and  
14 chairperson of the Hawaiian homes commission or their respective  
15 designees shall run concurrently with each official's term of  
16 office. The terms of the appointed voting members shall be for  
17 four years, commencing on July 1 and expiring on June 30;  
18 provided that the initial terms of all voting members initially  
19 appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall  
20 commence on March 1, 2015. The governor shall provide for  
21 staggered terms of the initially appointed voting members so



1 that the initial terms of four members selected by lot shall be  
2 for two years, the initial terms of four members selected by lot  
3 shall be for three years, and the initial terms of the remaining  
4 five members shall be for four years.

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

7 Notwithstanding section 92-15, a majority of all eligible  
8 voting members as specified in this subsection shall constitute  
9 a quorum to do business, and the concurrence of a majority of  
10 all eligible voting members as specified in this subsection  
11 shall be necessary to make any action of the authority valid.

12 All members shall continue in office until their respective  
13 successors have been appointed and qualified. Except as herein  
14 provided, no member appointed under this subsection shall be an  
15 officer or employee of the State or its political subdivisions.

16 For purposes of this section, "small business" means a  
17 business which is independently owned and which is not dominant  
18 in its field of operation."

19 SECTION 4. Section 206E-6, Hawaii Revised Statutes, is  
20 amended as follows:



1           1. By amending the title and subsections (a) and (b) to  
2 read:

3           "§206E-6 District-wide and TOD zone improvement [~~program.~~]  
4 programs. (a) The authority shall develop a district-wide  
5 improvement program and a TOD zone improvement program to  
6 identify necessary district-wide and TOD zone public facilities  
7 within a community development district[~~-~~] or TOD zone.

8           (b) Whenever the authority shall determine to undertake,  
9 or cause to be undertaken, any public facility as part of the  
10 district-wide or TOD zone improvement program, the cost of  
11 providing the public facilities shall be assessed against the  
12 real property in the community development district specially  
13 benefiting from such public facilities. The authority shall  
14 determine the areas of the community development district or TOD  
15 zone which will benefit from the public facilities to be  
16 undertaken and, if less than the entire community development  
17 district or TOD zone benefits, the authority may establish  
18 assessment areas within the community development district[~~-~~] or  
19 TOD zone. The authority may issue and sell bonds in such  
20 amounts as may be authorized by the legislature to provide funds  
21 to finance such public facilities. The authority shall fix the



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

8 2. By amending subsection (i) to read:

9 "(i) Notwithstanding any law to the contrary, whenever as  
10 part of a district-wide or TOD zone improvement program it  
11 becomes necessary to remove, relocate, replace, or reconstruct  
12 public utility facilities, the authority shall establish by rule  
13 the allocation of cost between the authority, the affected  
14 public utilities, and properties that may specially benefit from  
15 such improvement, if any. In determining the allocation of  
16 cost, the authority shall consider the cost allocation policies  
17 for improvement districts established by the county in which the  
18 removal, relocation, replacement, or reconstruction is to take  
19 place."

20 SECTION 5. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$ or so much



1 thereof as may be necessary for fiscal year 2018-2019 for the  
2 hiring of one full-time equivalent (1.00 FTE) permanent position  
3 in the Hawaii community development authority to maintain the  
4 staff necessary to develop and manage the TOD zone improvement  
5 program.

6 The sums appropriated shall be expended by the Hawaii  
7 community development authority for the purposes of this Act.

8 SECTION 6. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 7. This Act shall take effect on July 1, 2050.





**Report Title:**

Transit-Oriented Development; Hawaii Community Development Authority; Appropriation

**Description:**

Requires the Hawaii Community Development Authority to develop a transit-oriented development zone improvement program to foster community development by strategically investing in public facilities. Appropriates funds. (SB1148 HD2)

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