

STAND. COM. REP. NO.

2425

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2943  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.  
No. 2943 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIT-ORIENTED DEVELOPMENT  
ZONES, "

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Housing Finance and Development Corporation, at the request of the Hawaii Community Development Authority, to establish and operate transit-oriented development zone infrastructure subaccounts within the dwelling unit revolving fund for the benefit of transit-oriented development zone improvement projects within a transit-oriented development zone;
- (2) Provide a definition of "transit-oriented development zone" that includes parcels of land within a one-half mile radius around a proposed or existing fixed transit station as determined by the Hawaii Community Development Authority;
- (3) Amend the composition of the Hawaii Community Development Authority to include the Director of the Office of Planning and Executive Director of the Hawaii



Housing Finance and Development Corporation as ex officio, voting members;

- (4) Amend the organization and subject matter jurisdiction of the Hawaii Community Development Authority to include matters affecting transit-oriented development zones and be composed of certain members, including the Director of the Office of Planning and Executive Director of the Hawaii Housing Finance and Development Corporation as ex officio voting members, and the Director of Planning and Permitting of the relevant county to participate as an ex officio nonvoting member;
- (5) Require the Hawaii Community Development Authority to develop a transit-oriented development zone improvement program to foster infrastructure development by strategically investing in public facilities;
- (6) Require the Executive Director of the Hawaii Housing Finance and Development Corporation, in collaboration with the Executive Director of the Hawaii Community Development Authority, to:
  - (A) Initially establish two transit-oriented development zones: one zone containing the Leeward Community College and Pearl Highlands transit stations, and the second zone containing the Aloha Stadium transit station; and
  - (B) Conduct a study examining the current infrastructure of the zones and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development;
- (7) Appropriate funds out of the dwelling unit revolving fund to conduct the infrastructure study of the two initially established transit-oriented development zones; and
- (8) Appropriate funds to the Hawaii Community Development Authority for the hiring of one full-time equivalent (1.0 FTE) temporary position to maintain staff necessary



to develop and manage the transit-oriented development zone improvement program.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of Planning, and Hawaii Community Development Authority. Your Committee received testimony in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the lack of coordination and financing of infrastructure improvements, including public facilities, in planned growth areas, such as along the Honolulu rail corridor, is a major impediment to realizing the potential of transit-oriented development in meeting housing demands and creating vibrant and sustainable mixed-use communities. Your Committee believes that the State must take a proactive role in investing in critical infrastructure necessary to overcome barriers to transit-oriented development, particularly for regional public facilities, such as roads, sewer, and storm water systems. The timely investment in these system improvements is necessary to support and catalyze public and private investments in the development and redevelopment of areas proximate to proposed transit stations. This measure provides a delivery system for the strategic investment of state funds to construct and delivery necessary infrastructure improvements in support of state transit-oriented development projects in transit-oriented development designated areas.

Your Committee notes the concerns raised in testimony that the transit-oriented development zones containing parcels of land within a one-half mile radius around a proposed or existing fixed transit station as determined by the Hawaii Community Development Authority referred to in this measure may conflict with the transit-oriented development zones established pursuant to county plans. Your Committee believes that further clarification is necessary to ensure that the focus of the projects and zone designation authorized to the Hawaii Community Development Authority under this measure are for certain infrastructure improvements within a county-designated transit-oriented development zone.



Your Committee further notes the concerns raised by the Department of Planning and Permitting of the City and County of Honolulu that although the Director of Planning and Permitting of the relevant county serves as a member of the Hawaii Community Development Authority, the Director serves as an ex officio, nonvoting member. Thus, in expanding the Hawaii Community Development Authority's subject matter jurisdiction to include matters affecting transit-oriented development zones, the Department contends that it is critical that the planning and permitting directors, who are responsible for building and maintaining infrastructure systems, have a formal decision making roles in planning, prioritizing, and funding infrastructure improvements.

Accordingly, your Committee has amended this measure by:

- (1) Replacing references to transit-oriented development zone improvements with transit-oriented development infrastructure improvement zones, where applicable, throughout the entire measure to avoid a conflict with the county designated transit-oriented development zone;
- (2) Changing the name of the new subaccount from transit-oriented development zone infrastructure subaccount to transit-oriented development infrastructure improvement zone subaccount for the purposes of clarity and consistency;
- (3) Clarifying that the Hawaii Housing Finance and Development Corporation is authorized to expend revenues in the transit-oriented development infrastructure improvement zone subaccount to make grants and loans to state agencies or counties and loans to private developers for the costs of improvements in transit-oriented development infrastructure improvement zones;
- (4) Clarifying that a transit-oriented development infrastructure improvement zone includes parcels of land:
  - (A) Containing infrastructure;



- (B) Located in a county's transit-oriented development zone within a one-half mile radius around a proposed or existing fixed transit station; and
  - (C) Determined by the Hawaii Community Development Authority by taking into account certain factors;
- (5) Removing the Director of the Office of Planning and Executive Director of the Hawaii Housing Finance and Development Corporation from membership of the general board of the Hawaii Community Development Authority and adding these two officials as ex officio, voting members to the subcommittee that is responsible for matters affecting transit-oriented development zones only;
  - (6) Allowing the Director of Planning and Permitting of the relevant county to serve as an ex officio, voting member of the subcommittee of the Hawaii Community Development Authority that is responsible for matters affecting transit-oriented development zones;
  - (7) Clarifying that only the Hawaii Community Development Authority, rather than in collaboration with the Hawaii Housing Finance and Development Corporation, is responsible for initially establishing the transit-oriented development infrastructure improvement zones;
  - (8) Removing the zone that contains the Leeward Community College and Pearl Highlands transit stations as a zone to be initially established as a transit-oriented development infrastructure improvement zone for study;
  - (9) Adding that the Executive Director of the Hawaii Housing Finance and Development Corporation shall collaborate with the Hawaii Interagency Council for Transit-Oriented Development, in addition to the Executive Director of the Hawaii Community Development Authority, to conduct the infrastructure improvement study;
  - (10) Inserting an effective date of July 1, 2050, to encourage further discussion; and



- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2943, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



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WILL ESPERO, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

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|--|--|-------------------------|-----|---------------------------------|
| Bill / Resolution No.:*<br><i>SB 2943</i>  | Committee Referral:<br><i>HOU, WAM</i> | Date:<br><i>2/12/18</i> |     |                                 |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |     |                                 |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 |  |                         |     |                                 |
| Members  | Aye                                    | Aye (WR)                | Nay | Excused                         |
| ESPERO, Will (C)   | ✓                                      |                         |     |                                 |
| HARIMOTO, Breene (VC)  | ✓                                      |                         |     |                                 |
| GREEN, Josh  | ✓                                      |                         |     |                                 |
| KAHELE, Kaiali'i   |  |                         |     | ✓                               |
| NISHIHARA, Clarence K.   |  |                         |     | ✓                               |
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| <b>TOTAL</b>   | <i>3</i>                               |                         |     | <i>2</i> <del>0</del> <i>WZ</i> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |     |                                 |
| Chair's or Designee's Signature:<br><i>Breene Hunt</i>   |  |                         |     |                                 |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                         |     |                                 |

\*Only one measure per Record of Votes