

JAN 21 2022

A BILL FOR AN ACT

RELATING TO COMMUNITY DEVELOPMENT.

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

SECTION 1. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**"PART . TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE
IMPROVEMENT DISTRICT**

§206E-A Findings and purpose. The legislature finds that construction, installation, and improvement of certain infrastructure is necessary and desirable to facilitate renewal and redevelopment of areas designated for transit-oriented development by the State and the counties. Transit-oriented development is a powerful tool that can ultimately deliver a wide range of social, environmental, and economic benefits. Transit-oriented development promotes development patterns that support quality of life, preserves the natural environment, provides a range of housing choices for residents, and encourages walking, biking, and use of mass transit. The State plays an important role in overcoming barriers to transit-



1 oriented development, including encouraging needed investments
2 in improving regional infrastructure such as roads, sewers,
3 water, power, communication, and storm water management systems.

4 This part is intended to move current transit-oriented
5 development planning efforts forward into infrastructure
6 improvements that benefit the community. The legislature
7 further finds that, currently, no single state agency has the
8 authority to improve infrastructure along a transit corridor in
9 the best interest of the State. This part will enable the
10 delivery of infrastructure needed to support development on
11 lands within designated transit-oriented development zones.
12 Accordingly, the purpose of this part is to establish transit-
13 oriented development infrastructure improvement districts to
14 foster community development by strategically investing in
15 infrastructure improvements.

16 **§206E-B Definitions.** As used in this part:

17 "Authority" means the Hawaii community development
18 authority established by section 206E-3.

19 "Board" means the transit-oriented development
20 infrastructure improvement district board.



1 "District" means transit-oriented development
2 infrastructure improvement district within each county-
3 designated transit-oriented development zone, or within a one-
4 half mile radius of a proposed or existing transit station if
5 the county has not designated transit-oriented development
6 zones, as determined by the board.

7 "Fund" means the transit-oriented development
8 infrastructure improvement special fund.

9 "Program" means the transit-oriented development
10 infrastructure improvement program developed by the board
11 pursuant to section 206E-F.

12 **§206E-C District established; boundaries.** (a) The
13 transit-oriented development infrastructure improvement district
14 is hereby established under the authority.

15 (b) The district shall be comprised of and include the
16 parcels of land within county-designated transit-oriented
17 development zones, or within a one-half mile radius of a
18 proposed or existing transit station if the county has not
19 designated transit-oriented development zones, as determined by
20 the board, which shall take into account proximity, walkability,
21 adopted county plans, and other relevant factors; provided that,



1 in a county with a population in excess of five hundred
2 thousand, a transit-oriented development zone shall include a
3 rail station or a planned rail station.

4 §206E-D Transit-oriented infrastructure development
5 district board; established; members; terms; vacancies. (a)

6 There is established the transit-oriented development
7 infrastructure improvement board which shall be placed under the
8 authority within the department of business, economic
9 development, and tourism for administrative purposes. The board
10 shall carry out the duties and responsibilities as set forth in
11 this part.

12 (b) The board shall consist of the following members:

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

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

16 (3) The director of the office of planning or the
17 director's designee;

18 (4) The director of planning and permitting of the county
19 in which each district is located or the director's
20 designee; and



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

(A) A cultural specialist;

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

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

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

(E) A resident of the county where the district is located, to be selected from a list of three nominees submitted by the speaker of the house.

(c) The terms of the appointed members shall be for four years, commencing on July 1 and expiring on June 30. The governor shall provide for staggered terms of the initially appointed members so that the initial terms of one at-large member and one district member selected by lot shall be for two years, the initial terms of one at-large member and one district



1 member selected by lot shall be for four years, and the term of
2 the cultural specialist shall be for four years.

3 (d) In the event of a vacancy, a member shall be appointed
4 to fill the vacancy in the same manner as the original
5 appointment within thirty days of the vacancy or within ten days
6 of the senate's rejection of a previous appointment, as
7 applicable.

8 (e) The terms of the director of finance, director of
9 transportation, director of the office of planning, and the
10 county directors of planning and permitting, or their respective
11 designees, shall run concurrently with each official's term of
12 office.

13 (f) The governor may remove or suspend for cause any
14 member after due notice and public hearing.

15 (g) Notwithstanding section 92-15, a majority of all
16 eligible voting members as specified in this section shall
17 constitute a quorum to do business, and the concurrence of a
18 majority of all eligible voting members present shall be
19 necessary to make any action of the board valid. All members
20 shall continue in office until their respective successors have
21 been appointed and received advice and consent of the senate.



1 Except as herein provided, no member appointed under this
2 section shall be an officer or employee of the State or its
3 political subdivisions.

4 **§206E-E Transit-oriented development infrastructure**
5 **improvement board; powers; generally.** Except as otherwise
6 limited by this part, with respect to the development,
7 construction, and improvement of infrastructure within the
8 districts, the board may:

- 9 (1) Establish and administer transit-oriented development
10 infrastructure improvement districts and programs;
- 11 (2) Make and execute contracts and all other instruments
12 necessary or convenient for the exercise of its powers
13 and functions under this part;
- 14 (3) Prepare or cause to be prepared an infrastructure
15 improvement plan for the district;
- 16 (4) Acquire, reacquire, or contract to acquire or
17 reacquire, by grant or purchase, real, personal, or
18 mixed property, or any interest therein, and own,
19 hold, clear, improve, rehabilitate, sell, assign,
20 exchange, transfer, convey, lease, or otherwise
21 dispose of or encumber the same;



- 1 (5) Acquire or reacquire by condemnation real, personal,
2 or mixed property, or any interest therein, for
3 infrastructure improvement;
- 4 (6) By itself or in partnership with qualified persons,
5 acquire, reacquire, construct, reconstruct,
6 rehabilitate, improve, alter, or repair or provide for
7 the construction, reconstruction, improvement,
8 alteration, or repair of any infrastructure and own,
9 hold, sell, assign, transfer, convey, exchange, lease,
10 or otherwise dispose of or encumber any infrastructure
11 improvement;
- 12 (7) Arrange or contract for the planning, replanning,
13 opening, grading, or closing of streets, roads,
14 roadways, alleys or other places, or the furnishing of
15 facilities, or for the acquisition of property or
16 property rights, or for the furnishing of property or
17 services in connection with an infrastructure
18 improvement project;
- 19 (8) Prepare or cause to be prepared plans, specifications,
20 designs, and estimates of costs for the construction,
21 reconstruction, rehabilitation, improvement,



1 alteration, or repair of any infrastructure
2 improvement project, and, from to time, modify the
3 plans, specifications, designs, or estimates of any
4 infrastructure improvement project;

5 (9) Provide advisory, consultative, training, and
6 educational services, technical assistance, and advice
7 to any person, partnership, or corporation, either
8 public or private, to carry out the purposes of this
9 part, and engage the services of consultants on a
10 contractual basis for rendering professional and
11 technical assistance and advice;

12 (10) Procure insurance against any loss in connection with
13 its property and other assets and operations in
14 amounts and from insurers as it deems desirable;

15 (11) Contract for and accept gifts or grants in any form
16 from any public agency or from any other source; and

17 (12) Do any and all things necessary to carry out its
18 purposes and exercise the powers given and granted in
19 this part.

20 **§206E-F Transit-oriented development infrastructure**

21 **improvement program; assessment; rules.** (a) The board shall



1 develop a transit-oriented development infrastructure
2 improvement program to identify necessary infrastructure
3 improvements within the district.

4 (b) Whenever the board determines to undertake, or causes
5 to be undertaken, any infrastructure improvement as part of the
6 program, the cost of providing the infrastructure improvement
7 may be assessed against the real property in districts specially
8 benefiting from the infrastructure improvement. The board shall
9 determine the areas of the districts that will benefit from the
10 infrastructure improvement to be undertaken and, if less than
11 the entire district benefits, the board may establish assessment
12 areas within the districts. The board may issue and sell bonds
13 in amounts as may be authorized by the legislature to provide
14 funds to finance the infrastructure improvements. The board may
15 fix the assessments against real property specially benefited.
16 All assessments made pursuant to this section shall be a
17 statutory lien against each lot or parcel of land assessed from
18 the date of the notice declaring the assessment until paid, and
19 the lien shall have priority over all other liens except the
20 lien of property taxes. As between liens of assessments, the
21 earlier lien shall be superior to the later lien.



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

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



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

9 (e) The board shall adopt rules pursuant to chapter 91 to
10 provide for the method of undertaking and financing transit-
11 oriented development infrastructure improvement in an assessment
12 area or an entire district. The rules adopted pursuant to this
13 section shall include but not be limited to:

14 (1) The methods by which the board shall establish
15 assessment areas;

16 (2) The method of assessment of real properties specially
17 benefited;

18 (3) The costs to be borne by the board, the county in
19 which districts are situated, and the property owners;

20 (4) The procedures before the board relating to the
21 creation of the assessment areas by the owners of real



property therein, including provisions for petitions,
bids, contracts, bonds, and notices;

(5) Provisions relating to assessments;

(6) Provisions relating to financing, including bonds,
revolving funds, advances from available funds,
special funds for payment of bonds, payment of
principal and interest, and sale and use of the bonds;

(7) Provisions relating to funds and refunding of
outstanding debts;

(8) Provisions relating to limitations on time to sue; and

(9) Other related provisions.

(f) Notwithstanding any other provisions to the contrary,
the board may, in its discretion, enter into any agreement with
the county in which the districts are located, to implement all
or part of the purposes of this section.

(g) All sums collected under this section shall be
deposited into the transit-oriented development infrastructure
improvement special fund and applied solely to:

(1) The payment of the principal and interest on the bonds
and the cost of administering, operating, and
maintaining the program;



1 (2) The establishment of reserves; and

2 (3) Other purposes as may be authorized in the proceedings
3 providing for the issuance of the bonds.

4 If any surplus remains in any special fund after the
5 payment of the bonds chargeable against the fund, it shall be
6 credited to and become a part of the transit-oriented
7 development infrastructure improvement special fund.

8 (h) The transit-oriented development infrastructure
9 improvements to be financed through bonds issued by the board
10 may be dedicated to the county in which the infrastructure
11 improvements are to be located. The board shall ensure that the
12 infrastructure improvements are designed and constructed to meet
13 county requirements and enter into agreement with the county for
14 dedication of the public facilities.

15 (i) Notwithstanding any law to the contrary, whenever it
16 becomes necessary to remove, relocate, replace, or reconstruct
17 public utility facilities that are part of a program, the board
18 shall establish by rule the allocation of cost between the
19 board, the affected public utilities, and the properties that
20 may specially benefit from the improvement, if any. In
21 determining the allocation of cost, the board shall consider the



1 cost allocation policies for districts established by the county
2 in which the removal, relocation, replacement, or reconstruction
3 is to take place.

4 **§206E-G Transit-oriented development infrastructure**
5 **improvement special fund.** (a) There is established in the
6 state treasury the transit-oriented development infrastructure
7 improvement special fund, into which shall be deposited:

8 (1) All revenues, income, and receipts for the district;

9 (2) Moneys directed, allocated, or disbursed to the
10 district from government agencies or private
11 individuals or organizations, including grants, gifts,
12 awards, donations, and assessments of landowners for
13 costs to administer and operate the district;

14 (3) Assessments collected under section 206E-F; and

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

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

18 (c) Investment earnings credited to the assets of the fund
19 shall become part of the fund.

20 **§206E-H Memorandum of agreement.** The board may execute
21 memoranda of agreement with appropriate governmental agencies.



1 §206E-I Annual comprehensive report. The board shall
2 submit an annual comprehensive report on the progress of
3 development within the district to the legislature no later than
4 twenty days prior to the convening of each regular session."

5 SECTION 2. In codifying the new sections added by section
6 1 of this Act, the revisor of statutes shall substitute
7 appropriate section numbers for the letters used in designating
8 the new sections in this Act.

9 SECTION 3. This Act shall take effect upon its approval.

10

INTRODUCED BY:



Report Title:

Transit-Oriented Development Infrastructure Improvement District; Hawaii Community Development Authority; Department of Business, Economic Development, and Tourism; Boundaries; Board; Program; Assessment; Special Fund

Description:

Establishes the transit-oriented development infrastructure improvement district under the Hawaii community development authority. Establishes districts to comprise of and include the parcels of land within county-designated transit-oriented development zones, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit-oriented development zones, as determined by the transit-oriented development infrastructure improvement district board. Requires the transit-oriented development infrastructure improvement district board to develop a transit-oriented development infrastructure improvement program to identify necessary infrastructure improvements within the district. Establishes the transit-oriented development infrastructure improvement special fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

