
A BILL FOR AN ACT

RELATING TO COMMUNITY-INITIATED DEVELOPMENT.

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

1 SECTION 1. The legislature finds that the State should
2 strive to meet the needs of the people. Many of these needs can
3 be met through development projects, but not enough of those
4 projects are currently in place, even as the needs of the people
5 continue to grow, and have grown since Hawaii became a state in
6 1959.

7 The legislature notes that the needs of communities
8 continue to grow. For example, in 2016, the governor noted that
9 the State was short of sixty-six thousand affordable housing
10 units. The legislature finds that neither the State, nor any
11 county, business, nor other organization can work alone to meet
12 housing needs, or any needs relating to food, clothing, health
13 care, economic development, trade, travel, tourism, or
14 transportation. Rather, governmental agencies should work
15 together with businesses and other organizations to execute
16 community development projects to help address these needs.



1 "Department" means the county department or other county
2 agency that carries out the county's duties under this part.

3 "Nonprofit corporation" means a Hawaii nonprofit
4 corporation, formed pursuant to chapter 414D, that develops and
5 operates, or proposes to develop and operate, a project.

6 "Project" means a community-initiated development project.

7 **§46-B Counties; private sector entities; projects.** A
8 department may form any partnership with any nonprofit
9 corporation to execute any community-initiated development
10 project within the county; provided that:

- 11 (1) The project is in the public interest and complies
12 with this part;
- 13 (2) Development of the project cannot occur by the
14 ordinary operations of private enterprise;
- 15 (3) The project shall be developed on land or property in
16 the inventory that the department maintains pursuant
17 to section 46-C; and
- 18 (4) The county, nonprofit corporation, and project shall
19 comply with this part.



1 **§46-C Suitable properties for projects.** The department
2 shall identify and keep an updated inventory of the following
3 lands and properties within the county:

4 (1) State land use agriculture and conservation land with
5 infrastructure that can be developed for housing;

6 (2) State land use agriculture and conservation land with
7 infrastructure;

8 (3) All state land use real estate that is in an urban
9 area, zoned properly for the purposes of a project,
10 and empty of buildings and occupants;

11 (4) All state land use real estate that is in an urban
12 area, zoned properly for the purposes of a project,
13 with vacant buildings;

14 (5) All state land use real estate that is in an urban
15 area, zoned properly for the purposes of a project,
16 that is underutilized;

17 (6) Church properties, to extent authorized under
18 constitutional law;

19 (7) Harbors;

20 (8) Health care facilities;

21 (9) Hospitals;



- 1 (10) Housing;
- 2 (11) Parks;
- 3 (12) Schools; and
- 4 (13) Sporting facilities.

5 **§46-D Master plan; requirements.** (a) A nonprofit
6 corporation shall prepare a master plan for a project.

7 (b) Each master plan shall include, to the extent
8 necessary for the purposes of the project:

- 9 (1) Multiple-use facilities;
- 10 (2) Placement of similar businesses within close proximity
11 of each other;
- 12 (3) Adjacencies between businesses and buildings;
- 13 (4) Phased inclusion of businesses and phased development
14 of buildings;
- 15 (5) Synergy between businesses and buildings;
- 16 (6) Leveraging assets, needs, products, and services of
17 each business and building;
- 18 (7) Identification of benefits to all stakeholders;
- 19 (8) Specifications on how the partnership between the
20 entity and the county will make efficient use of



1 assets to meet needs and provide benefits, products,
2 and services; and

3 (9) Specifications on the development of any center for
4 excellence.

5 (c) Each master plan may also include provisions relating
6 to:

7 (1) Senior housing or care;

8 (2) Adolescent housing or adolescent care;

9 (3) Teacher or student housing;

10 (4) Employee housing;

11 (5) Special needs housing or care;

12 (6) Health care or wellness facilities;

13 (7) Job counseling or training centers;

14 (8) Centers focused on arts, craft, culture, history,
15 botany, zoology;

16 (9) Multi-use community centers;

17 (10) Public facility partnerships with private developers
18 to build retail and commercial facilities to subsidize
19 the public facilities; and

20 (11) Parking facilities.



1 (d) A nonprofit corporation shall submit a copy of the
2 master plan to the appropriate neighborhood board for the
3 board's review and consideration. The board may approve or
4 disapprove of a master plan. The master plan shall be amended
5 to comply with any conditions the board may place on the
6 project's approval.

7 (e) Each master plan that has been approved by a board
8 shall be reviewed by a committee that includes the state
9 legislators and county council members who represent the
10 corresponding state legislative and county council districts in
11 which the project is to be located. The department shall
12 provide administrative support for each committee.

13 (f) Each master plan shall be subject to approval or
14 disapproval by the legislative body of the county.

15 **§46-E Funding.** (a) Nonprofit corporations shall make a
16 good faith effort to apply for funds and other assistance from
17 governmental agencies, community organizations, business
18 organizations, and other public and private entities.

19 (b) Projects may be funded by moneys from the revolving
20 funds established in section 201- , subject to requirements



1 established by the department of business, economic development,
2 and tourism, and the county.

3 **§46-F Rules.** The director of the department shall adopt
4 rules, pursuant to chapter 91, necessary for the purposes of
5 this part."

6 SECTION 3. Chapter 201, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§201- Revolving funds; community-initiated development
10 projects. (a) The following revolving funds are created to
11 assist counties with community-initiated development projects
12 pursuant to part of chapter 46:

- 13 (1) A land acquisition revolving fund;
- 14 (2) A pre-development revolving fund;
- 15 (3) A development revolving fund;
- 16 (4) A construction revolving fund;
- 17 (5) A building materials revolving fund;
- 18 (6) A repair and maintenance revolving fund;
- 19 (7) A modernization revolving fund; and
- 20 (8) A community organization-owned housing revolving fund.



1 (b) Moneys from any lawful source may be deposited into
2 each fund.

3 (c) The department shall adopt rules, pursuant to
4 chapter 91, necessary for the purposes of this section,
5 including rules to specify the purposes of each fund."

6 SECTION 4. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so much
8 thereof as may be necessary for fiscal year 2023-2024 and the
9 same sum or so much thereof as may be necessary for fiscal year
10 2024-2025 to be deposited into the revolving funds established
11 pursuant to section 3 of this Act; provided that the sums
12 appropriated shall be divided equally between each revolving
13 fund.

14 SECTION 5. There is appropriated out of each of the
15 revolving funds established pursuant to section 3 of this Act
16 the sum of \$ or so much thereof as may be necessary
17 for fiscal year 2023-2024 and the same sum or so much thereof as
18 may be necessary for fiscal year 2024-2025 for
19 community-initiated development projects.

20 The sums appropriated shall be expended by the city and
21 county of Honolulu for the purposes of this Act.



1 SECTION 6. If any provision of this Act, or the
2 application thereof to any person or circumstance, is held
3 invalid, the invalidity does not affect other provisions or
4 applications of the Act that can be given effect without the
5 invalid provision or application, and to this end the provisions
6 of this Act are severable.

7 SECTION 7. This Act does not affect rights and duties that
8 matured, penalties that were incurred, and proceedings that were
9 begun before its effective date.

10 SECTION 8. This Act shall take effect on July 1, 2023.

11

INTRODUCED BY:



JAN 25 2023



H.B. NO. 1305

Report Title:

Development; Counties; Nonprofit Corporations; Projects;
Appropriations

Description:

Authorizes any county with a population of 500,000 or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development project within the county. Appropriates moneys.

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

