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# A BILL FOR AN ACT

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RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

1       SECTION 1. The legislature finds that Act 184, Session  
2 Laws of Hawaii 2022 (Act 184), which established  
3 transit-oriented development infrastructure improvement  
4 districts, could be more efficient and effective. The  
5 transit-oriented development infrastructure improvement  
6 districts comprised the land within county-designated  
7 transit-oriented development zones or within a one-half mile  
8 radius of a proposed or existing transit station if the county  
9 has not designated transit-oriented development zones, as  
10 designated by the board. Act 184 also established the  
11 transit-oriented development infrastructure improvement district  
12 boards for each county, under the Hawaii community development  
13 authority for administrative purposes. To date, these boards  
14 have not been constituted, due in part to a lack of community  
15 volunteers willing to serve.

16       The legislature further finds that the best-proven models  
17 of successful, affordable, healthy, and vibrant communities in



1 transit-oriented development areas require sufficient water,  
2 sewer, and power infrastructure; affordable housing; safe,  
3 comfortable, and convenient pedestrian and multi-modal transit  
4 connectivity; meaningful community amenities such as parks,  
5 recreational facilities, and event venues; and community  
6 programs that provide for community-based economic development,  
7 culture, arts, communication, safety, security, and cleanliness.

8 Too often, basic community infrastructure such as  
9 sidewalks, safe multi-modal connectivity, public spaces,  
10 community-based economic development, and amenities required for  
11 successful, livable communities never materialize without a lead  
12 agency taking ownership, prioritizing key community elements,  
13 and executing projects. In most cases, basic community  
14 infrastructure is not a priority for any department or agency.  
15 Sometimes this results in costly retrofits after people move in,  
16 discover gaps in their quality of life, and pay for missing  
17 infrastructure needed to enable families to reduce their cost of  
18 transportation and living. In other cases, basic community  
19 infrastructure can no longer be implemented because buildout in  
20 the area has already occurred, leaving residents stranded with  
21 higher costs of living and no recourse. This results in



1 communities having a higher cost of living than necessary and  
2 developments that are often sufficient for transient investment  
3 units and vacation properties but not best-suited for local  
4 families and permanent residents.

5 The legislature also finds that ensuring the inclusion of  
6 complete community infrastructure in planning and implementation  
7 can replicate four successful strategies commonly used in  
8 successful cities to help significantly reduce the cost of  
9 housing and cost of living. Primarily, these include

10 aggregating amenities such as parking and green space into  
11 public space, removing those costs from each new development.

12 Secondly, constructing public infrastructure and properties that  
13 generate revenue can help to pay for adequate infrastructure and  
14 amenities implementation, as well as reduce the cost of  
15 maintenance, security, and similar costs for area residents.

16 Thirdly, using financing mechanisms such as community financing  
17 districts can provide more capacity to ensure that complete  
18 community infrastructure and amenities are planned for and  
19 included. Fourthly, constructing multiple lower-story concrete  
20 or wood buildings on the same footprint of a tower or podium  
21 project can achieve the same number of units on a block, but



1 through a much cheaper per-unit cost because lower structures do  
2 not require costly vertical engineering and safety and related  
3 components. In numerous other cities, these types of equally  
4 dense but less expensive affordable housing developments are  
5 often built by both the private and public sectors.

6 The legislature further finds that the two highest costs  
7 contributing to the cost of living are housing and  
8 transportation. By broadening the State's focus to develop  
9 affordable communities with fully built community infrastructure  
10 and amenities, rather than just affordable housing, the cost of  
11 a single unit can often be reduced by as much as \$75,000, and  
12 the cost of transportation for families living there can be  
13 reduced by \$15,000 or more per year.

14 Units in many recent housing projects have become  
15 prohibitively expensive. On average, approximately \$50,000 is  
16 added to the cost of a unit per associated parking stall  
17 constructed, and as much as \$25,000 per unit is added for  
18 associated building amenities. Numerous cities and  
19 jurisdictions have begun constructing separate, aggregated  
20 parking stalls and building amenities, lowering the cost of each  
21 unit produced by as much as \$75,000.



1       The legislature further finds that building infrastructure,  
2   such as separate parking garages, allows residents in an area to  
3   lease space or use a parking stall as may be needed, rather than  
4   having the expense forced upon them through higher mortgage  
5   costs. This is especially important considering that Hawaii's  
6   latest generation is driving considerably less than previous  
7   generations. Since 2000, the percentage of eighteen- to  
8   twenty-nine-year-olds with a driver's license has decreased  
9   nearly forty per cent. Many individuals desire to live in  
10   walkable, bikeable communities without the costly average  
11   expense of \$10,000 per year for each additional vehicle along  
12   with the \$50,000 cost of owning a parking stall.

13       Additionally, relieving housing developers of the burden of  
14   building excessive amenities and gathering spaces in each  
15   building lowers the cost of living in those units. Aggregating  
16   public spaces for open plazas, gathering spaces, parks, and  
17   green spaces available to everyone also creates and fosters a  
18   better sense of community and opportunities for better mixed-use  
19   commercial, retail, and food options at a lower overall cost.

20       The legislature additionally finds that the most successful  
21   affordable communities incorporate mixed-use commercial and



1 retail space into public projects, which not only puts daily  
2 needs within walking distance of residents, but also provides  
3 revenue-generating lease rent and other opportunities that can  
4 help pay for community infrastructure, amenities, security,  
5 cleanliness, and maintenance, and lower maintenance fees and the  
6 cost of living for residents in the area.

7 Accordingly, the purpose of this Act is to empower the  
8 Hawaii community development authority to implement these and  
9 other proven strategies to build infrastructure and projects for  
10 better, more affordable, more livable communities and provide  
11 residents with a higher quality of life. Secondly, this Act  
12 streamlines transit-oriented development infrastructure  
13 improvements by recasting provisions of chapter 206E, part X,  
14 Hawaii Revised Statutes, relating to transit-oriented  
15 development infrastructure improvements, as a program under the  
16 Hawaii community development authority. This will enable the  
17 Hawaii community development authority to develop community  
18 improvement projects in transit-oriented development areas  
19 outside its existing designated districts, provided that  
20 planning and implementation shall be assisted by a new board of  
21 members having expertise with successful strategies commonly



1 employed elsewhere, rather than the existing multiple districts  
2 and boards for each county.

3 This Act also provides additional financing tools and  
4 flexibility to fill the gaps in Hawaii's community planning and  
5 implementation. This will provide better community improvements  
6 and deliver complete communities with lower housing and  
7 transportation costs, safer streets, public spaces, parks, and  
8 community amenities that provide a better quality of life.

9 The legislature finds that the Hawaii community development  
10 authority may begin to employ these new strategies and use these  
11 new tools by assisting with the planning, development, and  
12 implementation of the proposed park-and-ride transit and  
13 community hub adjacent to the Skyline's Waiawa, Pearl Highlands  
14 station on Oahu.

15 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is  
16 amended by adding two new sections to be appropriately  
17 designated and to read as follows:

18 **"§206E- Issuance of bonds for the development of**  
19 **infrastructure.** (a) Notwithstanding section 206E-21 and  
20 206E-225, the authority, pursuant to and in accordance with this



1 subpart and section 46-80.1(a), may issue bonds for the purpose  
2 of financing the development of infrastructure for:

3 (1) Land owned by the authority or land within a community  
4 development district or area established under this  
5 chapter or the stadium development district  
6 established in section 206E-223; and

7 (2) Infrastructure projects under section 206E-246.

8 (b) All bonds issued by the authority for improvements by  
9 assessments, and the interest thereon, shall be exempt from all  
10 state, county, and municipal taxation, except inheritance,  
11 transfer, and estate taxes.

12 **§206E-\_\_\_\_\_ Condemnation of real property.** The authority,  
13 upon making a finding that it is necessary to acquire any real  
14 property for its immediate or future use for the purposes of  
15 this part, may acquire the property by condemnation pursuant to  
16 chapter 101. The property shall not thereafter be taken for any  
17 other public use without the consent of the authority. No award  
18 of compensation shall be increased by reason of any increase in  
19 the value of real property caused by the designation of the  
20 transit-oriented development infrastructure improvement program





1 areas, or the actual or proposed acquisition, use, or  
2 disposition of any other real property by the authority."

3 SECTION 3. Section 206E-1, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§206E-1 Findings and purpose.** The legislature finds that  
6 many areas of the State are substantially undeveloped, blighted,  
7 or economically depressed, and are or are potentially in need of  
8 renewal, renovation, or improvement to alleviate such conditions  
9 as dilapidation, deterioration, age, and other such factors or  
10 conditions ~~[which]~~ that make ~~[such]~~ the areas an economic or  
11 social liability.

12 The legislature further finds that there exists within the  
13 State vast, unmet community development needs. These include,  
14 but are not limited to, a lack of suitable affordable housing;  
15 insufficient commercial and industrial facilities for rent;  
16 residential areas ~~[which]~~ that do not have facilities necessary  
17 for basic liveability, such as parks and open space; ~~[and]~~ areas  
18 ~~[which]~~ that are planned for extensive land allocation to one,  
19 rather than mixed uses~~[-]~~; a lack of infrastructure necessary to  
20 facilitate community development; and insufficient culturally



1 appropriate agriculture, education, and natural-resource  
2 restoration and management.

3       It is further determined that the lack of planning and  
4 coordination in such areas has given rise to these community  
5 development needs and that existing laws and public and private  
6 mechanisms have either proven incapable or inadequate to  
7 facilitate timely redevelopment and renewal[-], or restoration  
8 and management, as the case may be.

9       The legislature finds that a new and comprehensive  
10 authority for community development must be created to join the  
11 strengths of private enterprise, public development, and  
12 regulation into a new form capable of long-range planning and  
13 implementation of improved community development. The purpose  
14 of this chapter is to establish such a mechanism in the Hawaii  
15 community development authority, which is a public entity  
16 [~~which~~] that shall determine community development programs and  
17 projects and cooperate with private enterprise and the various  
18 components of federal, state, and county governments in bringing  
19 plans and projects to fruition. [~~For such areas designated as~~  
20 ~~community development districts, the~~] The legislature believes  
21 that the planning and implementation [~~program~~] expertise of the



1 Hawaii community development authority will result in  
2 communities [~~which~~] that serve the highest needs and aspirations  
3 of Hawaii's people.

4 The legislature finds that the creation of the Hawaii  
5 community development authority, the establishment of community  
6 development districts[~~, and~~] and program areas, the issuance of  
7 bonds pursuant to this chapter to finance public facilities, and  
8 the ability of the Hawaii community development authority to  
9 cooperate with or assist public and private sector entities to  
10 engage in projects that improve the State, serve the public  
11 interest and are matters of statewide concern.

12 The legislature also finds that there are many areas of the  
13 State, outside of the Hawaii community development authority's  
14 community development districts, where this comprehensive  
15 planning, and redevelopment agency should use its powers to  
16 facilitate timely redevelopment, renewal, community building,  
17 and economic development."

18 SECTION 4. Section 206E-3, Hawaii Revised Statutes, is  
19 amended by amending subsection (b) to read as follows:

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



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



1 district, comprising one resident of the district and one owner  
2 of a small business or one officer or director of a nonprofit  
3 organization in the district; ~~and~~ two representatives of the  
4 Pulehunui community development district, consisting of one  
5 resident of the island of Maui, and one owner of a small  
6 business or one officer or director of a nonprofit organization  
7 on the island of Maui[~~;~~]; and, for the purposes of part X of  
8 this chapter only, two experts on transit-oriented development,  
9 to be appointed one each by the president of the senate and the  
10 speaker of the house of representatives; and the following ex  
11 officio, nonvoting members: the chairpersons of the respective  
12 senate and house of representatives standing committees having  
13 jurisdiction over transportation, and the chairpersons of the  
14 respective senate and house of representatives standing  
15 committees having jurisdiction over housing.

16 All members except the director of finance[~~;~~]; director of  
17 transportation[~~;~~]; county directors of planning or planning and  
18 permitting[~~;~~]; director of business, economic development, and  
19 tourism[~~;~~]; chairperson of the board of land and natural  
20 resources[~~;~~]; the two experts on transit-oriented development  
21 appointed by the president of the senate and speaker of the



1 house of representatives, respectively; the chairpersons of the  
2 respective senate and house of representatives standing  
3 committees having jurisdiction over transportation; the  
4 chairpersons of the respective senate and house of  
5 representatives standing committees having jurisdiction over  
6 housing; or, where relevant, their respective designees shall be  
7 appointed by the governor pursuant to section 26-34. The two  
8 at-large members nominated by the president of the senate and  
9 speaker of the house of representatives shall each be invited to  
10 serve and appointed by the governor from a list of three  
11 nominees submitted for each position by the nominating authority  
12 specified in this subsection.

13       The president of the senate and the speaker of the house of  
14 representatives shall each submit a list of six nominees for  
15 each district to the governor to fill the two district  
16 representative positions for each community development  
17 district. For each community development district, the governor  
18 shall appoint one member from a list of nominees submitted by  
19 the president of the senate and one member from a list of  
20 nominees submitted by the speaker of the house of  
21 representatives, and of the two appointees, one shall meet the



1 district residency requirement and one shall meet the district  
2 small business owner or nonprofit organization officer or  
3 director requirement.

4 The president of the senate and the speaker of the house of  
5 representatives shall each appoint a member having expertise and  
6 experience in urban planning and community development to fill  
7 the two positions designated for experts on transit-oriented  
8 development.

9 The authority shall be organized and shall exercise  
10 jurisdiction as follows:

11 (1) For matters affecting the Heeia community development  
12 district, the following members shall be considered in  
13 determining quorum and majority and shall be eligible  
14 to vote:

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

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

19 (C) The director of business, economic development,  
20 and tourism or the director's designee;



- 1 (D) The director of planning and permitting for the  
2 county in which the Heeia community development  
3 district is located or the director's designee;  
4 (E) The cultural specialist;  
5 (F) The two at-large members; and  
6 (G) The two representatives of the Heeia community  
7 development district;  
8 (2) For matters affecting the Kalaeloa community  
9 development district, the following members shall be  
10 considered in determining quorum and majority and  
11 shall be eligible to vote:  
12 (A) The director of finance or the director's  
13 designee;  
14 (B) The director of transportation or the director's  
15 designee;  
16 (C) The director of business, economic development,  
17 and tourism or the director's designee;  
18 (D) The director of planning and permitting for the  
19 county in which the Kalaeloa community  
20 development district is located or the director's  
21 designee;





- 1 (E) The cultural specialist;
- 2 (F) The two at-large members; and
- 3 (G) The two representatives of the Kalaeloa community
- 4 development district;
- 5 (3) For matters affecting the Kakaako community
- 6 development district, the following members shall be
- 7 considered in determining quorum and majority and
- 8 shall be eligible to vote:
- 9 (A) The director of finance or the director's
- 10 designee;
- 11 (B) The director of transportation or the director's
- 12 designee;
- 13 (C) The director of business, economic development,
- 14 and tourism or the director's designee;
- 15 (D) The director of planning and permitting for the
- 16 county in which the Kakaako community development
- 17 district is located or the director's designee;
- 18 (E) The cultural specialist;
- 19 (F) The two at-large members; and
- 20 (G) The two representatives of the Kakaako community
- 21 development district; [and]



- 1           (4) For matters affecting the Pulehunui community  
2           development district, the following members shall be  
3           considered in determining quorum and majority and  
4           shall be eligible 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 director of business, economic development,  
10          and tourism or the director's designee;
- 11          (D) The director of planning for the county in which  
12          the Pulehunui community development district is  
13          located or the director's designee;
- 14          (E) The chairperson of the board of land and natural  
15          resources or the chairperson's designee;
- 16          (F) The cultural specialist;
- 17          (G) The two at-large members; and
- 18          (H) The two representatives of the Pulehunui  
19          community development district~~(-)~~; and



1        (5) For matters affecting part X of this chapter only, the  
2        following members shall be considered in determining  
3        quorum and majority and shall be eligible to vote:

4        (A) The director of finance or the director's  
5        designee;

6        (B) The director of transportation or the director's  
7        designee;

8        (C) The director of business, economic development,  
9        and tourism or the director's designee;

10       (D) The chairperson of the board of land and natural  
11       resources or the chairperson's designee;

12       (E) The director of planning for the county in which  
13       the program area is located or the director's  
14       designee;

15       (F) The cultural specialist;

16       (G) The two at-large members; and

17       (H) The two experts on transit-oriented development  
18       appointed by the president of the senate and the  
19       speaker of the house of representatives.

20       In the event of a vacancy, a member shall be appointed to  
21       fill the vacancy in the same manner as the original appointment



1 within thirty days of the vacancy or within ten days of the  
2 senate's rejection of a previous appointment, as applicable.

3 The terms of the director of finance; director of  
4 transportation; county directors of planning and permitting;  
5 director of business, economic development, and tourism; and  
6 chairperson of the board of land and natural resources; or their  
7 respective designees shall run concurrently with each official's  
8 term of office. The terms of the appointed voting members shall  
9 be for four years, commencing on July 1 and expiring on June 30.

10 The governor shall provide for staggered terms of the initially  
11 appointed voting members so that the initial terms of four  
12 members selected by lot shall be for two years, the initial  
13 terms of four members selected by lot shall be for three years,  
14 and the initial terms of the remaining three members shall be  
15 for four years. The terms on the authority of the chairpersons  
16 of the senate and house of representatives standing committees  
17 having jurisdiction over housing and the chairpersons of the  
18 senate and house of representatives standing committees having  
19 jurisdiction over transportation shall run concurrently with  
20 that respective legislator's term as the chairperson of that  
21 respective committee.



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

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

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

12 For purposes of this section, "small business" means a  
13 business that is independently owned and that is not dominant in  
14 its field of operation."

15 SECTION 5. Chapter 206E, part X, Hawaii Revised Statutes,  
16 is amended to read as follows:

17 "[+]PART X.[+]  
18 **TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE  
IMPROVEMENT [DISTRICT] PROGRAM**

19 **[+]§206E-241[+] Findings and purpose.** The legislature  
20 finds that construction, installation, and improvement of  
21 certain infrastructure is necessary and desirable to facilitate



1 renewal and redevelopment of areas designated by the State and  
2 the counties for transit-oriented development. Transit-oriented  
3 development is a powerful tool that can ultimately deliver a  
4 wide range of social, environmental, and economic benefits.  
5 Transit-oriented development promotes development patterns that  
6 support quality of life, preserves the natural environment,  
7 provides a range of housing choices for residents, and  
8 encourages walking, biking, and use of mass transit. The State  
9 plays an important role in overcoming barriers to  
10 transit-oriented development, including encouraging needed  
11 investments in improving regional infrastructure such as roads,  
12 sewers, water, power, communication, and storm water management  
13 systems. This part is intended to move transit-oriented  
14 development planning efforts forward into infrastructure  
15 improvements that benefit the community. The legislature  
16 further finds that, currently, no single state agency has the  
17 authority to improve infrastructure along a transit corridor in  
18 the best interest of the State. This part will enable the  
19 delivery of infrastructure needed to support development on  
20 lands within designated transit-oriented development zones.



1       Accordingly, ~~[the purpose of this part is to establish]~~  
2       there shall be established the transit-oriented development  
3       infrastructure improvement ~~[districts]~~ program, to be  
4       administered by the authority to foster community development by  
5       strategically investing in infrastructure improvements.

6       **~~[§]206E-242[§]~~ Definitions.** As used in this part:

7       ~~["Board" means the transit-oriented development~~  
8       ~~infrastructure improvement district board.~~

9       ~~"District" means the transit-oriented development~~  
10      ~~infrastructure improvement district within each county-~~  
11      ~~designated transit-oriented development zone, or within a one-~~  
12      ~~half mile radius of a proposed or existing transit station if~~  
13      ~~the county has not designated transit-oriented development~~  
14      ~~zones, as determined by the board.]~~

15      "Fund" means the transit-oriented development  
16      infrastructure improvement ~~[district]~~ program special fund  
17      established under section 206E-247.

18      "Program" means the transit-oriented development  
19      infrastructure improvement ~~[district]~~ program developed by the  
20      ~~[board]~~ authority pursuant to section 206E-246.



1       ~~[§206E-243] District established; boundaries.~~

2       Transit-oriented development infrastructure improvement program

3       areas; established.   ~~[(a) The transit-oriented development~~  
4       ~~infrastructure improvement district is hereby established under~~  
5       ~~the authority.~~

6       ~~(b)]~~ (a)   The ~~[district]~~ transit-oriented development  
7       infrastructure improvement program areas shall comprise the  
8       parcels of land and associated rights-of-way, either within  
9       county-designated transit-oriented development zones, or within  
10      a one-half mile radius of a proposed or existing transit station  
11      if the county has not designated transit-oriented development  
12      zones, as determined by the ~~[board,]~~ authority, which shall take  
13      into account proximity, walkability, adopted county plans, and  
14      other relevant factors~~[, provided that in a county with a~~  
15      ~~population in excess of five hundred thousand, a transit-~~  
16      ~~oriented development zone shall include a rail station or a~~  
17      ~~planned rail station]~~. The ~~[district shall]~~ program areas may  
18      include all parcels of land of which any portion of the parcels  
19      are located within the county-designated transit-oriented  
20      development zones, or within a one-half mile radius around





1 proposed or existing transit stations if the county has not  
2 designated transit-oriented development zones.

3 (b) The authority may establish and administer  
4 transit-oriented development infrastructure improvement program  
5 areas.

6 ~~[[S206E-244] Transit-oriented development infrastructure~~  
7 ~~improvement district board; established; members; terms;~~  
8 ~~vacancies. (a) There is established the transit-oriented~~  
9 ~~development infrastructure improvement district board, which~~  
10 ~~shall be placed under the authority within the department of~~  
11 ~~business, economic development, and tourism for administrative~~  
12 ~~purposes. The board shall carry out the duties and~~  
13 ~~responsibilities as set forth in this part.~~

14 ~~(b) The board shall consist of the following voting~~  
15 ~~members:~~

- 16 ~~(1) The director of finance or the director's designee;~~  
17 ~~(2) The director of transportation or the director's~~  
18 ~~designee;~~  
19 ~~(3) The director of the office of planning and sustainable~~  
20 ~~development or the director's designee;~~



1       ~~(4) The director of planning and permitting of the county~~  
2       ~~in which each district is located or the director's~~  
3       ~~designee; and~~

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

6       ~~(A) A cultural specialist;~~

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

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

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

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



~~(c) The terms of the appointed members shall be for four years, commencing on July 1 and expiring on June 30; provided that 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 three years, the initial terms of one at-large member and one district member selected by lot shall be for four years, and the term of the cultural specialist shall be for two years.~~

~~(d) If a vacancy occurs, a member shall be appointed to fill the vacancy in the same manner as the original appointment within thirty days of the vacancy or within ten days of the senate's rejection of a previous appointment, as applicable.~~

~~(e) The terms of the director of finance, director of transportation, director of the office of planning and sustainable development, and the county directors of planning and permitting, or their respective designees, shall run concurrently with each director's term of office.~~

~~(f) Notwithstanding section 92-15, a majority of all eligible voting members as specified in this section shall constitute a quorum to do business, and the concurrence of a majority of all eligible voting members present shall be~~



1 ~~necessary to make any action of the board valid. All members~~  
2 ~~shall continue in office until their respective successors have~~  
3 ~~been appointed and received advice and consent of the senate.~~  
4 ~~Except as provided herein, no member appointed under this~~  
5 ~~section shall be an officer or employee of the State or its~~  
6 ~~political subdivisions.~~

7 ~~(g) The members of the board shall serve without~~  
8 ~~compensation but each shall be reimbursed for expenses,~~  
9 ~~including travel expenses, incurred in the performance of their~~  
10 ~~duties.~~

11 ~~**[\$206E-245] Transit-oriented development infrastructure**~~  
12 ~~**improvement district board; powers; generally.**~~ Except as  
13 ~~otherwise limited by this part, with respect to the development,~~  
14 ~~construction, and improvement of infrastructure within the~~  
15 ~~districts, the board may:~~

- 16 ~~(1) Establish and administer districts and programs;~~  
17 ~~(2) Make and execute contracts and all other instruments~~  
18 ~~necessary or convenient for the exercise of its powers~~  
19 ~~and functions under this part;~~  
20 ~~(3) Prepare or cause to be prepared an infrastructure~~  
21 ~~improvement plan for the district;~~



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



1 ~~property rights, or for the furnishing of property or~~  
2 ~~services in connection with an infrastructure~~  
3 ~~improvement project;~~

4 ~~(8) Prepare or cause to be prepared plans, specifications,~~  
5 ~~designs, and estimates of costs for the construction,~~  
6 ~~reconstruction, rehabilitation, improvement,~~  
7 ~~alteration, or repair of any infrastructure~~  
8 ~~improvement project, and, from to time, modify the~~  
9 ~~plans, specifications, designs, or estimates of any~~  
10 ~~infrastructure improvement project;~~

11 ~~(9) Provide advisory, consultative, training, and~~  
12 ~~educational services; technical assistance; and advice~~  
13 ~~to any person, partnership, or corporation, either~~  
14 ~~public or private, to carry out the purposes of this~~  
15 ~~part, and engage the services of consultants on a~~  
16 ~~contractual basis for rendering professional and~~  
17 ~~technical assistance and advice;~~

18 ~~(10) Procure insurance against any loss in connection with~~  
19 ~~its property and other assets and operations in~~  
20 ~~amounts and from insurers as it deems desirable;~~



~~(11) Contract for and accept gifts or grants in any form  
from any public agency or from any other source; and  
(12) Do any and all things necessary to carry out its  
purposes and exercise the powers given and granted in  
this part.~~

**[§206E-246] Transit-oriented development infrastructure  
improvement [district] program; assessment; rules.** (a) The  
[board] authority shall develop a transit-oriented development  
infrastructure improvement [district] program to identify  
infrastructure improvements within each [district.] program  
area. In determining the required infrastructure improvements  
to be undertaken, the [board] authority shall consider the  
strategic plan prepared and the prioritization of  
transit-oriented development projects established by the Hawaii  
interagency council for transit-oriented development, pursuant  
to section 226-63(c), and subsequent plans and studies prepared  
by, or approved by, an appropriate governmental agency to  
further implement the strategic plan and the transit-oriented  
development projects therein.

(b) ~~[Whenever the board determines to undertake, or causes  
to be undertaken, any infrastructure improvement as part of the~~



1 ~~program,~~] The authority may assess all beneficiaries of the  
2 program a user fee for their fair share of the cost of providing  
3 ~~[the]~~ any infrastructure improvement the user may be ~~[assessed~~  
4 ~~against the real property in each district]~~ specially benefiting  
5 from ~~[the infrastructure improvement]~~. The ~~[board]~~ authority  
6 shall determine the program areas ~~[of each district]~~ that will  
7 benefit from the infrastructure improvement to be undertaken,  
8 and if less than the entire ~~[district]~~ transit-oriented  
9 development zone benefits, the ~~[board]~~ authority may establish  
10 ~~[assessment]~~ user fee areas within the ~~[district.]~~ program area.  
11 The ~~[board]~~ authority may issue and sell bonds in amounts as may  
12 be authorized by the legislature to provide funds to finance the  
13 infrastructure improvements. ~~[The board may fix the assessments~~  
14 ~~against real property specially benefited. All assessments made~~  
15 ~~pursuant to this section shall be a statutory lien against each~~  
16 ~~lot or parcel of land assessed from the date of the notice~~  
17 ~~declaring the assessment until the assessment is paid, and the~~  
18 ~~lien shall have priority over all other liens except the lien of~~  
19 ~~property taxes. As between liens of assessments, the earlier~~  
20 ~~lien shall be superior to the later lien.]~~





(c) Bonds issued to provide funds to finance transit-oriented development infrastructure improvements shall be secured ~~[solely by the real properties benefited or improved, the assessments thereon,]~~ in a manner to be determined through the bond issuance process, or the revenues derived from the program for which the bonds are issued, including reserve accounts and earnings thereon, insurance proceeds, and other revenues, or any combination thereof. The bonds may be additionally secured by the pledge or assignment of loans and other agreements or any note or other undertaking, obligation, or property held by the ~~[board.]~~ authority. Bonds issued pursuant to this section and the income therefrom shall be exempt from all state and county taxation, except transfer and estate taxes. The bonds shall be issued subject to rules adopted by the ~~[board]~~ authority pursuant to this section.

~~[(d) Notwithstanding any other law to the contrary, in assessing real property for transit-oriented development infrastructure improvement, the board shall assess the real property within an assessment area according to the special benefits conferred upon the real property by the infrastructure improvement. These methods may include assessment on a frontage~~



~~basis or according to the area of real property within an  
assessment area or any other assessment method that assesses the  
real property according to the special benefit conferred, or any  
combination thereof. No assessment levied against real property  
specially benefited as provided by this part shall constitute a  
tax on real property within the meanings of any constitutional  
or statutory provisions. No assessment shall be levied against  
real property owned by the federal government, the State, or a  
county, or an agency thereof, without the prior written consent  
of the owner.~~

~~(e)] (d) The [board shall] authority may adopt rules for  
the purposes of this part, pursuant to chapter 91, and to  
provide for the method of undertaking and financing  
transit-oriented development infrastructure improvement in [an  
assessment area or an entire district. The rules adopted  
pursuant to this section shall include but not be limited to:~~

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

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



- ~~(3) The costs to be borne by the board, the county in~~  
~~which districts are situated, and the property owners;~~
- ~~(4) The procedures before the board relating to the~~  
~~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.]~~ a program area or  
transit-oriented development zone.

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



1        [~~(g)~~] (f) All sums collected under this section shall be  
2 deposited into the transit-oriented development infrastructure  
3 improvement [~~district~~] program special fund established under  
4 section 206E-247 and shall be applied solely to:

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

8        (2) The establishment of reserves; and

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

11       If any surplus remains in the fund after the payment of the  
12 bonds chargeable against the fund, it shall be credited to and  
13 become a part of the fund.

14       [~~(h)~~] (g) The transit-oriented development infrastructure  
15 improvements [~~to be financed through bonds issued by the board~~]  
16 may be dedicated to the county in which the infrastructure  
17 improvements are to be located. The [~~board~~] authority shall  
18 ensure that the infrastructure improvements are designed and  
19 constructed to meet county requirements and shall enter into an  
20 agreement with the county for dedication of the public  
21 facilities.



1        [~~(i)~~] (h) Notwithstanding any law to the contrary,  
2 whenever it becomes necessary to remove, relocate, replace, or  
3 reconstruct public utility facilities that are part of a  
4 program, the [~~board~~] authority shall establish by rule the  
5 allocation of cost between the [~~board~~,] authority, the affected  
6 public utilities, and the [~~properties~~] users that may specially  
7 benefit from the improvement, if any. In determining the  
8 allocation of cost, the [~~board~~] authority shall consider the  
9 cost allocation policies for districts established by the county  
10 in which the removal, relocation, replacement, or reconstruction  
11 is to take place.

12        **[+]§206E-247[+] Transit-oriented development**  
13 **infrastructure improvement [~~district~~] program special fund. (a)**

14 There [~~is~~] shall be established in the state treasury the  
15 transit-oriented development infrastructure improvement  
16 [~~district~~] program special fund, into which shall be deposited:

17        (1) All revenues, income, and receipts from the  
18                transit-oriented development infrastructure  
19                improvement [~~district~~] program;

20        (2) Moneys directed, allocated, or disbursed to the  
21                [~~district~~] program from government agencies or private



1 individuals or organizations, including grants, gifts,  
2 awards, and donations~~[, and assessments of landowners]~~  
3 for costs to administer and operate the ~~[district,]~~  
4 program;

5 (3) ~~[Assessments]~~ User fees collected under section  
6 206E-246; and

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

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

10 (c) Investment earnings credited to the assets of the fund  
11 shall become part of the fund.

12 **[+]§206E-248[+]** **Memorandum of agreement.** The ~~[board]~~  
13 authority may execute memoranda of agreement with appropriate  
14 governmental agencies~~[,]~~ for purposes of this part.

15 **[+]§206E-249[+]** **Annual comprehensive report.** The ~~[board]~~  
16 authority shall submit an annual comprehensive report on the  
17 progress of ~~[development within]~~ the ~~[district]~~ program to the  
18 legislature no later than twenty days prior to the convening of  
19 each regular session."

20 SECTION 6. The Hawaii community development authority may  
21 issue revenue bonds from time to time to finance the development



1 of infrastructure within transit-oriented development  
2 infrastructure improvement program areas, lands within community  
3 development districts established under chapter 206E, Hawaii  
4 Revised Statutes, or the stadium development district  
5 established in section 206E-223, Hawaii Revised Statutes, and  
6 lands owned by the authority. The total principal amount of the  
7 revenue bonds authorized by this Act shall not exceed  
8 \$180,000,000; provided that neither revenue bonds issued to  
9 refund revenue bonds heretofore issued, to the extent that the  
10 refunding revenue bonds do not exceed the principal amount of  
11 the revenue bonds being refunded, nor revenue bonds of the  
12 Hawaii community development authority outstanding as of the  
13 effective date of this Act shall cause the amount authorized in  
14 this section to be decreased. The revenue bonds shall be issued  
15 pursuant to section 206E-246, Hawaii Revised Statutes. The  
16 principal and interest on the revenue bonds, to the extent not  
17 paid from the proceeds of the bonds, shall be paid solely from,  
18 and secured solely by the revenue of the Hawaii community  
19 development authority.

20 SECTION 7. There is appropriated out of the revenue bond  
21 proceeds and interest earned thereon authorized by section 6 of



1 this Act the sum of \$180,000,000 or so much thereof as may be  
2 necessary for the fiscal year 2025-2026 to carry out the  
3 purposes of chapter 206E, Hawaii Revised Statutes; provided that  
4 any unexpended and unencumbered balance of the appropriation  
5 shall not lapse at the end of fiscal year 2025-2026, but shall  
6 lapse instead on June 30, 2030.

7 SECTION 8. The Hawaii community development authority  
8 shall notify the legislature upon the issuance of the revenue  
9 bonds authorized by section 6 of this Act, including a detailed  
10 list and description of all projects to be funded through the  
11 revenue bonds authorized by this Act.

12 SECTION 9. If any provision of this Act, or the  
13 application thereof to any person or circumstance, is held  
14 invalid, the invalidity shall not affect other provisions or  
15 applications of the Act that can be given effect without the  
16 invalid provision or application, and to this end the provisions  
17 of this Act are severable.

18 SECTION 10. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 11. This Act shall take effect on July 1, 2025.





**Report Title:**

HCDA; Department of Business, Economic Development, and Tourism;  
Transit-Oriented Community Improvement Program; Special Fund;  
Appropriations

**Description:**

Authorizes the Hawaii Community Development Authority to cooperate with or assist public and private sector entities to engage in projects that improve the State. Amends the membership of the HCDA board of directors. Establishes the Transit-oriented Development Infrastructure Improvement Program under HCDA. Repeals the Transit-oriented Development Infrastructure Improvement District Board. Authorizes HCDA to issue bonds to finance the development of infrastructure outside of HCDA's community development districts. (CD1)

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