
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

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PART I

2

SECTION 1. Section 206E-14, Hawaii Revised Statutes, is

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amended by amending subsection (b) to read as follows:

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"(b) In the case of residential projects or redevelopment

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projects, the terms of the sale shall provide for the repurchase

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of the property by the authority at its option, in the event

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that the purchaser, if other than a state agency, desires to

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sell the property [~~within ten years,~~]; provided that this

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requirement may be waived by the authority if the authority

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determines that a waiver will not be contrary to the community

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development plan. The authority shall establish at the time of

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original sale a formula setting forth a basis for a repurchase

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price based on market considerations, including but not being

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limited to interest rates, land values, construction costs, and

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federal tax laws.

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If the purchaser in a residential project is a state

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agency, the authority may include as a term of the sale a



1 provision for the repurchase of the property in conformance with
2 this section."

3 SECTION 2. Section 206E-31.5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§206E-31.5[+] **Prohibitions.** Anything contained in
6 this chapter to the contrary notwithstanding, the authority is
7 prohibited from:

8 (1) Selling or otherwise assigning the fee simple interest
9 in any lands in the Kakaako community development
10 district to which the authority in its corporate
11 capacity holds title, except with respect to:

12 (A) Utility easements;

13 (B) Remnants as defined in section 171-52;

14 (C) Grants to any state or county department or
15 agency; [~~or~~]

16 (D) Private entities for purposes of any easement,
17 roadway, or infrastructure improvements; or

18 (E) Reserved housing as defined in section 206E-101;

19 or

20 (2) Approving any plan or proposal for any residential
21 development in that portion of the Kakaako community



1 development district makai of Ala Moana boulevard and
2 between Kewalo basin and the foreign trade zone."

3 **PART II**

4 SECTION 3. The legislature finds that in early 2007, the
5 Hawaii community development authority plans to begin the Queen
6 street widening project referred to as ID-11. Although this
7 project includes features that benefit the community at large,
8 the widening project will have serious impacts for small
9 businesses in the Queen street area between Kamakee street and
10 Ward avenue.

11 During 2005-2006, state and county elected officials sought
12 to work with the Hawaii community development authority and the
13 county administration in arriving at solutions for two issues of
14 particular concern for small businesses in the area:

15 (1) Loss of parking immediately adjacent to the
16 businesses; and

17 (2) The businesses' share of assessments for the road
18 improvements.

19 Affected small businesses also participated in the Kakaako
20 mauka plan and rules revisions community meetings, which led to
21 proposed 2006 plan revisions that tackle the adjacent parking
22 issues, fee assessments, and related community and business



1 issues on Queen street in a practical manner. In part, the
2 revisions:

- 3 (1) Recommend deletion of the Halekauwila-Queen streets
4 couplet (part of the original street-widening
5 rationale);
- 6 (2) Propose that all streets have sidewalks and drainage
7 as part of the long-term improvements; and
- 8 (3) Propose that no new improvement districts for the
9 central Kakaako area be programmed unless initiated or
10 supported by the small business community and
11 landowners; with fee assessments, parking, and
12 business disruption issues resolved before initiation
13 of an improvement district project.

14 In addition, a portion of the Queen street widening project
15 between Kamakee street and Cooke street has not been funded by
16 the legislature. Therefore, rather than embarking on half of
17 the Queen street improvements on a piece meal basis, the most
18 cost-effective approach is to modify the Queen street
19 realignment project to conform to recommendations in the Kakaako
20 mauka plan and rules revisions. Further community meetings were
21 held in December 2006, and final public review and adoption of
22 the plan's 2006 revisions will not be completed until mid-2007.



- 1 The purpose of this part is to:
- 2 (1) Establish a Kakaako central small business district;
- 3 (2) Require the authority to confer and obtain consensus
- 4 from the real property owners and small businesses
- 5 within and adjacent to a proposed public facility
- 6 prior to undertaking any public facility as part of
- 7 the district-wide improvement program;
- 8 (3) Require that the dedication for public school
- 9 facilities be on a fair-share basis, as determined by
- 10 the department of education, and agreed upon in
- 11 writing by the department of education and the
- 12 developer;
- 13 (4) Transfer \$ from the Hawaii community
- 14 development revolving fund to the department of
- 15 education; and
- 16 (5) Require modification of the Queen street realignment
- 17 project between Kamakee street and Cooke street, in
- 18 conjunction with recommendations made by the Kakaako
- 19 mauka plan and rules revisions.

20 SECTION 4. Chapter 206E, Hawaii Revised Statutes, is

21 amended by adding a new section to be appropriately designated

22 and to read as follows:

1 "§206E- Kakaako central small business district;
2 established. Within the Kakaako community development district,
3 there is established the Kakaako central small business
4 district. The Kakaako central small business district shall
5 include the area bounded by Kapiolani boulevard from its
6 intersection with Cooke street to Drier street; to Waimanu
7 street; Waimanu street from its intersection with Drier street;
8 to Queen street; Queen street from its merge with Waimanu street
9 to Ward avenue; Ward avenue from its intersection with Queen
10 street to Auahi street; Auahi street from its intersection with
11 Kamani street; Kamani street to Pohukaina street; Pohukaina
12 street from its intersection with Cooke street; and Cooke street
13 from its intersection with Pohukaina street to Kapiolani
14 boulevard."

15 SECTION 5. Chapter 206E, Hawaii Revised Statutes, is
16 amended by adding a new section to part II to be appropriately
17 designated and to read as follows:

18 "§206E- Kakaako community development district;
19 dedication for public facilities as condition to development.
20 The authority shall establish rules requiring dedication for
21 public facilities of land or facilities, or cash payments in
22 lieu thereof, by developers as a condition of developing real



1 property pursuant to the Kakaako community development district
2 development guidance policies; provided that the dedication for
3 public school facilities shall be on a fair-share basis, as
4 determined by the department of education, and terms of the
5 dedication shall be agreed upon in writing by the department of
6 education and the developer prior to the developer obtaining
7 building permits for any aspect of the development. Where state
8 and county public facilities dedication laws, ordinances, or
9 rules differ, the provision for greater dedication shall
10 prevail."

11 SECTION 6. Section 206E-6, Hawaii Revised Statutes, is
12 amended by amending subsections (a) and (b) to read as follows:

13 "(a) The authority shall develop a district-wide
14 improvement program to identify necessary district-wide public
15 facilities within a community development district[-]; provided
16 that prior to undertaking any public facility as part of the
17 district-wide improvement program pursuant to subsection (b),
18 the authority shall confer and obtain consensus from the real
19 property owners and small businesses within and adjacent to the
20 proposed public facility.

21 (b) Whenever the authority shall determine to undertake,
22 or cause to be undertaken, any public facility as part of the



1 district-wide improvement program, pursuant to subsection (a),
2 the cost of providing the public facilities [~~shall~~] may be
3 assessed against the real property in the community development
4 district specially benefiting from [~~such~~] the public
5 facilities[-]; pursuant to subsection (a). The authority shall
6 determine the areas of the community development district
7 [~~which~~] that will benefit from the public facilities to be
8 undertaken and, if less than the entire community development
9 district benefits, the authority may establish assessment areas
10 within the community development district[-]; pursuant to
11 subsection (a). The authority may issue and sell bonds in
12 [~~such~~] amounts as may be authorized by the legislature to
13 provide funds to finance [~~such~~] the public facilities. The
14 authority [~~shall~~] may fix the assessments against real property
15 specially benefited[-]; pursuant to subsection (a). All
16 assessments made pursuant to this section shall be a statutory
17 lien against each lot or parcel of land assessed from the date
18 of the notice declaring the assessment until paid and [~~such~~] the
19 lien shall have priority over all other liens except the lien of
20 property taxes. As between liens of assessments, the earlier
21 lien shall be superior to the later lien."



1 SECTION 7. Section 206E-16, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§206E-16[+] Hawaii community development revolving
4 fund. There is created the Hawaii community development
5 revolving fund into which all receipts and revenues of the
6 authority shall be deposited. Proceeds from the fund shall be
7 used for the purposes of this chapter[-]; provided that the
8 authority shall transfer all receipts and revenues from any
9 dedication for public school facilities, made pursuant to
10 section 206E- , to the department of education."

11 SECTION 8. There is appropriated out of the Hawaii
12 community development revolving fund the sum of \$ or
13 so much thereof as may be necessary for fiscal year 2007-2008 to
14 be paid to the department of education, and the sum of
15 \$ shall be expended by the department of education for
16 capital improvement projects for public schools directly
17 adjoining or serving the Kakaako community development district,
18 with student populations that reflect a disproportionate share
19 of low socioeconomic strata and unmet community needs, and for
20 the future study and design of a new public school facility
21 located in the Kakaako community development district.



1 SECTION 9. The department of education shall report to the
2 legislature on the expenditure of the moneys transferred from
3 the Hawaii community development revolving fund for the public
4 schools serving the Kakaako community development district under
5 section 8 of this Act, no later than twenty days prior to the
6 convening of the regular session of 2008, and annually
7 thereafter until all moneys are expended.

8 SECTION 10. Notwithstanding any law to the contrary, the
9 Hawaii community development authority shall not plan, engage
10 in, begin, or continue any capital improvement project within
11 the Kakaako central small business district as identified in
12 section 206E- , Hawaii Revised Statutes, that involve any
13 infrastructure construction or street improvements, pending
14 adoption by the authority of the Kakaako mauka plan and rule
15 revisions; provided that this moratorium shall not apply to any
16 emergency capital improvement project that is required to repair
17 any damage to infrastructure or a street caused by a natural
18 disaster or act of god and necessary to safeguard the health and
19 safety of the general public.

20 SECTION 11. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

22 SECTION 12. This Act shall take effect on July 1, 2020.



Report Title:

Hawaii Community Development Authority

Description:

Allows the Hawaii community development authority to sell a fee simple interest in reserved housing units; permanently allows Hawaii community development authority to repurchase property; establishes Kakaako central small business district; requires the authority to confer and obtain consensus from real property owners within and adjacent to a proposed public facility prior to undertaking any public facility as part of the district-wide improvement program; requires that the dedication for public school facilities in the Kakaako community development district be on a fair-share basis, as determined by the department of education, and agreed to in writing by the department of education and the developer; transfers funds from the Hawaii community development revolving fund to the department of education. (SD2)

