
A BILL FOR AN ACT

RELATING TO URBAN RENEWAL.

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

1 SECTION 1. The legislature finds that an increasing
2 population puts pressure on the State and counties to implement
3 land use practices that carefully regulate a balance of housing
4 while sustaining the beauty and natural resources of the
5 islands. Changes in state and county land use practices need to
6 be implemented to plan for proper population growth; otherwise,
7 new housing supply will decrease and state-wide prices will
8 increase. At least \$100,000 in government subsidies is needed
9 for each subsidized housing unit, which multiplied by the state
10 shortage of 13,000 units, requires \$1,300,000,000 of taxpayer
11 subsidies and provides no solution to the affordable housing
12 shortage or expansion of urban sprawl. The state statistician
13 estimates that 3,000 new households are created each year on the
14 island of Oahu. A recent report of the department of business,
15 economic development, and tourism estimates Hawaii needs about
16 5,200 new housing units to be built each year until 2020 to
17 adequately accommodate the State's projected population growth.



1 The legislature also finds that it is important to
2 encourage redevelopment and reinvestment in the historic nature
3 of towns and communities to preserve Hawaii's heritage for
4 future generations. The counties must look at tools including
5 transferring density rights, incentives for redevelopment,
6 revenue generating public-private partnerships, and economic
7 development strategies. Current land codes do not encourage
8 consistency in maintaining building facades of historical
9 buildings in the area or community. Additionally, encouragement
10 for development of infrastructure that allows for a preferred
11 choice of walking, biking, or the use of public transportation
12 will help accommodate the State's growing population.

13 The legislature further finds that the existing land use
14 practices, including statutes, ordinances, permitting,
15 development application processes, and environmental
16 infrastructure, need to be reviewed to effectively provide the
17 necessary information and recommendations required to plan for
18 the reduction of urban sprawl and proper development and
19 redevelopment to accommodate population growth. Furthermore, to
20 prevent urban sprawl from destroying agricultural lands, a
21 viable option is to focus growth through the county development



1 or sustainable community plans for Ewa, central Oahu, and the
2 primary urban center.

3 The legislature further finds that the former Honolulu
4 redevelopment agency, created in 1950, initiated notable
5 projects such as the Queen Emma Gardens, Kukui Plaza, and the
6 Chinese Cultural Plaza, before the agency's duties were
7 transferred in 1975 to the then newly created department of
8 housing and community development. The legislature further
9 finds that statewide, areas could benefit from renewal and
10 redevelopment. There have been a number of planning studies,
11 but despite preparation of these studies and the efforts of
12 residents, many of the recommendations have yet to be
13 implemented.

14 SECTION 2. Section 39-1, Hawaii Revised Statutes, is
15 amended to read as follows:

16 **"§39-1 Authorization to issue; amount.** The director of
17 finance of the State, with the approval of the governor, may
18 issue from time to time general obligation bonds of the State,
19 to an amount not exceeding the total amount of those bonds
20 authorized to be issued by acts of the legislature and any
21 amendments thereto in effect at the date of issue of the bonds,



1 and not exceeding the debt limitations prescribed by the
2 Constitution of the State of Hawaii. Except as otherwise
3 specifically provided in the act or acts authorizing the
4 issuance thereof, the bonds shall be issued in the manner and
5 upon the terms provided in this part. The director of finance
6 may issue from time to time general obligation bonds of the
7 State to the counties for infrastructure construction related to
8 urban renewal projects under chapter 53."

9 SECTION 3. Section 53-1, Hawaii Revised Statutes, is
10 amended by amending the definition of "agency", "local agency",
11 or "local redevelopment agency" to read as follows:

12 "Agency", "local agency", or "local redevelopment agency"
13 means [a] one or more local redevelopment [agency] agencies of
14 the county in which a redevelopment project or the redevelopment
15 project concerned is situated, created pursuant to this chapter.
16 ~~[Each agency shall be designated by the name of the county~~
17 ~~followed by the words "redevelopment agency", e.g., "Maui~~
18 ~~redevelopment agency".]~~ "

19 SECTION 4. Section 53-2, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) The council of a county by resolution may create a
2 local redevelopment agency for the county, which shall be a
3 county agency and a public body, corporate and politic, [~~and~~]
4 that shall target a specified redevelopment project in the
5 county. A local redevelopment agency shall consist of five
6 members, three appointed by the mayor, with the approval of the
7 council, and two appointed by the council chair, with the
8 approval of the council, who shall be outstanding and public-
9 spirited citizens and who shall have resided in the county for
10 at least three years immediately preceding their appointment[-];
11 provided that all five members shall reside within the metes and
12 bounds of a specified area that shall be defined by the council
13 of the county by resolution; provided further that the area
14 shall encompass all or part of the area in which the
15 redevelopment project is situated. The members of the agency
16 shall serve for terms of five years each; provided that upon the
17 initial appointment of the members of the agency, one member
18 shall be appointed for a term of one year, the second member for
19 a term of two years, the third member for a term of three years,
20 the fourth member for a term of four years and a fifth member
21 for a term of five years. Each vacancy shall be filled by the



1 appointing power for the remainder of the unexpired term. No
2 more than three of the members shall belong to the same
3 political party."

4 SECTION 5. Section 53-5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§53-5 Powers and duties of agency. The powers and duties
7 of the redevelopment agency shall be as follows:

8 (1) To undertake and carry out urban renewal projects and
9 related activities authorized by this chapter; to make
10 and execute contracts and other instruments necessary
11 or convenient to exercise its powers under this
12 chapter; to sue and be sued; to have a seal; and,
13 subject to any limitations in this chapter contained,
14 to exercise all powers necessary, incidental, or
15 convenient to carry out and effectuate the purposes
16 and provisions of this chapter.

17 (2) To make, amend, and repeal rules and regulations not
18 inconsistent with this part to carry into effect the
19 powers and purposes thereof, which rules and
20 regulations shall be subject to chapter 91.



1 (3) To appoint a manager and a deputy manager who shall
2 have such qualifications as the agency deems necessary
3 and who shall hold their respective offices at the
4 pleasure of the agency. The manager shall be exempt
5 from the requirements of chapter 76 and shall receive
6 such salary as the agency may provide. The deputy
7 manager shall be exempt from the requirements of
8 chapter 76 but shall be subject to the position
9 classification plan. The manager shall have full
10 power to administer the affairs of the agency, subject
11 to the direction and approval of the agency. The
12 manager shall, subject to the approval of the agency,
13 have power to appoint, suspend, and discharge such
14 other employees, subordinates, and assistants as may
15 be necessary for the proper conduct of the business of
16 the agency. All the appointments, suspensions or
17 discharges shall be made in conformity with the
18 applicable provisions of chapter 76.

19 (4) To make preliminary surveys, studies, and plans to
20 identify redevelopment areas; provided that the
21 studies and initial determination of what areas are



1 blighted, within the meaning of this part, shall be
2 made exclusively by the planning commission, and to
3 make redevelopment plans for the areas, which plans
4 shall be in conformity with the master plan for the
5 development of the locality, and each plan shall show
6 the outline of the area, character of existing
7 development, proposed use of land, general character
8 of new buildings and other general details of
9 redevelopment, as well as the preliminary estimated
10 cost thereof. Further, the plans shall give due
11 consideration to the provision of adequate park and
12 recreational areas and facilities that may be
13 desirable for neighborhood improvement, with special
14 consideration for the health, safety and welfare of
15 children residing in the general vicinity of the site
16 covered by the plans. In preparing redevelopment
17 plans the agency shall utilize such assistance as can
18 be given by employees of the government, but may also
19 enter into contracts for professional services in
20 connection therewith. Any council which is not
21 otherwise authorized to establish a planning



1 commission with power to prepare a master plan for the
2 physical development of the locality, may prepare such
3 a master plan for the purposes of initiating and
4 carrying out a redevelopment project under this part.

5 Redevelopment projects carried out by a local
6 redevelopment agency shall be considered public works
7 for the purposes of chapter 104.

8 (5) To assist and cooperate with other local agencies
9 within the State and to contract for professional
10 services with the other local agencies in carrying out
11 its duties.

12 (6) To establish and operate a central relocation office
13 which shall perform such functions and activities as
14 may be necessary and proper for the satisfactory
15 relocation of families, individuals, businesses, and
16 nonprofit organizations, incorporated and
17 unincorporated, displaced by any governmental action
18 to decent, safe, and sanitary locations at rents and
19 prices within the financial means of the displaced
20 families, individuals, businesses, and nonprofit
21 organizations. To the extent that special funds are



1 made available by the State or the county, the agency
2 may authorize the central relocation office to make
3 relocation payments for actual moving costs to
4 families, individuals, businesses, and nonprofit
5 organizations, incorporated or unincorporated,
6 displaced from other than urban renewal projects;
7 provided that the payments shall not exceed \$100 for
8 each displaced family or individual and \$300 for each
9 displaced business (including the operation of a farm)
10 or nonprofit organization; provided further that the
11 payments shall not be made to recipients of any other
12 relocation payments made by any government or agency
13 thereof for the same displacement. In the case of a
14 business, the allowable expenses for transportation
15 shall not exceed the cost of moving fifty miles from
16 the point from which the business is being displaced.
17 To prepare plans for and assist in the relocation of
18 persons (including individuals, families, business
19 concerns, nonprofit organizations and others)
20 displaced from an urban renewal area, and to make



1 relocation payments to or with respect to the persons
2 from funds provided by the federal government.

- 3 (7) To prepare a general neighborhood renewal plan for
4 urban renewal areas which may be of such scope that
5 urban renewal activities may have to be carried out in
6 stages over an estimated period of up to ten years.
7 The plan may include, but is not limited to, a
8 preliminary plan which (A) outlines the urban renewal
9 activities proposed for the area involved, (B)
10 provides a framework for the preparation of urban
11 renewal plans, and (C) indicates generally the land
12 uses, population density, building coverage,
13 prospective requirements for rehabilitation and
14 improvement of property, and portions of the area
15 contemplated for clearance and redevelopment. A
16 general neighborhood renewal plan shall, in the
17 determination of the local governing body, conform to
18 the general plan of the locality as a whole and the
19 workable program of the county."



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.
3 SECTION 7. This Act shall take effect on July 1, 2050.



Report Title:

General Obligation Bonds; Counties; Urban Redevelopment

Description:

Authorizes the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. Amends allowable number, name, and membership requirements for local redevelopment agencies. Designates agency redevelopment projects as public works. (HB2678 HD1)

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

