
A BILL FOR AN ACT

RELATING TO STATEWIDE COMMUNITY PLANNING.

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

1 SECTION 1. The legislature finds that with Honolulu's
2 construction of an elevated rail transit system, the State has
3 an opportunity to enhance Oahu's urban environment and increase
4 the quality of life for residents by utilizing sound smart
5 growth and transit-oriented development principles to
6 revitalized neighborhoods and increase affordable housing
7 inventory, among other public benefits. As the largest
8 landowner of properties along the transit line, with
9 approximately two thousand acres under the jurisdiction of
10 various departments, the State must be proactive and coordinate
11 planning and development efforts among state agencies to
12 maximize the benefits of redevelopment of state lands in areas
13 served by public transit.

14 The legislature further finds that in 2015, the ad-hoc
15 state transit-oriented development task force was convened to
16 identify and determine priority sites and projects that should
17 be considered for transit-oriented development master planning
18 and development. Task force members included state and city and



1 county agencies, elected officials, and numerous private
2 individuals and entities. In December 2015, the task force
3 submitted a report to the legislature, which included various
4 recommendations such as formally constituting the state transit-
5 oriented development task force to promote effective and
6 efficient transit-oriented development planning and coordination
7 among state agencies and counties statewide.

8 To ensure that the State has a unified vision and approach
9 toward redevelopment of its properties, the purpose of this Act
10 is to:

- 11 (1) Designate the office of planning as the lead agency to
12 coordinate and advance smart growth and transit-
13 oriented development planning in the State; and
14 (2) Establish an interagency council for transit-oriented
15 development within the department of business,
16 economic development, and tourism to coordinate
17 effective and efficient transit-oriented development
18 planning statewide.

19 This Act also authorizes the department of education to use
20 school impact fees collected from transit-oriented development
21 projects to be used for existing schools in the transit-oriented



1 development area to address increases in school populations due
2 to transit oriented development.

3 SECTION 2. Chapter 226, Hawaii Revised Statutes, is
4 amended by adding two new sections to part II to be
5 appropriately designated and to read as follows:

6 "§226-A Hawaii interagency council for transit-oriented
7 development. (a) There is established the Hawaii interagency
8 council for transit-oriented development, which shall be an
9 advisory body exempt from section 26-34, to coordinate and
10 facilitate state agency transit-oriented development planning,
11 and facilitate consultation and collaboration between the State
12 and the counties on transit-oriented development initiatives.
13 The Hawaii interagency council for transit-oriented development
14 shall be established within the department of business, economic
15 development, and tourism for administrative purposes.

16 (b) The Hawaii interagency council for transit-oriented
17 development shall:

18 (1) Serve as the State's transit-oriented development
19 planning and policy development entity with
20 representation from state and county government and
21 the community;



- 1 (2) Formulate and advise the governor on the
2 implementation of a strategic plan to address transit-
3 oriented development projects, including mixed use and
4 affordable and rental housing projects, on state lands
5 in each county;

- 6 (3) Facilitate the acquisition of funding and resources
7 for state and county transit-oriented development
8 programs, including affordable and rental housing
9 projects, on state lands;

- 10 (4) Monitor the preparation and conduct of plans and
11 studies to facilitate implementation of state transit-
12 oriented development plans prepared pursuant to this
13 section, including but not limited to the preparation
14 of site or master plans and implementation plans and
15 studies;

- 16 (5) Review all capital improvement project requests to the
17 legislature for transit-oriented development projects,
18 including mixed use and affordable and rental housing
19 projects, on state lands within county-designated
20 transit-oriented development zones or within a one-
21 half-mile radius of public transit stations, if a



1 county has not designated transit-oriented development
2 zones;

3 (6) Recommend policy, regulatory, and statutory changes,
4 and identify resource strategies for the successful
5 execution of the strategic plan;

6 (7) Assemble accurate fiscal and demographic information
7 to support policy development and track outcomes;

8 (8) Consider collaborative transit-oriented development
9 initiatives of other states that have demonstrated
10 positive outcomes; and

11 (9) Report annually to the governor, the legislature, and
12 the mayor of each county on the progress of its
13 activities, including formulation and progress on the
14 strategic plan no later than twenty days prior to the
15 convening of each regular session.

16 (c) The strategic plan developed by the Hawaii interagency
17 council for transit-oriented development shall:

18 (1) Coordinate with the counties on transit-oriented
19 development;

20 (2) For each county, compile an inventory of state,
21 county, and private sector transit-oriented



- 1 development projects lacking infrastructure,
2 identifying the type of infrastructure each project
3 lacks, and the approximate timeframe when additional
4 capacity is needed;
- 5 (3) Prioritize the development of transit-oriented
6 development projects, including mixed use and
7 affordable and rental housing projects, on state
8 lands;
- 9 (4) Identify financing and prioritize state financing for
10 the public infrastructure, facility, and service
11 investments required to support transit-oriented
12 development, mixed use, and affordable and rental
13 housing project plans; and
- 14 (5) Encourage and promote partnerships between public and
15 private entities to identify, renovate, and secure
16 affordable housing options on state lands within
17 county-designated transit-oriented development areas
18 or within a one-half-mile radius of public transit
19 stations, if a county has not designated transit-
20 oriented development zones.



1 §226-B Hawaii interagency council for transit-oriented
2 development membership. (a) The Hawaii interagency council for
3 transit-oriented development shall be composed of the following
4 members:

- 5 (1) Director of the office of planning, who shall serve as
6 co-chair;
- 7 (2) Executive director of the Hawaii housing finance and
8 development corporation, who shall serve as co-chair;
- 9 (3) Chief of staff, office of the governor;
- 10 (4) Chairperson of the board of land and natural
11 resources;
- 12 (5) Director of transportation;
- 13 (6) Comptroller;
- 14 (7) Director of health;
- 15 (8) Director of human services;
- 16 (9) Director of public safety;
- 17 (10) Chairperson of the Hawaiian homes commission;
- 18 (11) Chairperson of the stadium authority;
- 19 (12) President of the University of Hawaii;
- 20 (13) Superintendent of education;



- 1 (14) Executive director of the Hawaii community development
2 authority;
- 3 (15) Executive director of the Hawaii public housing
4 authority;
- 5 (16) One member of the house of representatives to be
6 designated by the speaker of the house of
7 representatives; provided that the speaker of the
8 house of representatives may designate a second member
9 of the house of representatives to serve as an
10 alternate;
- 11 (17) One member of the senate to be designated by the
12 president of the senate; provided that the president
13 of the senate may designate a second member of the
14 senate to serve as an alternate;
- 15 (18) The mayor of each county;
- 16 (19) A representative of the Honolulu field office of the
17 United States Department of Housing and Urban
18 Development, who shall be requested to serve on a non-
19 voting ex-officio basis by the governor;
- 20 (20) A representative of the business community, to be
21 designated by the governor;



1 (21) A representative of the community who is a housing
2 advocate, to be designated by the governor; and

3 (22) A representative of the community with experience in
4 housing and real estate development, to be designated
5 by the governor.

6 (b) The nongovernmental members of the Hawaii interagency
7 council for transit-oriented development shall serve without
8 compensation but shall be reimbursed for expenses, including
9 travel expenses, necessary for the performance of their duties.

10 (c) Except as provided in subsection (a)(16) and (17), if
11 a member of the Hawaii interagency council for transit-oriented
12 development is unable to attend a meeting, that member may
13 appoint a designee to attend and to act on the member's behalf
14 during the meeting."

15 SECTION 3. Section 225M-2, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) The office of planning shall gather, analyze, and
18 provide information to the governor to assist in the overall
19 analysis and formulation of state policies and strategies to
20 provide central direction and cohesion in the allocation of
21 resources and effectuation of state activities and programs and



1 effectively address current or emerging issues and
2 opportunities. More specifically, the office shall engage in
3 the following activities:

4 (1) State comprehensive planning and program coordination.
5 Formulating and articulating comprehensive statewide
6 goals, objectives, policies, and priorities, and
7 coordinating their implementation through the
8 statewide planning system established in part II of
9 chapter 226;

10 (2) Strategic planning. Identifying and analyzing
11 significant issues, problems, and opportunities
12 confronting the State, and formulating strategies and
13 alternative courses of action in response to
14 identified problems and opportunities by:

15 (A) Providing in-depth policy research, analysis, and
16 recommendations on existing or potential areas of
17 critical state concern;

18 (B) Examining and evaluating the effectiveness of
19 state programs in implementing state policies and
20 priorities;



- 1 (C) Monitoring through surveys, environmental
- 2 scanning, and other techniques--current social,
- 3 economic, and physical conditions and trends; and
- 4 (D) Developing, in collaboration with affected public
- 5 or private agencies and organizations,
- 6 implementation plans and schedules and, where
- 7 appropriate, assisting in the mobilization of
- 8 resources to meet identified needs;
- 9 (3) Planning coordination and cooperation. Facilitating
- 10 coordinated and cooperative planning and policy
- 11 development and implementation activities among state
- 12 agencies and between the state, county, and federal
- 13 governments, by:
- 14 (A) Reviewing, assessing, and coordinating, as
- 15 necessary, major plans, programs, projects, and
- 16 regulatory activities existing or proposed by
- 17 state and county agencies;
- 18 (B) Formulating mechanisms to simplify, streamline,
- 19 or coordinate interagency development and
- 20 regulatory processes; and



- 1 (C) Recognizing the presence of federal defense and
- 2 security forces and agencies in the State as
- 3 important state concerns;
- 4 (4) Statewide planning and geographic information system.
- 5 Collecting, integrating, analyzing, maintaining, and
- 6 disseminating various forms of data and information,
- 7 including geospatial data and information, to further
- 8 effective state planning, policy analysis and
- 9 development, and delivery of government services by:
- 10 (A) Collecting, assembling, organizing, evaluating,
- 11 and classifying existing geospatial and non-
- 12 geospatial data and performing necessary basic
- 13 research, conversions, and integration to provide
- 14 a common database for governmental planning and
- 15 geospatial analyses by state agencies;
- 16 (B) Planning, coordinating, and maintaining a
- 17 comprehensive, shared statewide planning and
- 18 geographic information system and associated
- 19 geospatial database. The office shall be the
- 20 lead agency responsible for coordinating the
- 21 maintenance of the multi-agency, statewide



1 planning and geographic information system and
2 coordinating, collecting, integrating, and
3 disseminating geospatial data sets that are used
4 to support a variety of state agency applications
5 and other spatial data analyses to enhance
6 decision-making. The office shall promote and
7 encourage free and open data sharing among and
8 between all government agencies. To ensure the
9 maintenance of a comprehensive, accurate, up-to-
10 date geospatial data resource that can be drawn
11 upon for decision-making related to essential
12 public policy issues such as land use planning,
13 resource management, homeland security, and the
14 overall health, safety, and well-being of
15 Hawaii's citizens, and to avoid redundant data
16 development efforts, state agencies shall provide
17 to the shared system either their respective
18 geospatial databases or, at a minimum, especially
19 in cases of secure or confidential data sets that
20 cannot be shared or must be restricted, metadata
21 describing existing geospatial data. In cases



1 where agencies provide restricted data, the
2 office of planning shall ensure the security of
3 that data; and

4 (C) Maintaining a centralized depository of state and
5 national planning references;

6 (5) Land use planning. Developing and presenting the
7 position of the State in all boundary change petitions
8 and proceedings before the land use commission,
9 assisting state agencies in the development and
10 submittal of petitions for land use district boundary
11 amendments, and conducting periodic reviews of the
12 classification and districting of all lands in the
13 State, as specified in chapter 205;

14 (6) Coastal and ocean policy management. Carrying out the
15 lead agency responsibilities for the Hawaii coastal
16 zone management program, as specified in chapter 205A.
17 Also, developing and maintaining an ocean and coastal
18 resources information, planning, and management system
19 further developing and coordinating implementation of
20 the ocean resources management plan, and formulating



1 ocean policies with respect to the exclusive economic
2 zone, coral reefs, and national marine sanctuaries;

3 (7) Regional planning and studies. Conducting plans and
4 studies to determine:

5 (A) The capability of various regions within the
6 State to support projected increases in both
7 resident populations and visitors;

8 (B) The potential physical, social, economic, and
9 environmental impact on these regions resulting
10 from increases in both resident populations and
11 visitors;

12 (C) The maximum annual visitor carrying capacity for
13 the State by region, county, and island; and

14 (D) The appropriate guidance and management of
15 selected regions and areas of statewide critical
16 concern.

17 The studies in subparagraphs (A) to (C) shall be
18 conducted at appropriate intervals, but not less than
19 once every five years;

20 (8) Regional, national, and international planning.
21 Participating in and ensuring that state plans,



1 policies, and objectives are consistent, to the extent
2 practicable, with regional, national, and
3 international planning efforts; [~~and~~]

4 (9) Climate adaptation planning. Conducting plans and
5 studies and preparing reports as follows:

6 (A) Develop, monitor, and evaluate strategic climate
7 adaptation plans and actionable policy
8 recommendations for the State and counties
9 addressing expected statewide climate change
10 impacts identified under Act 286, Session Laws of
11 Hawaii 2012, through the year 2050;

12 (B) Provide planning and policy guidance and
13 assistance to state and county agencies regarding
14 climate change; and

15 (C) Publish its findings, recommendations, and
16 progress reports on actions taken no later than
17 December 31, 2017, and its annual report to the
18 governor and the legislature thereafter[-]; and

19 (10) Smart growth and transit-oriented development. Acting
20 as the lead agency to coordinate and advance smart



- 1 growth and transit-oriented development planning
2 within the State as follows:
- 3 (A) Identify transit-oriented development
4 opportunities shared between state and county
5 agencies, including relevant initiatives such as
6 the department of health's healthy Hawaii
7 initiative and the Hawaii clean energy
8 initiative;
- 9 (B) Refine the definition of "transit-oriented
10 development" in the context of Hawaii, while
11 recognizing the potential for smart growth
12 development patterns in all locations;
- 13 (C) Clarify state goals for transit-oriented
14 development and smart growth that support the
15 principles of the Hawaii State Planning Act by
16 preserving non-urbanized land, improving worker
17 access to jobs, and reducing fuel consumption;
- 18 (D) Target transit-oriented development areas for
19 significant increase in affordable housing and
20 rental units;



- 1 (E) Conduct outreach to state agencies to help
2 educate state employees about the ways they can
3 support and benefit from transit-oriented
4 development and the State's smart growth goals;
- 5 (F) Publicize coordinated state efforts that support
6 smart growth, walkable neighborhoods, and
7 transit-oriented development;
- 8 (G) Review state land use decision-making processes
9 to identify ways to make transit-oriented
10 development a higher priority and facilitate
11 better and more proactive leadership in creating
12 walkable communities and employment districts,
13 even if transit will only be provided at a later
14 date; and
- 15 (H) Approve all state agencies' development plans for
16 parcels along the rail transit corridor. For the
17 purposes of this subparagraph, "development
18 plans" means conceptual land use plans that
19 identify the location and planned uses within a
20 defined area."



1 SECTION 4. Section 302A-1608, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§302A-1608 Accounting and expenditure requirements. (a)

4 Each designated school impact district shall be a separate
5 benefit district. Fees collected within each school impact
6 district shall be spent only within the same school impact
7 district for the purposes collected.

8 (b) Land dedicated by the developer shall be used only as
9 a site for the construction of one or more new schools or for
10 the expansion of existing school facilities. If the land is
11 never used for the school facility, it shall be returned to the
12 developer, or the developer's successor in interest. Once used,
13 the land may be sold, with the proceeds used to acquire land for
14 school facilities in the same school impact district.

15 (c) If the land is not used for a school facility within
16 twenty years of its dedication, it shall be returned to the
17 developer, or the developer's successor in interest.

18 (d) Once used for school facilities, all or part of the
19 land may be later sold. Proceeds from the sale shall be used to
20 acquire land for school facilities in the same school impact
21 district.



1 (e) Fee in lieu funds may be used for school site land
2 acquisition and related expenses, including surveying,
3 appraisals, and legal fees. Fee in lieu funds shall not be used
4 for the maintenance or operation of existing schools in the
5 district, construction costs, including architectural,
6 permitting, or financing costs, or for administrative expenses.

7 (f) Notwithstanding any other law to the contrary, fee in
8 lieu funds from projects within a county-designated transit
9 oriented development zone may also be used to purchase completed
10 construction, construct new school facilities in new or existing
11 school sites, improve or renovate existing structures for school
12 use, or lease land or facilities for school use within a county-
13 designated transit oriented development zone.

14 [~~f~~] (g) Construction cost component impact fees shall be
15 used only for the costs of new school facilities that expands
16 the student capacity of existing schools or adds student
17 capacity in new schools. Construction cost component impact
18 fees may not be used to replace an existing school located
19 within the same school impact district, either on the same site
20 or on a different site.



1 ~~[(g)]~~ (h) Eligible construction costs include planning,
2 engineering, architectural, permitting, financing, and
3 administrative expenses, and any other capital equipment
4 expenses pertaining to educational facilities.

5 ~~[(h)]~~ (i) Construction cost component impact fees shall
6 not be expended for:

7 (1) The maintenance or operation of existing schools in
8 the district; or

9 (2) Portable or temporary facilities.

10 ~~[(i)]~~ (j) If a closure, demolition, or conversion of an
11 existing permanent department facility within a school impact
12 district that has the effect of reducing student capacity
13 occurs, an amount of new student capacity in permanent buildings
14 equivalent to the lost capacity shall not be funded with school
15 impact fees.

16 ~~[(j)]~~ (k) Fees in lieu, proceeds from the sale of all or
17 part of an existing school site that has been dedicated by a
18 developer pursuant to the requirements of this subpart, and
19 construction cost component impact fees shall be expended or
20 encumbered within twenty years of the date of collection. Fees
21 shall be considered spent or encumbered on a first-in, first-out



1 basis. An expenditure plan for all collected impact fees shall
2 be incorporated into the annual budget process of the department
3 and subject to legislative approval of the budget."

4 SECTION 5. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$50,000 or so much
6 thereof as may be necessary for fiscal year 2016-2017 to carry
7 out the purposes of this Act.

8 The sum appropriated shall be expended by the department of
9 business, economic development, and tourism for the purposes of
10 this Act.

11 SECTION 6. In codifying the new sections added by section
12 2 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect on July 1, 2016.



Report Title:

Hawaii Interagency Council for Transit-oriented Development;
Established; Coordinated Statewide Planning; Appropriation

Description:

Designates the Office of Planning as the lead state agency for transit-oriented development coordination. Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinate effective and efficient transit-oriented development planning on a statewide level. Appropriates moneys. Allows the Department of Education to use school impact fees from projects within a county-designated transit oriented development zone for various purposes, including construction of new school facilities in new or existing sites statewide. (CD1)

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