

---

---

# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1           SECTION 1. The legislature finds that the Hawaii community  
2 development authority was established to meet the vast community  
3 development needs of providing suitable affordable housing,  
4 sufficient commercial and industrial facilities for rent,  
5 residential areas that have facilities necessary for basic  
6 liveability, such as parks and open space, and areas that are  
7 planned for mixed uses.

8           The legislature further finds that it is necessary to  
9 repeal the Kakaako community development district. The Kakaako  
10 area has gone through extensive replanning, renewal, and  
11 redevelopment, including plans to allow for development along  
12 the proposed rail transit line. Furthermore, the purpose of  
13 community development districts was to develop infrastructure to  
14 spur economic development. It was never the intent of the  
15 legislature to establish permanent community development  
16 districts.



1           The State owns hundreds of acres of land within the half-  
2 mile radius of the Kualaka'i station's transit-oriented  
3 development zone. A majority of these lands lack the necessary  
4 infrastructure to develop transit-oriented development  
5 communities. As the Hawaii community development authority is  
6 the only agency that has successfully received funding to  
7 implement infrastructure improvements for development districts,  
8 the same functions of the Hawaii community development authority  
9 will assist other state agencies with their development plans in  
10 east Kapolei.

11           The purpose of this Act is to repeal the Kakaako community  
12 development district and establish the east Kapolei community  
13 development district under the Kualaka'i station transit-oriented  
14 development plan approved by the county council of the city and  
15 county of Honolulu.

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

19           **"PART . EAST KAPOLEI COMMUNITY DEVELOPMENT DISTRICT**

20           **§206E- District established; boundaries.** The east  
21 Kapolei community development district is established. The



1 district shall include the area within the boundaries  
2 established under the Kualaka'i station transit-oriented  
3 development plan approved by the county council of the city and  
4 county of Honolulu.

5 §206E- East Kapolei community development district;  
6 guiding principles. The following development guiding  
7 principles shall generally govern the authority's actions in the  
8 east Kapolei community development district:

- 9 (1) Integrate transit into the communities and design and  
10 guide development to connect neighborhoods within the  
11 east Kapolei community development district;
- 12 (2) Create multi-modal and interconnected communities to  
13 give residents and visitors a range of transportation  
14 choices so that they can choose the most direct,  
15 efficient, and economical method of transportation;
- 16 (3) Create a diverse mix of uses and vibrant communities  
17 that are attractive to residents and visitors and  
18 encourage residents and visitors to park their  
19 automobiles and walk between the different shops,  
20 attractions, and restaurants;



- 1           (4) Create gathering places that are public spaces free to
- 2           all and designed to give residents and visitors a
- 3           sense of pride, connection to local culture, and
- 4           ownership;
- 5           (5) Develop unique rail transit station areas that
- 6           identify the east Kapolei region;
- 7           (6) Promote a variety of housing choices, including
- 8           student housing, senior housing, live and work
- 9           housing, and multi-family and single family housing
- 10          for sale and rent within the east Kapolei community
- 11          development district; and
- 12          (7) Create a dynamic urban environment that encourages
- 13          residents and visitors to actively utilize the
- 14          amenities provided at each rail transit station area
- 15          and engages street life to reduce automobile usage and
- 16          strengthen community social bonds.

17           **§206E- East Kapolei community development revolving**  
18 **fund.** (a) There is established in the state treasury the east  
19 Kapolei community development revolving fund, into which shall  
20 be deposited:



- 1 (1) All revenues, income, and receipts of the authority  
2 for the east Kapolei community development district,  
3 notwithstanding any other law to the contrary,  
4 including section 206E-16;
- 5 (2) Moneys directed, allocated, or disbursed to the east  
6 Kapolei community development district from government  
7 agencies or private individuals or organizations,  
8 including grants, gifts, awards, donations, and  
9 assessments of landowners for costs to administer and  
10 operate the east Kapolei community development  
11 district; and
- 12 (3) Moneys appropriated to the fund by the legislature.
- 13 (b) Moneys in the east Kapolei community development  
14 revolving fund shall be used for the purposes of this part.
- 15 (c) Investment earnings credited to the assets of the east  
16 Kapolei community development revolving fund shall become part  
17 of the assets of the fund."

18 SECTION 3. Section 171-30, Hawaii Revised Statutes, is  
19 amended by amending subsection (a) to read as follows:



1           "(a) The board [~~of land and natural resources~~] shall have  
2 the exclusive responsibility, except as provided herein, of  
3 acquiring, including by way of dedications:

4           (1) All real property or any interest therein and the  
5 improvements thereon, if any, required by the State  
6 for public purposes, including real property together  
7 with improvements, if any, in excess of that needed  
8 for such public use in cases where small remnants  
9 would otherwise be left or where other justifiable  
10 cause necessitates the acquisition to protect and  
11 preserve the contemplated improvements, or public  
12 policy demands the acquisition in connection with such  
13 improvements ~~[ ]~~; and

14           (2) Encumbrances, in the form of leases, licenses, or  
15 otherwise on public lands, needed by any state  
16 department or agency for public purposes or for the  
17 disposition for houselots or for economic development.

18           The board [~~shall~~], upon the request of and with the funds  
19 from the state department or agency, shall effectuate all  
20 acquisitions as provided under this section.



1           The acceptance by the territorial legislature or the  
2 legislature of a dedication of land in the Kakaako community  
3 development district by a private owner is sufficient to convey  
4 title to the State[-] for conveyances executed prior to  
5 January 1, 2024."

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

8           "**§206E-3 Hawaii community development authority;**

9 **established.** (a) There is established the Hawaii community  
10 development authority, which shall be a body corporate and a  
11 public instrumentality of the State, for the purpose of  
12 implementing this chapter. The authority shall be placed within  
13 the department of business, economic development, and tourism  
14 for administrative purposes.

15           (b) The authority shall consist of the following members:

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

17           ~~the~~

18           (2) The director of transportation or the director's

19           designee; [a]

20           (3) A cultural specialist; [~~an~~]

21           (4) An at-large member; [~~an~~]



1        (5)    An at-large member nominated by the senate president;  
2                    [~~an~~]

3        (6)    An at-large member nominated by the speaker of the  
4                    house [~~;~~ ~~three~~] of representatives;

5        (7)    Three representatives of the Heeia community  
6                    development district, [~~comprising two~~] which shall  
7                    consist of the following:

8                    (A)    Two residents of that district or the Koolaupoko  
9                    district, which consists of sections 1 through 9  
10                   of zone 4 of the first tax map key division [~~7~~];  
11                   and [~~one~~]

12                   (B)    One owner of a small business or one officer or  
13                   director of a nonprofit organization in the Heeia  
14                   community development district or Koolaupoko  
15                   district,

16                   nominated by the county council of the county in which  
17                   the Heeia community development district is located;  
18                   [~~three~~]

19        (8)    Three representatives of the Kalaeloa community  
20                   development district, [~~comprising two~~] which shall  
21                   consist of the following:





1        (10)    The director of planning and permitting of each county  
2                    in which a community development district is located  
3                    or the director's designee, who shall serve in an ex  
4                    officio, nonvoting capacity; and [~~the~~]

5        (11)    The chairperson of the Hawaiian homes commission or  
6                    the chairperson's designee, who shall serve in an ex  
7                    officio, nonvoting capacity.

8                    All members except the director of finance, director of  
9                    transportation, county directors of planning and permitting, and  
10                    chairperson of the Hawaiian homes commission or their designees  
11                    shall be appointed by the governor pursuant to section 26-34.

12                    The two at-large members nominated by the senate president and  
13                    speaker of the house of representatives and the nine  
14                    representatives of the respective community development  
15                    districts shall each be appointed by the governor from a list of  
16                    three nominees submitted for each position by the nominating  
17                    authority specified in this subsection.

18                    (c)    The authority shall be organized and shall exercise  
19                    jurisdiction as follows:

20                    (1)    For matters affecting the Heeia community development  
21                    district, the following members shall be considered in



1 determining quorum and majority and shall be eligible  
2 to vote:

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

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

7 (C) The cultural specialist;

8 (D) The three at-large members; and

9 (E) The three representatives of the Heeia community  
10 development district;

11 provided that the director of planning and permitting  
12 of the relevant county or the director's designee  
13 shall participate in these matters as an ex officio,  
14 nonvoting member and shall not be considered in  
15 determining quorum and majority;

16 (2) For matters affecting the Kalaeloa community  
17 development district, the following members shall be  
18 considered in determining quorum and majority and  
19 shall be eligible to vote:

20 (A) The director of finance or the director's  
21 designee;



- 1 (B) The director of transportation or the director's  
2 designee;
- 3 (C) The cultural specialist;
- 4 (D) The three at-large members; and
- 5 (E) The three representatives of the Kalaeloa  
6 community development district;
- 7 provided that the director of planning and permitting  
8 of the relevant county and the chairperson of the  
9 Hawaiian homes commission, or their respective  
10 designees, shall participate in these matters as ex  
11 officio, nonvoting members and shall not be considered  
12 in determining quorum and majority; and
- 13 (3) For matters affecting the [~~Kakaake~~] east Kapolei  
14 community development district, the following members  
15 shall be considered in determining quorum and majority  
16 and shall be eligible to vote:
- 17 (A) The director of finance or the director's  
18 designee;
- 19 (B) The director of transportation or the director's  
20 designee;
- 21 (C) The cultural specialist;



1 (D) The three at-large members; and  
2 (E) The three representatives of the [Kakaako] east  
3 Kapolei community development district;  
4 provided that the director of planning and permitting  
5 of the relevant county or the director's designee  
6 shall participate in these matters as an ex officio,  
7 nonvoting member and shall not be considered in  
8 determining quorum and majority.

9 ~~[In the event of]~~ (d) If a vacancy~~[,]~~ occurs, a member  
10 shall be appointed to fill the vacancy in the same manner as the  
11 original appointment within thirty days of the vacancy or within  
12 ten days of the senate's rejection of a previous appointment, as  
13 applicable.

14 The terms of the director of finance, director of  
15 transportation, county directors of planning and permitting, and  
16 chairperson of the Hawaiian homes commission or their respective  
17 designees shall run concurrently with each official's term of  
18 office. The terms of the appointed voting members shall be for  
19 four years, commencing on July 1 and expiring on June 30;  
20 provided that the initial terms of all voting members initially  
21 appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall



1 commence on March 1, 2015. The governor shall provide for  
2 staggered terms of the initially appointed voting members so  
3 that the initial terms of four members selected by lot shall be  
4 for two years, the initial terms of four members selected by lot  
5 shall be for three years, and the initial terms of the remaining  
6 five members shall be for four years.

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

9 (e) Notwithstanding section 92-15, a majority of all  
10 eligible voting members as specified in this ~~[subsection]~~  
11 section shall constitute a quorum to do business, and the  
12 concurrence of a majority of all eligible voting members as  
13 specified in this ~~[subsection]~~ section shall be necessary to  
14 make any action of the authority valid. All members shall  
15 continue in office until their respective successors have been  
16 appointed and qualified. Except as herein provided, no member  
17 appointed under this ~~[subsection]~~ section shall be an officer or  
18 employee of the State or its political subdivisions.

19 (f) For purposes of this section, "small business" means a  
20 business ~~[which]~~ that is independently owned and ~~[which is]~~ not  
21 dominant in its field of operation.



1           ~~(e)~~ (g) The authority shall appoint the executive  
2 director who shall be the chief executive officer. The  
3 authority shall set the salary of the executive director, who  
4 shall serve at the pleasure of the authority and shall be exempt  
5 from chapter 76.

6           ~~(d)~~ (h) The authority shall annually elect the  
7 chairperson and vice chairperson from among its members.

8           ~~(e)~~ (i) The members of the authority appointed under  
9 subsection (b) shall serve without compensation, but each shall  
10 be reimbursed for expenses, including travel expenses, incurred  
11 in the performance of their duties."

12           SECTION 5. Section 212-5.5, Hawaii Revised Statutes, is  
13 amended to read as follows:

14           "~~{}~~§212-5.5~~{}~~ **Foreign-trade zone; jurisdiction.**

15 ~~[Anything to the contrary notwithstanding,]~~ Notwithstanding any  
16 other law to the contrary, the department of business, economic  
17 development, and tourism shall have jurisdiction and  
18 administrative authority over the area in the vicinity of Piers  
19 1 and 2 currently being used as a foreign-trade zone. This area  
20 is defined as all of parcels 2 and 3-A of the Forrest Avenue  
21 subdivision, as shown on the map filed in the bureau of



1 conveyances of the State of Hawaii, as file plan 2335, and lot  
2 A-1, as shown on map 2, filed in the office of the assistant  
3 registrar of the land court of the State of Hawaii with land  
4 court application 1328 [~~provided that all existing easements~~  
5 ~~affecting and appurtenant to the parcels to be deleted from the~~  
6 ~~Kakaako community development district boundaries shall not be~~  
7 ~~affected by this change]."~~

8 SECTION 6. Section 266-1.5, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 " ~~[+] §266-1.5 [+~~ Honolulu harbor Piers 1 and 2;  
11 ~~jurisdiction. [Any law to the contrary notwithstanding,]~~  
12 Notwithstanding any other law to the contrary, the department of  
13 transportation shall have jurisdiction and administrative  
14 authority over Honolulu harbor Piers 1 and 2 and the contiguous  
15 backup fast lands currently used for manifested cargo and  
16 passenger operations. This area is defined as all of lot 3 and  
17 parcels A and B of the Forrest Avenue subdivision, as shown on  
18 the map filed with the bureau of conveyances of the State of  
19 Hawaii, as file plan 2335, and lot A-2, as shown on map 2, filed  
20 in the office of the assistant registrar of the land court of  
21 the State of Hawaii with land court application 1328 [~~provided~~





1 ~~that all existing easements affecting and appurtenant to the~~  
2 ~~parcels to be deleted from the Kakaako community development~~  
3 ~~district boundaries shall not be affected by this change]."~~

4 SECTION 7. Chapter 206E, part II, Hawaii Revised Statutes,  
5 is repealed.

6 SECTION 8. No later than January 1, 2020, the Hawaii  
7 community development authority shall establish a plan to return  
8 planning, zoning, and infrastructure development  
9 responsibilities of the Kakaako district to the city and county  
10 of Honolulu. The plan shall include a transition schedule  
11 acceptable to the city and county of Honolulu. At a minimum,  
12 the plan shall address:

13 (1) The designation of functions to appropriate government  
14 entities, including the department of land and natural  
15 resources, department of transportation, and city and  
16 county of Honolulu;

17 (2) The disposition of unencumbered moneys deposited in  
18 state revolving or special funds applicable to the  
19 Kakaako district;



- 1           (3) The transfer of state officers and employees impacted
- 2                   by the transfer of responsibilities to the city and
- 3                   county of Honolulu;
- 4           (4) The disposition or amendment of rules, policies,
- 5                   procedures, guidelines, and other material applicable
- 6                   to the Kakaako district;
- 7           (5) The disposition of deeds, leases, contracts, loans,
- 8                   agreements, permits, and other documents executed by
- 9                   or on behalf of the Hawaii community development
- 10                  authority applicable to the Kakaako district;
- 11           (6) Funding recommendations to facilitate the transition;
- 12                  and
- 13           (7) The transition of personnel resources from the Kakaako
- 14                   community development district to the east Kapolei
- 15                   community development district to be documented as a
- 16                   special plan.

17           SECTION 9. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19           SECTION 10. This Act shall take effect upon its approval;  
20 provided that sections 2 through 7 shall take effect on July 1,  
21 2024.



**Report Title:**

Hawaii Community Development Authority; Kakaako Community Development District; East Kapolei Community Development District; Transit-oriented Development

**Description:**

Beginning on 07/01/2024, establishes the east Kapolei community development district under the Hawaii Community Development Authority; repeals the laws relating to the Kakaako community development district and replaces members representing the Kakaako community development district of the Hawaii Community Development Authority with members representing the east Kapolei community development district; and makes conforming amendments. Requires the Hawaii Community Development Authority to establish a plan, by 01/01/2020, to return various responsibilities of the Kakaako district to the City and County of Honolulu. (Proposed SD1)

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

