

# REPORT OF THE COMMITTEE ON BUDGET

## Voting Members:

Ann H. Kobayashi, Chair; Joey Manahan, Vice Chair;  
Carol Fukunaga, Trevor Ozawa, Kymberly Marcos Pine

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Committee Meeting Held  
October 19, 2016

Honorable Ernest Y. Martin  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 16-219 entitled:

"RESOLUTION REQUESTING THE CITY ADMINISTRATION TO EVALUATE THE CITY'S COMMUNITY FACILITIES DISTRICT ORDINANCE AND RECOMMEND AMENDMENTS TO FACILITATE THE FINANCING OF TRANSIT-RELATED IMPROVEMENTS THROUGH THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS ALONG THE HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR PROJECT ROUTE,"

introduced on August 23, 2016, reports as follows:

The purpose of the Resolution is to request the City Administration to evaluate the City's Community Facilities District Ordinance and recommend amendments to facilitate the financing of transit-related improvements through the establishment of Community Facilities Districts along the Honolulu High-Capacity Transit Corridor Project route.

The Acting Director of Planning and Permitting and the Deputy Director of Budget and Fiscal Services testified that in support of the Resolution noting that the administration is currently undergoing a review of the Community Facilities District Ordinance and hired a consultant, who will provide a report regarding this Resolution.

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## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON

NOV 02 2016

COMMITTEE REPORT NO. 329

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Page 2

Testimony was received from the following institutions, organizations, and governmental agencies:

- Kanehili Cultural Hui (oppose)

Your Committee considered a posted CD1 version and after discussion, approved a CD1 version of the Resolution that makes the following amendments:

- A. Add a new first WHEREAS clause to read as follows:

WHEREAS, Section 12 of Article VII of the Hawaii Constitution requires the Hawaii State Legislature to authorize the counties to issue bonds under special improvement districts statutes.

- B. Amends the existing first WHEREAS clause to read as follows:

WHEREAS, Section 46-80.1 of the Hawaii Revised Statutes authorizes the counties to provide, by ordinance, for the establishment of community facilities special tax districts for the purpose of allowing the counties maximum flexibility in financing necessary special improvements in such areas; and

- C. Changes the due date for the administration's recommendations from September 30, 2016 to December 31, 2016; and

- D. Makes miscellaneous technical and non-substantive amendments.

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## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON NOV 02 2016

COMMITTEE REPORT NO. 329

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## Voting Members:

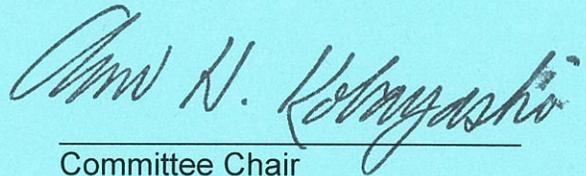
Ann H. Kobayashi, Chair; Joey Manahan, Vice Chair;  
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Committee Meeting Held  
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Page 3

Your Committee on Budget is in accord with the intent and purpose of Resolution 16-219, as amended herein, and recommends its adoption in the form hereto as Resolution 16-219, CD1. (Ayes: Kobayashi, Fukunaga, Manahan, Ozawa, Pine – 5; Noes: None.)

Respectfully submitted,

  
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Committee Chair

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON NOV 02 2016

COMMITTEE REPORT NO. 329

**SUMMARY OF PROPOSED COMMITTEE DRAFT:**

**Resolution 16-219**

**REQUESTING THE CITY ADMINISTRATION TO EVALUATE THE CITY'S  
COMMUNITY FACILITIES DISTRICT ORDINANCE AND RECOMMEND  
AMENDMENTS TO FACILITATE THE FINANCING OF TRANSIT- RELATED  
IMPROVEMENTS THROUGH THE ESTABLISHMENT OF COMMUNITY FACILITIES  
DISTRICTS ALONG THE HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR  
PROJECT ROUTE.**

**The PROPOSED CD1 makes the following amendments:**

- A. Add a new first WHEREAS clause to read as follows:

WHEREAS, Section 12 of Article VII of the Hawaii Constitution requires the Hawaii State Legislature to authorize the counties to issue bonds under special improvement districts statutes.

- B. Amends the existing first WHEREAS clause to read as follows:

WHEREAS, Section 46-80.1 of the Hawaii Revised Statutes authorizes the counties to provide, by ordinance, for the establishment of community facilities special tax districts for the purpose of allowing the counties maximum flexibility in financing necessary special improvements in such areas; and

- C. Changes the due date for the administration's recommendations from September 30, 2016 to December 31, 2016; and
- D. Makes miscellaneous technical and non-substantive amendments.



## RESOLUTION

REQUESTING THE CITY ADMINISTRATION TO EVALUATE THE CITY'S COMMUNITY FACILITIES DISTRICT ORDINANCE AND RECOMMEND AMENDMENTS TO FACILITATE THE FINANCING OF TRANSIT- RELATED IMPROVEMENTS THROUGH THE ESTABLISHMENT OF COMMUNITY FACILITIES DISTRICTS ALONG THE HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR PROJECT ROUTE.

WHEREAS, Section 12 of Article VII of the Hawaii Constitution requires the Hawaii State Legislature to authorize the counties to issue bonds under special improvement districts statutes; and

WHEREAS, Section 46-80.1 of the Hawaii Revised Statutes authorizes the counties to provide, by ordinance, for the establishment of community facilities special tax districts for the purpose of allowing the counties maximum flexibility in financing necessary special improvements in such areas; and

WHEREAS, the Council, by its enactment of Ordinance 96-18 (now codified as ROH Chapter 34) on April 25, 1996, authorized community facilities districts for financing special improvements; and

WHEREAS, under the foregoing state and city laws, community facilities districts may be established to finance special improvements through the issuance of bonds and a special tax levied on land within each district to pay the debt service on the bonds; and

WHEREAS, other jurisdictions have established community facilities districts for the purpose of financing special improvements as follows:

- The County of Kauai established Community Facilities District No. 2008-1 (Kukui'ula Development Project) to provide for the financing of certain facilities, including roads and water storage and distribution facilities, benefitting the Kukui'ula development and the Koloa-Poi'pu area.
- The City and County of San Francisco established City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) in conjunction with the design and development of Transbay Transit Center and Downtown Rail Extension infrastructure projects; and

WHEREAS, ROH Section 34-1.5 provides that a community facilities district may be established to finance the acquisition, planning, design, construction, installation,



## RESOLUTION

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improvement, or rehabilitation of any real property or structure with a useful life estimated by the Council to be five years or longer; and

WHEREAS, ROH Section 34-1.5 (10) provides that transit or transportation systems projects are among the special improvements that may be financed by community facilities districts; and

WHEREAS, in view of financing difficulties the Honolulu High-Capacity Transit Corridor Project faces, consideration should be given to available financing alternatives such as the creation of community facilities districts along the Honolulu High-Capacity Transit Corridor Project route; and

WHEREAS, to date, however, no community facilities district has been created in the City since the enactment of Ordinance 96-18, and the ordinance should be evaluated to determine its applicability to the Honolulu High-Capacity Transit Corridor Project and whether the ordinance should be amended to facilitate the creation of community facilities districts; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City administration is requested to evaluate the City's Community Facilities District ordinance and recommend amendments to facilitate the financing of transit-related improvements through the establishment of community facilities districts along the Honolulu High-Capacity Transit Corridor Project route; and

BE IT FURTHER RESOLVED that the City administration is requested to submit its recommendations to the Council with respect to the above-stated matter no later than December 31, 2016; and



**RESOLUTION**

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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, the Director of Budget and Fiscal Services, and the Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation.

INTRODUCED BY:

Carol Fukunaga

Ernest Martin

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DATE OF INTRODUCTION:

August 23, 2016  
Honolulu, Hawaii

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Councilmembers