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# A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE DEVELOPMENT REVOLVING FUND.

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

1           SECTION 1. Chapter 201H, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§201H-           Infrastructure development revolving fund. (a)

5 There is established the infrastructure development revolving  
6 fund to be administered by the corporation.

7           (b) An amount from the fund, to be set by the corporation  
8 but which shall not exceed \$ \_\_\_\_\_, may be used for  
9 administrative expenses incurred by the corporation in  
10 administering the fund; provided that fund moneys may not be  
11 used to finance day-to-day administrative expenses of projects  
12 allotted fund moneys.

13           (c) The following may be deposited into the fund:

14           (1) Appropriations made by the legislature;

15           (2) Private contributions;

16           (3) Repayment of loans;

17           (4) Other returns; and

18           (5) Moneys from other sources.



1       (d) The fund shall be used to provide no-interest loans  
2 for the development, pre-development, or construction of  
3 infrastructure projects to expedite the building of affordable  
4 housing. Permitted uses of the fund may include planning,  
5 design, land acquisition, costs of options, agreements of sale,  
6 downpayments, equity financing, or other infrastructure-related  
7 services or activities as provided in rules adopted by the  
8 corporation pursuant to chapter 91. The use of the fund shall  
9 not be limited to projects developed under section 201H-38;  
10 provided that at least thirty per cent of the units in the  
11 project shall be built as low-cost housing, as defined by the  
12 corporation.

13       The rules may also provide that moneys from the fund shall  
14 be leveraged with other financial resources to the extent  
15 possible.

16       (e) The corporation may provide loans under this section;  
17 provided that:

18       (1) The corporation shall establish loan-to-value ratios  
19 to protect the fund from inordinate risk and under no  
20 circumstances shall the loan-to-value ratio exceed one  
21 hundred per cent; and



1           (2) The underwriting guidelines shall include a debt-  
2           coverage ratio of not less than 1.0 to 1.

3           (f) The corporation shall submit an annual report to the  
4           legislature no later than twenty days prior to the convening of  
5           each regular session describing the projects funded and its  
6           efforts to develop infrastructure development projects."

7           SECTION 2. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$           or so much  
9 thereof as may be necessary for fiscal year 2008-2009 to be  
10 deposited in the infrastructure development revolving fund  
11 established under section 1 of this Act.

12           The sum appropriated shall be expended by the Hawaii  
13 housing finance and development corporation for the purposes of  
14 this Act.

15           SECTION 3. New statutory material is underscored.

16           SECTION 4. This Act shall take effect upon its approval;  
17 provided that section 2 of the Act shall take effect on July 1,  
18 2008.

**Report Title:**

Affordable Housing; Infrastructure Development Revolving Fund

**Description:**

Establishes the Infrastructure Development Revolving Fund to expedite the construction of affordable housing. (HB2904 HD1)

