
A BILL FOR AN ACT

RELATING TO ESTABLISHING A COUNTY TRANSIT ORIENTED DEVELOPMENT
INFRASTRUCTURE REVOLVING FUND.

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

1 SECTION 1. The State and the counties recognize the
2 importance of encouraging compact development and discouraging
3 urban sprawl, not only to preserve open space and protect
4 watershed areas and agricultural lands, but also to reduce the
5 cost of constructing and maintaining infrastructure systems.
6 Rapid transit supports compact development and, at the same
7 time, becomes an incentive to compact development near transit
8 stations. Yet transit-oriented development often requires
9 upgrades to capacities of existing infrastructure, and the
10 counties are challenged to maintain the infrastructure systems
11 they already have, let alone upgrading these systems. The State
12 recognizes that it has a role in supporting transit-oriented
13 development, and recognizes the need to support the counties by
14 providing another financing resource without unduly draining the
15 state budget. Therefore, the purpose of this Act is to create a
16 no-interest loan revolving fund to provide loans to the counties



1 for infrastructure improvements that support transit-oriented
2 development.

3 SECTION 2. Chapter 36, Hawaii Revised Statutes, is amended
4 by adding a new section to be appropriately designated and to
5 read as follows:

6 "§36- County infrastructure development revolving loan
7 fund. (a) There is established the county infrastructure
8 development revolving loan fund to be administered by the
9 director of budget and finance. For purposes of this section,
10 "infrastructure" means any utility such as sewer, roads,
11 drainage, bridges, and water, including conduits, pumps, and
12 treatment plants generally considered as county responsibilities
13 and under county ownership.

14 (b) An amount from the fund, to be set by the director may
15 be used for administrative expenses incurred by the department
16 in administering the fund; provided that moneys in the fund may
17 not be used to finance day-to-day administrative expenses of
18 projects allotted fund moneys.

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

20 (1) Appropriations made by the legislature;

21 (2) Private contributions;

22 (3) Loan payments;



1 (4) Other returns; and

2 (5) Moneys from federal government and other sources.

3 (d) The fund shall be used to provide no-interest loans to
4 the counties for the development, pre-development, or
5 construction of infrastructure projects to expedite the building
6 of transit-oriented development, particularly those involving
7 affordable housing. Permitted uses of the funds may include
8 planning, design, land acquisition, costs of options, agreements
9 of sale, or other infrastructure-related services or activities
10 that may be provided in rules adopted by the department pursuant
11 to chapter 91. In determining which projects to fund, the
12 director shall give first priority to projects that increase
13 infrastructure capacity on a regional or collector system level,
14 as opposed to those that only support capacities for specific,
15 limited number of properties.

16 (e) The department shall submit annual reports to the
17 legislature no later than twenty days prior to the convening of
18 each regular session describing the projects funded and its
19 efforts to develop infrastructure development projects."

20 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

Calvin K. Boy

By Request

JAN 26 2009



Report Title:

County Infrastructure Development Revolving Loan Fund

Description:

Establishes the county infrastructure development revolving loan fund within department of budget and finance to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those involving affordable housing.

