
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 legislature finds that the importance of
2 encouraging compact development and discouraging urban sprawl is
3 a concern for both the State and the counties. This involves
4 not only preserving open space and protecting watershed areas
5 and agricultural lands, but also reducing the cost of
6 constructing and maintaining infrastructure systems. The
7 legislature also finds that rapid transit supports compact
8 development and, at the same time, becomes an incentive for
9 compact development near transit stations. However, transit-
10 oriented development frequently requires upgrades to the
11 capacities of existing infrastructure while the counties are
12 constantly challenged just to maintain the infrastructure
13 systems they already have, let alone to upgrade these systems.
14 The legislature recognizes that the State has a role in
15 supporting transit-oriented development and further recognizes
16 the need to support the counties by providing another financing
17 resource without unduly draining the state budget.

1 Accordingly, the purpose of this Act is to create a no-
2 interest loan revolving fund to provide loans to the counties
3 for infrastructure improvements that support transit-oriented
4 development.

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

8 "§36- County infrastructure development revolving loan
9 fund. (a) There is established the county infrastructure
10 development revolving loan fund to be administered by the
11 director of finance, into which shall be deposited:

- 12 (1) Appropriations made by the legislature;
- 13 (2) Private contributions;
- 14 (3) Loan payments;
- 15 (4) Other returns; and
- 16 (5) Moneys from federal government and other sources.

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

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

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

18 (e) For purposes of this section, "infrastructure" means
19 any utility such as sewer, roads, drainage, bridges, and water,
20 including conduits, pumps, and treatment plants generally
21 considered as county responsibilities and under county
22 ownership."

- 1 SECTION 3. New statutory material is underscored.
- 2 SECTION 4. This Act shall take effect on July 1, 2020.

Report Title:

County Infrastructure Development Revolving Loan Fund

Description:

Creates 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, especially those involving affordable housing. Effective 07/01/2020. (SD1)