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# A BILL FOR AN ACT

RELATING TO TRANSIT ORIENTED DEVELOPMENT.

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

1           SECTION 1. The legislature finds that encouraging compact  
2 development discourages urban sprawl, preserves open space,  
3 protects watershed areas and agricultural lands, and reduces the  
4 cost of constructing and maintaining infrastructure systems.

5 Rapid transit encourages and supports compact development.

6           The legislature further finds that transit oriented  
7 development often requires capacity upgrades of existing  
8 infrastructure, and much of this is county infrastructure. The  
9 counties are already constrained in maintaining their  
10 infrastructure systems, and upgrading these systems would be  
11 financially difficult. The legislature recognizes the need to  
12 support the counties by providing another financing resource  
13 without unduly draining the state budget.

14           The purpose of this Act is to create a county  
15 infrastructure development revolving loan fund to provide  
16 no-interest loans to the counties for infrastructure  
17 improvements that support transit oriented development.



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

4 "§36- County infrastructure development revolving loan

5 fund. (a) There is established the county infrastructure

6 development revolving loan fund to be administered by the

7 director of finance. For the purposes of this section,

8 "infrastructure" means any utility such as sewer, roads,

9 drainage, bridges and water, including conduits, pumps, and

10 treatment plants generally associated as county responsibilities

11 and ownership.

12 (b) The director may authorize an amount from the fund to

13 be used for administrative expenses incurred in administering

14 the fund; provided that fund moneys may not be used to finance

15 day-to-day administrative expenses of projects allotted fund

16 moneys.

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

18 (1) Appropriations made by the legislature;

19 (2) Private contributions;

20 (3) Loan payments;

21 (4) Other returns; and

22 (5) Moneys from the federal government and other sources.



1        (d) 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 projects  
5 involving affordable housing. Permitted uses of the funds may  
6 include planning, design, land acquisition, costs of options,  
7 agreements of sale, or other infrastructure-related services or  
8 activities as may be provided in rules adopted by the department  
9 pursuant to chapter 91. In determining which projects to fund,  
10 the 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 specific,  
13 limited number of properties.

14        (e) The director shall submit an annual report to the  
15 legislature no later than twenty days prior to the convening of  
16 each regular session describing the projects funded and other  
17 applications the director has received."

18        SECTION 3. New statutory material is underscored.

19        SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Norman Sakomfy



**Report Title:**

Transit Oriented Development; County Infrastructure Development  
Revolving Loan Fund

**Description:**

Establishes a county infrastructure development revolving loan fund to provide no-interest loans to the counties for infrastructure improvements that support transit oriented development; requires annual report to the legislature.

