

---

---

# 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 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 rail transit supports compact  
8 development and, at the same time, becomes an incentive for  
9 compact development near rail transit stations. However, rail  
10 transit-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 rail transit-oriented development and further  
16 recognizes the need to support the counties by providing another  
17 financing 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 rail transit-  
4 oriented 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 the 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 of budget and finance in administering the fund; provided that  
20 moneys in the fund may not be used to finance day-to-day  
21 administrative expenses of 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 rail transit-oriented development, particularly those  
5 involving affordable, but not mixed-use housing. Permitted uses  
6 of the funds may include planning, design, land acquisition,  
7 costs of options, agreements of sale, or other infrastructure-  
8 related services or activities that may be provided in rules  
9 adopted by the department pursuant to chapter 91. In  
10 determining which projects to fund, the director shall give  
11 first priority to projects that increase infrastructure capacity  
12 on a regional or collector system level, as opposed to those  
13 that only support capacities for a specific, limited number of  
14 properties.

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

20       (e) For purposes of this section, "infrastructure" means  
21 any utility such as sewer, roads, drainage, bridges, and water,  
22 including conduits, pumps, and treatment plants generally



1 considered as county responsibilities and under county  
2 ownership."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2050.



**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, predevelopment, or construction of infrastructure projects to expedite the building of rail transit-oriented development, especially those involving affordable, but not mixed-use housing. Effective 07/01/2050. (SB442 HD1)

