
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. For purposes of this section,
12 "infrastructure" means any utility such as sewer, roads,
13 drainage, bridges, and water, including conduits, pumps, and
14 treatment plants generally considered as county responsibilities
15 and under county ownership.

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

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

22 (1) Appropriations made by the legislature;



1 (2) Private contributions;

2 (3) Loan payments;

3 (4) Other returns; and

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

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

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

22 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:

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By reference

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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.

