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# A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS.

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

1           SECTION 1. Section 201H-191.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~§~~**201H-191.5** ~~§~~ **Regional state infrastructure**  
4 **subaccounts.** (a) The corporation, upon request by a county,  
5 may establish and operate a regional state infrastructure  
6 subaccount within the dwelling unit revolving fund established  
7 pursuant to section 201H-191 for the benefit of the housing and  
8 mixed-use transit-oriented development projects within the  
9 county.

10           (b) Each regional state infrastructure subaccount shall  
11 consist of the following sources of revenue:

12           (1) Moneys received by the corporation from counties for  
13           the repayment of the loan principal and the payment of  
14           simple interest from various assessments or fees from  
15           special improvement districts, improvement districts,  
16           tax increment financing districts, community  
17           facilities districts, and other areas where property



1 value increases are captured over periods of time for  
2 the purposes of infrastructure financing;

- 3 (2) Appropriations from the legislature;
- 4 (3) Federal grants and subsidies to the State or counties;
- 5 (4) Private investments; and
- 6 (5) Voluntary contributions.

7 (c) The corporation shall expend revenues in the  
8 subaccounts to make grants and loans to state agencies, and  
9 loans to counties or private developers, for the costs, in whole  
10 or in part, of infrastructure improvements that would increase  
11 the capacity of the infrastructure facilities, including  
12 regional sewer systems, water systems, drainage systems, roads,  
13 and telecommunications and broadband.

14 (d) Whenever the corporation shall undertake, or cause to  
15 be undertaken, a regional infrastructure improvement project,  
16 the cost of providing the regional infrastructure improvements  
17 may be assessed against transit-oriented development projects  
18 specifically benefiting from the improvements.

19 (e) Grants and loans shall be made only for capital  
20 improvement projects approved by the respective county council  
21 and mayor, or state agency, including the Hawaii interagency



1 council for transit-oriented development, as applicable, with a  
2 view towards planned growth rather than upkeep and maintenance.

3 ~~(d)~~ (f) Eligible costs shall include those for planning,  
4 design, feasibility studies, construction, and materials. No  
5 grant or loan shall be made:

- 6 (1) For maintenance or repair costs unless the  
7 construction would simultaneously increase the  
8 carrying capacity of the infrastructure facility; or  
9 (2) Solely for mass transit or electrical utilities.

10 The corporation may also expend revenues in the subaccounts  
11 to repay private investors for their investment plus any  
12 interest accrued on their investments made into the subaccounts  
13 to finance, in whole or in part, infrastructure improvements  
14 that would increase the capacity of the infrastructure  
15 facilities, including regional sewer systems, water systems,  
16 drainage systems, roads, and telecommunications and broadband.

17 ~~(e)~~ (g) The corporation may accept improved land from  
18 the counties or private developers in repayment of their loans.

19 ~~(f)~~ (h) The corporation shall adopt rules in accordance  
20 with chapter 91 for the purposes of this section."



1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on July 1, 2020.



**Report Title:**

HHFDC; Hawaii Interagency Council for Transit-Oriented Development; Infrastructure Improvements; Regional State Infrastructure Subaccounts

**Description:**

Specifies that the cost of regional infrastructure improvements made by the Hawaii Housing Finance and Development Corporation may be assessed against transit-oriented development projects specifically benefiting from the improvements. Clarifies that the Hawaii Interagency Council for Transit-Oriented Development may approve appropriate grants and loans for certain infrastructure improvements. (SD2 PROPOSED)

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