

JAN 19 2018

A BILL FOR AN ACT

RELATING TO COUNTY TRANSIT ORIENTED DEVELOPMENT INFRASTRUCTURE.

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

1 SECTION 1. The State and counties recognize the importance
2 of encouraging compact development and discouraging urban
3 sprawl, not only to preserve open space and protect watershed
4 areas and agricultural lands, but also to reduce the cost of
5 constructing and maintaining infrastructure systems. Rapid
6 transit supports compact development and, at the same time,
7 becomes an incentive for compact development near transit
8 stations. Yet transit-oriented development often requires
9 upgrades to capacities of existing infrastructure, and the
10 counties are challenged to maintain the infrastructure systems
11 they already have, let alone upgrade these systems.

12 The State recognizes that it has a role in supporting
13 transit-oriented development, and recognizes the need to support
14 the counties by providing another financing resource without
15 unduly draining the state budget. Therefore, the purpose of
16 this Act is to create a no-interest loan revolving fund to



1 provide loans to the counties for infrastructure improvements
2 that support transit-oriented development.

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

6 "§36- County infrastructure development loan revolving

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

8 development loan revolving fund to be administered by the

9 director of finance. For purposes of this section,

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

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

12 treatment plants, generally considered as county

13 responsibilities and under county ownership.

14 (b) An amount from the fund, to be set by the director of

15 finance, may be used for administrative expenses incurred by the

16 department of budget and finance in administering the fund;

17 provided that moneys in the fund may not be used to finance day-

18 to-day administrative expenses of projects allotted fund moneys.

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

20 (1) Appropriations made by the legislature;

21 (2) Private contributions;



- 1 (3) Loan payments;
2 (4) Other returns; and
3 (5) Moneys from the federal government and other sources.

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

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



S.B. NO. 2215

1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

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S.B. NO. 2215

Report Title:

County Infrastructure Development Loan Revolving Fund; Transit-oriented Development

Description:

Establishes the county infrastructure development loan revolving 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, particularly those involving affordable housing.

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