

Review of TOD CIP Requests to the Legislature for FY 2022
Office of Planning
As of February 5, 2021

Hawai'i Revised Statutes § 226-63 requires the TOD Council to:

- (2) *Formulate and advise the governor on the implementation of a strategic plan to address transit-oriented development projects, including mixed use and affordable and rental housing projects, on state lands in each county;*
- (5) *Review all capital improvement project requests to the legislature for transit-oriented development projects, including mixed use and affordable and rental housing projects, on state lands within county-designated transit-oriented development zones or within a one-half-mile radius of public transit stations, if a county has not designated transit-oriented development zones;*
- (6) *Recommend policy, regulatory, and statutory changes, and identify resource strategies for the successful execution of the strategic plan;*

In the Executive Biennium Budget for FY 2022-2023, three (3) TOD-related appropriation requests were submitted to the Legislature for CIP funding in FY 2022:

OP – State Transit-Oriented Development Planning, Statewide, FY2022 and FY 2023, \$2,000,000 (BED144):

Funds would be used for planning and feasibility studies, master plans, infrastructure assessments, cost estimation, preparation of environmental review documents as needed to advance TOD priority projects identified in the State TOD Strategic Plan, including support for coordination and collaboration of State and county agencies to plan and implement key projects.

HHFDC – Dwelling Unit Revolving Fund (DURF) Infusion, Statewide, FY2023 \$20,000,000

(BED160): The Dwelling Unit Revolving Fund has been a valuable source of pre-development financing for HHFDC projects on State lands and for interim construction financing for private developers of affordable housing projects. The proposed use of DURF funds has been coordinated with the HPHA and county housing agencies in facilitating the development of affordable rental housing. Act 132, SLH 2016 broadened the uses of DURF to also fund State regional infrastructure in conjunction with housing and mixed-use TOD projects.

- The requested DURF funds would enable and support multiple State TOD and affordable housing projects.

HHFDC – Rental Housing Revolving Fund (RHRF) Cash Infusion, Statewide, (BED160), to include:

- FY2023 \$25,000,000
- FY 2022 and FY 2023 \$38,000,000 (infusion to replace funding from conveyance taxes during this period.
- FY2022 \$40,000,000, HPHA School Street Senior Affordable Housing, O'ahu

The Rental Housing Revolving Fund (RHRF) provides “Equity Gap” low-interest loans to qualified owners and developers constructing affordable housing units. Funds may be used to provide a loan for the development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units.

Legislature/County/Other Appropriation Requests

HB 1130/SB 986 – Relating to Transit-Oriented Development (Rep. Nakamura/Sen. Kouchi)

Appropriations bill to fund the development of public infrastructure financing strategies for TOD, targeting value capture mechanisms with case studies – one each on Oahu and Neighbor Islands. Office of Planning will need to hire a contractor to identify and assess alternative financing, project delivery, and cost recovery mechanisms to recapture the State's upfront investment in transit-oriented development infrastructure.

HB 1147/SB 1256 – Relating to the State Budget (Rep. Yamashita/Sen. Keith-Agaran)

It will appropriate funds for capital improvement projects, including the three listed above, for fiscal biennium 2021–2023.

HB 1212 – Relating to Public-Private Partnerships (Rep. McKelvey)

The proposal would establish the Office of Public-Private Partnerships and the position of state public-private partnerships coordinator. Adds design-build-operate-maintain and design-build-finance-operate-maintain project delivery methods to the Procurement Code and related conditions and requirements. Appropriates funds.

HB 200/SB 1229 – Relating to the State Budget (Rep. Saiki/Sen. Kouchi)

This includes both the operating and capital improvement project items submitted by the Administration.

HB 1348/SB 1423 – Relating to the Stadium Development District (Rep. Johanson/Sen. Wakai)

The proposal establishes the stadium development district special fund. Revises the general development guidance policies for the Stadium Development District and clarifies the respective roles the Stadium Authority and Hawaii Community Development Authority in the development of the Stadium Development District. Broadens the powers and duties of the stadium authority, including authorizing the stadium authority to acquire and hold title to real property. Exempts land to which the Stadium Authority holds title from the definition of "public lands." Authorizes the Hawaii Community Development Authority, with approval from the governor, to delegate to other state agencies implementation of capital improvement projects, under certain conditions. Broadens the representation of the stadium authority by adding two members to its membership. Amends the general bond authorization made by Act 268, Session Laws of Hawaii 2019. Makes the financial disclosures of members of the stadium authority public records pursuant to section 84-17(d), Hawaii Revised Statutes.

Recommendation for Action

It is recommended that all of the above requests be supported by the TOD Council for funding by the Legislature for FY 2022.