

---

---

# A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

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

1 SECTION 1. Section 39A-281, Hawaii Revised Statutes, is  
2 amended by amending the definition of "project" to read as  
3 follows:

4 "Project" means the acquisition, purchase, design,  
5 development, construction, reconstruction, rehabilitation,  
6 improvement, betterment, extension, financing, or refinancing of  
7 low- and moderate-income housing[-] and any infrastructure  
8 appurtenant thereto."

9 SECTION 2. Section 39A-286, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "[+]§39A-286[+] **Issuance of special purpose revenue bonds**  
12 **to finance projects.** In addition to the other powers that it  
13 may otherwise have, the department may issue special purpose  
14 revenue bonds to finance or refinance the costs of developing  
15 low- and moderate-income housing projects or to loan the  
16 proceeds of bonds to assist project parties in the development  
17 of low- and moderate-income housing[-] projects. All bonds



1 issued under this part are special purpose revenue bonds and the  
2 provisions of part III of chapter 39 shall not apply. All  
3 special purpose revenue bonds shall be issued in the name of the  
4 department and not in the name of the State.

5 In determining the cost of any project, the department may  
6 also include:

- 7 (1) Financing charges, fees, the expenses of trustees, and  
8 the cost of paying agents to issue special purpose  
9 revenue bonds to fund the project;
- 10 (2) Interest on the bonds and the expenses of the State in  
11 connection with the bonds and the project to be  
12 financed or refinanced from the proceeds of the bonds  
13 accruing or incurred prior to and during the period of  
14 construction, not to exceed twelve months thereafter;
- 15 (3) Amounts necessary to establish or increase reserves  
16 for the special purpose revenue bonds;
- 17 (4) The cost of plans, specifications, studies, surveys,  
18 and estimates of costs and of revenues;
- 19 (5) Other expenses incidental to determining the  
20 feasibility or practicability of the project;
- 21 (6) Administration expenses;



- 1 (7) The cost of interest incurred by the project party  
2 with respect to the project prior to the issuance of  
3 the special purpose revenue bonds;
- 4 (8) Fees and expenses incurred in connection with the  
5 refinancing of outstanding obligations;
- 6 (9) Other costs, commissions, and expenses incidental to  
7 the project;
- 8 (10) The financing or refinancing of the project and  
9 placing the project in operation; and
- 10 (11) The issuance of the special purpose revenue bonds,  
11 whether incurred prior to or after the issuance of the  
12 bonds.

13 The legislature finds and determines that the exercise of  
14 the powers vested in the department by this part constitutes  
15 assistance to not-for-profit private organizations, for-profit  
16 private organizations, and public instrumentalities and their  
17 qualified affiliates in the development of low- and moderate-  
18 income housing, and that the issuance of special purpose revenue  
19 bonds to finance or refinance projects of or for project parties  
20 or to loan the proceeds of the bonds to assist project parties  
21 in the development of low- and moderate-income housing is in the  
22 public interest. The legislature further finds that this



1 governmental assistance to not-for-profit private organizations,  
2 for-profit private organizations, and public instrumentalities  
3 and their qualified affiliates is necessary to encourage public-  
4 private partnerships to develop affordable housing for low- and  
5 moderate-income families in the State."

6 SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2020.



**Report Title:**

SPRBs; Low-Income and Moderate-Income Housing Projects;  
Infrastructure

**Description:**

Authorizes the issuance of special purpose revenue bonds to  
build infrastructure for low- and moderate-income housing  
projects. (SB823 HD1)

