

JAN 23 2020

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST PUEO DEVELOPMENT, LLC.

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

1 SECTION 1. The legislature finds that the development of
2 low- and moderate-income housing, alternative energy sources,
3 infrastructure, and economic opportunities continues to be in
4 the public interest. Pueo Development, LLC, is a Hawaii company
5 that offers sustainable solutions for developing low- and
6 moderate-income housing, alternative energy, and infrastructure,
7 while facilitating economic opportunities through project
8 development. Pueo Development, LLC, proposes to design, build,
9 and operate a master planned development in support of a public-
10 private partnership with Waiohuli Hawaiian Homesteaders
11 Association, Inc., on approximately one hundred fifty acres of
12 department of Hawaiian home lands land in Waiohuli, Maui. This
13 proposed development includes low- and moderate-income housing
14 units; rental housing units; elderly care units; alternative
15 energy development systems; and infrastructure development,
16 including roads and utilities. The legislature acknowledges



1 that this development will create numerous new jobs in the
2 State, which will in turn improve the State's economy.

3 The legislature has carefully considered the use of special
4 purpose revenue bonds to support Pueo Development, LLC, and its
5 proposed development. The legislature finds that the use of
6 special purpose revenue bonds to assist Pueo Development, LLC,
7 is consistent with similar investments that the State has made
8 for other comparable master planned projects. The legislature
9 believes that the issuance of special purpose revenue bonds to
10 assist Pueo Development, LLC, will provide critical financial
11 flexibility to support the proposed development's initiatives.
12 Through the utilization of special purpose revenue bonds as a
13 means of financing the proposed development, Pueo Development,
14 LLC, will provide the public with benefits derived from
15 developing the master planned community without investment or
16 operational risk to the State or counties.

17 Accordingly, the purpose of this Act is to authorize the
18 issuance of special purpose revenue bonds and appropriate the
19 bond revenues derived therefrom for a master planned development
20 proposed by Pueo Development, LLC.



1 The legislature finds and declares that the issuance of
2 special purpose revenue bonds under this Act is in the public
3 interest and for the public health, safety, and general welfare.

4 SECTION 2. Pursuant to part IX, chapter 39A, Hawaii
5 Revised Statutes, the department of budget and finance, with the
6 approval of the governor, is authorized to issue special purpose
7 revenue bonds in a total amount not to exceed \$50,000,000, in
8 one or more series, for the purpose of assisting Pueo
9 Development, LLC, a Hawaii limited liability company, for its
10 proposed master planned development that will include low- and
11 moderate-income homes; rental housing units; elderly care units;
12 alternative energy development; and infrastructure development,
13 including roads and utilities. The legislature hereby finds and
14 determines that the proposed master planned development
15 constitutes a project as defined in part IX, chapter 39A, Hawaii
16 Revised Statutes, and the financing thereof is assistance to the
17 development of low- and moderate-income housing.

18 SECTION 3. The special purpose revenue bonds and the
19 refunding special purpose revenue bonds issued under this Act
20 shall be issued pursuant to part IX, chapter 39A, Hawaii Revised
21 Statutes, relating to the power to issue special purpose revenue



1 bonds to assist the development of low- and moderate-income
2 housing.

3 SECTION 4. The department of budget and finance is
4 authorized, from time to time, including times subsequent to
5 June 30, 2025, to issue special purpose revenue bonds in
6 whatever principal amounts the department shall determine to be
7 necessary to refund the special purpose revenue bonds authorized
8 in section 2 and to refund special purpose revenue bonds
9 authorized in this section, regardless of whether the
10 outstanding special purpose revenue bonds or refunding special
11 purpose revenue bonds have matured or are the subject of
12 redemption or whether the refunding special purpose revenue
13 bonds shall be bonds for the multi-project programs described in
14 section 2. In making this determination, the department shall
15 comply with federal law relating to the exemption from federal
16 income taxation of the interest on bonds of the nature
17 authorized by this section.

18 SECTION 5. The authorization to issue special purpose
19 revenue bonds under this Act shall lapse on June 30, 2025.



S.B. NO. 3142

1 SECTION 6. This Act shall take effect on July 1, 2020.

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INTRODUCED BY: ~~SC. Subhagana~~
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S.B. NO. 3142

Report Title:

SPRB; Pueo Development, LLC; Low-Income Housing; Moderate-Income Housing

Description:

Authorizes the issuance of special purpose revenue bonds for a master planned development proposed by Pueo Development, LLC.

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