

JAN 17 2024

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Section 201H-71, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsections (d) and (e) to read:

4 "(d) The corporation may issue [~~such~~] the types of bonds
5 as it may determine, including without limitation bonds payable
6 from and secured, in whole or in part, by:

7 (1) Income and revenues derived from the housing project
8 or projects, or infrastructure for the housing project
9 or projects, financed from the proceeds of bonds;

10 (2) Receipts derived from any grant from the federal
11 government made in aid of a housing project or
12 projects, or infrastructure for the housing project or
13 projects, financed from the proceeds of bonds;

14 (3) Income and revenues derived from a particular
15 designated housing project or projects, or
16 infrastructure for the housing project or projects,



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- 1 whether or not financed, in whole or in part, from the
2 proceeds of bonds;
- 3 (4) Receipts derived from any payment for "eligible
4 loans", "eligible improvement loans", or "eligible
5 project loans", as the terms are defined in subpart B,
6 or any other agreement or agreements entered into for
7 a "housing loan program", as the term is defined in
8 subpart B or D, or any other loan program administered
9 by the corporation and financed from the proceeds of
10 bonds;
- 11 (5) Receipts derived from loans to mortgage lenders or
12 from the payment on account of principal of or
13 interest on loans purchased from mortgage lenders, as
14 provided in subpart B which loans to mortgage lenders
15 or loans purchased are financed from the proceeds of
16 bonds;
- 17 (6) Moneys in any funds or accounts established in
18 connection with the issuance of bonds, and any
19 earnings thereon;
- 20 (7) Proceeds derived from any insurance;
- 21 (8) Income and revenues of the corporation generally; or



1 (9) Any combination of paragraphs (1) through (8).
2 The term "income and revenues" includes income and revenues
3 derived from the sale of land or from both land and improvements
4 thereon serviced from infrastructure financed from the proceeds
5 of bonds as permitted by this subpart. The provisions of this
6 subsection are in addition and supplemental to part III of
7 chapter 39.

8 (e) Any of the bonds may be additionally secured by a
9 pledge of any revenues or a mortgage of any housing project,
10 infrastructure for any housing project, other property of the
11 corporation, the pledge or assignment of any loans or other
12 agreements, or any note or other undertaking, obligation, or
13 property held by or on behalf of the corporation to secure loans
14 made from the proceeds of bonds for any "housing loan program",
15 as the term is defined in subpart B or D, or any other loan
16 program administered by the corporation and financed from the
17 proceeds of bonds."

18 2. By amending subsection (g) to read:

19 "(g) Any housing project or projects, or infrastructure
20 for a housing project or projects, authorized by, and undertaken
21 pursuant to, this chapter shall constitute an "undertaking"



1 within the meaning of that term as defined and used in part III,
2 chapter 39. Any loan program authorized by, and undertaken
3 pursuant to, this chapter, including without limitation "housing
4 loan programs" defined in and authorized by subparts B and D,
5 shall constitute a "loan program" within the meaning of that
6 term as defined and used in part III, chapter 39. The
7 corporation shall constitute a "department" and the board shall
8 constitute a "governing body" within the meaning of those terms
9 as defined and used in part III, chapter 39."

10 SECTION 2. Section 201H-72, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§201H-72 Issuance of bonds for the development of**
13 **infrastructure.** (a) Without limiting section 201H-71, the
14 corporation, pursuant to and in accordance with this subpart
15 ~~[or]~~, section 46-80.1(a), ~~[is authorized to]~~ or section 201H-
16 191.5, may issue bonds for the purpose of financing the
17 development of infrastructure for ~~[land]~~:

18 (1) Land owned by the corporation or ~~[for]~~ land owned by
19 an eligible developer as defined in section 201H-32,
20 whose housing project approval by a state or county



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1 agency requires the construction of affordable
2 housing~~[+]~~; and
3 (2) Regional state infrastructure projects under section
4 201H-191.5.

5 (b) All bonds issued by the corporation for improvements
6 by assessments, and the interest thereon, shall be exempt from
7 all state, county, and municipal taxation, except inheritance,
8 transfer, and estate taxes."

9 SECTION 3. Section 201H-191.5, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By amending subsection (b) to read:

12 "(b) Each regional state infrastructure subaccount shall
13 consist of the following sources of revenue:

14 (1) Moneys received by the corporation from counties for
15 the repayment of the loan principal and the payment of
16 simple interest from various assessments or fees from
17 special improvement districts, improvement districts,
18 tax increment financing districts, community
19 facilities districts, and other areas where property
20 value increases are captured over periods of time for
21 the purposes of infrastructure financing;



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- 1 (2) Appropriations from the legislature;
- 2 (3) Federal grants and subsidies to the State or counties;
- 3 (4) Proceeds from bonds issued pursuant to section 201H-
- 4 72(a)(2);
- 5 [~~4~~] (5) Private investments; and
- 6 [~~5~~] (6) Voluntary contributions."

7 2. By amending subsection (g) to read:

8 "(g) The corporation may also expend revenues in the
9 subaccounts to repay [~~private~~]:

- 10 (1) Holders of bonds issued pursuant to section
- 11 201H-72(a)(2); and
- 12 (2) Private investors for their investment plus any
- 13 interest accrued on their investments made into the
- 14 subaccounts to finance, in whole or in part,
- 15 infrastructure improvements that would increase the
- 16 capacity of the infrastructure facilities, including
- 17 regional sewer systems, water systems, drainage
- 18 systems, roads, and telecommunications and broadband."

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

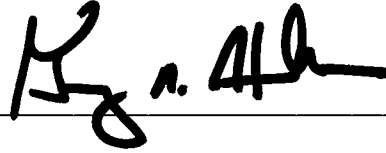


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1 SECTION 5. This Act shall take effect on July 1, 2024.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "K. A. Alh", is written over a horizontal line. The signature is stylized and cursive.

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Report Title:

HHFDC; Bonds; Infrastructure; Regional Infrastructure Subaccount

Description:

Authorizes HHFDC to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects. Exempts bonds issued by HHFDC for improvements by assessments, and the interest thereon, from state, county, and municipal taxation, with certain exceptions. Includes proceeds from bonds issued for regional state infrastructure projects as a source of revenue for regional state infrastructure subaccounts. Authorizes regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders.

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