

## ACT 198

H.B. NO. 776

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:*

SECTION 1. The legislature finds that the development of low- and moderate-income housing, alternative energy sources, agriculture, infrastructure, and economic opportunities continues to be in the public interest. Pueo Development, LLC, is a Hawaii company that offers sustainable solutions for developing low- and moderate-income housing, alternative energy, agriculture, and infrastructure, while facilitating economic opportunities through project development. Pueo Development, LLC, proposes to design, build, and operate a master planned development in support of a public-private partnership with Waiohuli Hawaiian Homesteaders Association, Inc., on an estimated one hundred fifty acres of department of Hawaiian home lands land in Waiohuli, Maui. This proposed development includes low- and moderate-income housing units; rental housing units; elderly care units; alternative energy development systems; agricultural development; and infrastructure development, including roads and utilities. The legislature acknowledges that this development will create numerous new jobs in the State, which will in turn improve the State's economy.

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

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

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

**SECTION 2.** Pursuant to part IX, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$80,000,000, in one or more series, for the purpose of assisting Pueo Development, LLC, a Hawaii limited liability company, for its proposed master planned development that will include low- and moderate-income homes; rental housing units; elderly care units; alternative energy development; agricultural development; and infrastructure development, including roads and utilities. The legislature hereby finds and determines that the proposed master planned development constitutes a project as defined in part IX, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to the development of low- and moderate-income housing.

**SECTION 3.** The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part IX, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist the development of low- and moderate-income housing.

**SECTION 4.** The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2026, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

**SECTION 5.** The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2026.

**SECTION 6.** This Act shall take effect on July 1, 2021.

(Approved July 6, 2021.)