
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,
17 whether or not financed, in whole or in part, from the
18 proceeds of bonds;



- 1 (4) Receipts derived from any payment for "eligible
2 loans", "eligible improvement loans", or "eligible
3 project loans", as the terms are defined in subpart B,
4 or any other agreement or agreements entered into for
5 a "housing loan program", as the term is defined in
6 subpart B or D, or any other loan program administered
7 by the corporation and financed from the proceeds of
8 bonds;
- 9 (5) Receipts derived from loans to mortgage lenders or
10 from the payment on account of principal of or
11 interest on loans purchased from mortgage lenders, as
12 provided in subpart B which loans to mortgage lenders
13 or loans purchased are financed from the proceeds of
14 bonds;
- 15 (6) Moneys in any funds or accounts established in
16 connection with the issuance of bonds, and any
17 earnings thereon;
- 18 (7) Proceeds derived from any insurance;
- 19 (8) Income and revenues of the corporation generally; or
- 20 (9) Any combination of paragraphs (1) through (8).



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

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

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

18 "(g) Any housing project or projects, or infrastructure
19 for a housing project or projects, authorized by [7] and
20 undertaken pursuant to [7] this chapter shall constitute an
21 "undertaking" within the meaning of that term as defined and



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

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

11 "**§201H-72 Issuance of bonds for the development of**
 12 **infrastructure.** (a) Without limiting section 201H-71, the
 13 corporation, pursuant to and in accordance with this subpart
 14 [~~or~~], section 46-80.1(a), [is authorized to] or section 201H-
 15 191.5, may issue bonds for the purpose of financing the
 16 development of infrastructure for [~~land~~]:

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



1 (2) Regional state infrastructure projects under section
2 201H-191.5.

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

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

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

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

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

20 (2) Appropriations from the legislature;

21 (3) Federal grants and subsidies to the State or counties;



1 (4) Proceeds from bonds issued pursuant to section 201H-
2 72(a)(2);
3 [~~4~~] (5) Private investments; and
4 [~~5~~] (6) Voluntary contributions."

5 2. By amending subsection (d) to read:

6 "(d) Whenever the corporation undertakes, or causes to be
7 undertaken, a regional infrastructure improvement project, the
8 cost of providing regional infrastructure improvements may be
9 assessed against housing and mixed-use transit-oriented
10 development projects specially benefiting from the improvements,
11 and the corporation shall take into consideration previous
12 contributions by project owners to infrastructure improvements;
13 provided that:

14 (1) The corporation may fix the assessments against real
15 property specially benefited. All assessments made
16 pursuant to this subsection shall be a statutory lien
17 against each lot or parcel of land assessed from the
18 date of the notice declaring the assessment until paid
19 and the lien shall have priority over all other liens
20 except the lien of property taxes. As between liens



1 of assessments, the earlier lien shall be superior to
2 the later lien;

3 (2) Notwithstanding any other law to the contrary, in
4 assessing real property specially benefiting from
5 improvements, the corporation may utilize various
6 methods including but not limited to:

7 (A) Assessment on a frontage basis;

8 (B) According to the area of real property for
9 housing and mixed-use transit-oriented
10 development projects;

11 (C) According to the area of real property within an
12 assessment area;

13 (D) Any other assessment method that assesses the
14 real property according to the special benefit
15 conferred; or

16 (E) Any combination thereof;

17 (3) The assessments made under this subsection shall not
18 apply to projects within the stadium development
19 district as established pursuant to section 206E-223;



1 (4) The corporation shall adopt rules pursuant to chapter
2 91, providing for the method of assessment of real
3 properties specially benefited; and

4 (5) All sums collected under this subsection shall be
5 deposited in the dwelling unit revolving fund
6 established pursuant to section 201H-191."

7 3. 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.

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



Report Title:

HHFDC; Bonds; Infrastructure; Regional State Infrastructure
Projects; Regional Infrastructure Subaccounts

Description:

Authorizes the Hawaii Housing Finance and Development Corporation 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 the cost of providing regional infrastructure improvements to be assessed against housing and mixed-use transit-oriented development projects specifically benefiting from the improvements when a regional infrastructure improvement project is undertaken by the Hawaii Housing Finance and Development Corporation. Authorizes regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders. (CD1)

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