

STAND. COM. REP. NO. 1703

Honolulu, Hawaii

Apr 19, 2009

RE: S.B. No. 1118  
S.D. 2  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1118, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING,"

begs leave to report as follows:

The purpose of this bill is to increase the availability of low-income housing by:

- (1) Establishing a low-income housing tax credit loan program administered by the Hawaii Housing Finance and Development Corporation (HHFDC) whereby owners of qualified low-income buildings, including those eligible for subawards under the American Recovery and Reinvestment Act of 2009, may receive no interest loans in lieu of the state low-income housing tax credit; and
- (2) Authorizing the issuance of general obligation bonds to fund the loans.

The Department of Taxation, HHFDC, Office of Hawaiian Affairs, Hawaii Association of REALTORS®, and Land Use Research Foundation of Hawaii supported this bill. The Tax Foundation of Hawaii and Stanford Carr Development, LLC, offered comments.

SB1118 HD2 HSCR FIN HMS 2009-3629



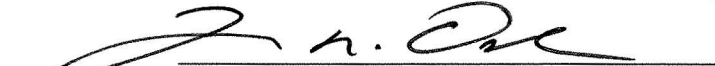
Your Committee has amended this bill by:

- (1) Specifying that the low-income housing tax credit loan shall be in an amount equal to 70 percent of the cash value of the amount of the low-income housing credit;
- (2) Clarifying that the cash value of the amount of the low-income housing credit upon which the loan is based is the value that would have otherwise been claimable with respect to the low-income building;
- (3) Specifying that any required repayment of the loan resulting from recapture may be enforced by a means of liens or such other methods as HHFDC deems appropriate;
- (4) Defining the term "qualified low-income building";
- (5) Specifying that if a qualified low-income building has been awarded a subaward under Section 1602 of the American Recovery and Reinvestment Act of 2009, the amount of the low-income housing tax credit shall be equal to 50 percent of the amount of the federal low-income housing tax credits that would have been allocated to the qualified low-income building pursuant to Section 42(b) of the Internal Revenue Code by HHFDC had a subaward not been awarded with respect to the qualified low-income building;
- (6) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1118, S.D. 2, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



