

STAND. COM. REP. NO.

2054

Honolulu, Hawaii

FEB - 8 2010

RE: S.B. No. 2109

S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Education and Housing, to which was referred S.B. No. 2109 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits, to be administered by the Hawaii Housing Finance and Development Corporation, and to authorize the issuance of general obligation bonds to fund the loans.

Testimony in support of this measure was submitted by one state agency and seven private organizations. One state agency and one private organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure follows provisions in the federal American Recovery and Reinvestment Act of 2009 to provide developers of affordable rental housing projects with the equity to finance their projects. Your Committee also finds that this measure spurs affordable rental housing developments while allowing the State to pay for the loans through the issuance of general obligation bonds, making the measure budget neutral.

Your Committee has amended this measure by:

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- (1) Clarifying that the general obligation bonds authorized to be issued by this measure are taxable; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee recommends that the amendments offered by Stanford Carr Development, LLC be further explored. The proposed amendments extend the option to monetize state tax credits to developers of projects that have been awarded federal tax credits allocated pursuant to section 42(h)(4) of the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education and  
Housing,

  
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NORMAN SAKAMOTO, Chair



