
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. The legislature finds that the Hawaii housing
2 finance and development corporation has legacy funds within the
3 rental housing revolving fund derived from tax-exempt general
4 obligation bond proceeds. These tax-exempt funds have limited
5 usefulness for affordable rental housing development because
6 under United States Treasury regulations, tax-exempt funds
7 cannot be used to finance projects that also use low-income
8 housing tax credits. There can only be one tax-exempt financing
9 source per project. Under United States Treasury regulations,
10 tax-exempt bond proceeds can be used for public infrastructure
11 projects. Financing of public infrastructure projects is an
12 allowable use of the corporation's dwelling unit revolving fund,
13 but not the rental housing revolving fund.

14 The legislature further finds that the tax-exempt general
15 obligation bond proceeds in the rental housing revolving fund
16 could be utilized if they are transferred to the dwelling unit
17 revolving fund.



1 Therefore, the purpose of this Act is to transfer tax-
2 exempt funds from the rental housing revolving fund to the
3 dwelling unit revolving fund for the purposes of the dwelling
4 unit revolving fund.

5 SECTION 2. The director of finance is authorized to
6 transfer tax-exempt general obligation bond proceeds and accrued
7 interest from the rental housing revolving fund to the dwelling
8 unit revolving fund up to the sum of \$ for fiscal year
9 2022-2023.

10 SECTION 3. This Act shall take effect on July 1, 2022.



Report Title:

State Funds; Rental Housing Revolving Fund; Dwelling Unit
Revolving Fund

Description:

Authorizes the transfer of excess moneys from the rental housing
revolving fund to the dwelling unit revolving fund. (SD1)

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not legislation or evidence of legislative intent.*

