

Honolulu, Hawaii

FEB 15, 2022

RE: H.B. No. 2080

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2080 entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose of this measure is to authorize the transfer of excess tax-exempt general obligation bond proceeds and accrued interest from the Rental Housing Revolving Fund to the Dwelling Unit Revolving Fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation.

Your Committee finds that tax-exempt funds cannot be used to finance affordable rental housing development because under United States Treasury regulations, tax-exempt funds cannot be used to finance projects that also use Low-income Housing Tax Credits, as there can be only one tax-exempt financing source per project. However, under United States Treasury regulations, tax-exempt bonds proceeds can be used for public infrastructure projects. Your Committee notes that financing of public infrastructure projects is an allowable use of the Hawaii Housing Finance and Development Corporation's Dwelling Unit Revolving Fund but not the Rental Housing Revolving Fund. Your Committee further finds that



this measure will enable the Hawaii Housing Finance and Development Corporation to make expedient use of existing Rental Housing Revolving Fund balances for priority public infrastructure projects statewide.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2080, H.D. 1, and be referred to your Committee on Finance.

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



NADINE K. NAKAMURA, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 2080	Committee Referral: HSG, FIN	Date: 2/10/22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKAMURA, Nadine K. (C)	✓			
2. HASHIMOTO, Troy N. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. CLARK, Linda	✓			
5. ILAGAN, Greggor	✓			
6. KITAGAWA, Lisa	✓			
7. LoPRESTI, Matthew S.	✓			
8. TAKUMI, Roy M.	✓			
9. McDERMOTT, Bob				✓
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u><i>[Signature]</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				