

Honolulu, Hawaii
MAR 24 , 2022

RE: S.B. No. 2812
S.D. 2
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 S.B. No. 2812, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose of this measure is to facilitate the financing of affordable housing projects in the State by temporarily amending provisions that govern the allocation of the State's private activity bond ceiling. Specifically, this measure:

- (1) Facilitates the process for counties or issuers to assign their allocation back to the State by removing the requirement for a resolution or written certificate;
- (2) Repeals the authorization for counties or issuers to request additional allocations of the state bond ceiling;
- (3) Prioritizes projects of counties that assign their allocation back to the State over projects of counties that have their own bond issuance program;
- (4) Requires counties or issuers that retain their allocation to submit quarterly reports to the Department



of Budget and Finance on the status or use of any allocation;

- (5) Requires a project to first apply to the county in which the project is located, if the county has a private activity bond issuance program, before applying to the State; and
- (6) Changes the dates for reverted or remaining allocations and requires certain reverted or remaining allocations to be allocated to the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Department of Planning and Permitting of the City and County of Honolulu, and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that the State is committed to the production and maintenance of available affordable housing for its residents, and housing-related projects could benefit from greater access to private activity bond financing. Your Committee further finds that increasing coordination between the State and counties on the timing of private activity bond issuances would allow the State to more efficiently allocate private activity bonds for housing-related projects.

Your Committee has amended this measure by:

- (1) Deleting provisions that removed the requirement for counties or issues to assign their allocation back to the State via a resolution or written certificate;
- (2) Deleting provisions that repealed the authorization for counties or issuers to request additional allocations of the state bond ceiling;
- (3) Deleting provisions that prioritized projects of counties that assigned their allocation back to the State over projects of counties with their own bond issuance program;



- (4) Deleting provisions that specified when a project had to first apply to the county in which the project was located, before applying to the State;
- (5) Deleting provisions that changed dates for reverted or remaining allocations and required certain allocations to go to the Hawaii Housing Finance and Development Corporation;
- (6) Prohibiting the authorization of any special purpose revenue bonds that require an allocation of the annual state ceiling after June 30, 2022, and before December 31, 2028, unless requested by the Governor and approved by the Legislature;
- (7) Requiring any allocation of the annual state ceiling to a county with a population of over five hundred thousand during this same time frame to be used only for rental housing projects that are eligible for the Low-Income Housing Tax Credit;
- (8) Removing its sunset date; and
- (9) 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 S.B. No. 2812, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2812, S.D. 2, 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.: SB 2812 SD2	Committee Referral: HSG, FIN	Date: 3-22-22		
<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)	6			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Nadine K. Nakamura</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				