

STAND. COM. REP. NO. 3172

Honolulu, Hawaii

MAR 04 2022

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2812, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose and intent 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) Provides that the allocation of the State's portion of the private activity bond ceiling shall be used entirely for housing-related projects;
- (2) Facilitates the process for counties or issuers to assign their allocation back to the State by removing the requirement that an assignment be accomplished by a resolution or written certificate;
- (3) Repeals the authorization for counties or issuers to request additional allocations of the state bond ceiling;



- (4) Prioritizes projects of counties that assign their allocation back to the State over projects of counties that have their own bond issuance program;
- (5) Requires counties or issuers that retain their allocation to submit quarterly reports on the status or use of any allocation;
- (6) 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
- (7) Changes the dates for reverted or remaining allocations and requires certain reverted or remaining allocations to be used for housing-related projects.

Your Committee received written comments 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; Mutual Housing Association of Hawaii; Catholic Charities Hawaii; Stanford Carr Development, LLC; Pacific Resource Partnership; Schatz Collaborative, LLC; Highridge Costa Development Company; Hawaii LECET; NAIOP Hawaii; and EAH Housing.

Your Committee received written comments in opposition to this measure from the Kauai County Housing Agency.

Your Committee received written 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 affordable housing and that housing-related projects may benefit from having greater access to private activity bond financing.

Your Committee has amended this measure by:

- (1) Deleting a provision that would have required that the State's allocation of the private activity bond cap be used entirely for housing-related projects;



- (2) Deleting provisions requiring unused portions of the annual state ceiling allocation to be used for housing-related purposes and instead requiring that the unused allocation be allocated to the Hawaii Housing Finance and Development Corporation;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2812, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means.

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2812, SD1	HOU/GVO, WAM	3/3/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MISALUCHA, Bennette E.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
WAKAI, Glenn	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes