



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development and Tourism

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 24, 2022
12:30 PM
State Capitol, Conference Room 308

in consideration of
HB2080, HD1
RELATING TO STATE FUNDS.

Chair Luke, Vice Chair Yamashita and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB2080, HD1, an Administration bill that would transfer funds from the rental housing revolving fund to the dwelling unit revolving fund where they may be used to finance public infrastructure.

This measure will allow critical public infrastructure projects necessary to support affordable housing development to proceed using existing funds, without the appropriation and expenditure of new capital improvement project funds.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 24, 2022 at 12:30 p.m.
State Capitol, Room 308

In consideration of
H.B. 2080 HD1
RELATING TO STATE FUNDS.

The HHFDC ***strongly supports*** H.B. 2080 HD1, which would authorize the Department of Budget and Finance to transfer up to \$45 million in legacy tax-exempt general obligation (GO) bond proceeds from the Rental Housing Revolving Fund (RHRF) to the Dwelling Unit Revolving Fund (DURF).

The funds are currently in HHFDC's account and can't be applied to affordable rental housing development due to U.S. Treasury regulations. This is because tax-exempt funds cannot be used to finance projects that also use low-income housing tax credits (LIHTC). To be used to finance LIHTC projects, there can be only one tax-exempt financing source per project.

Once transferred to DURF, the up to \$45 million in tax-exempt bond proceeds can be used to fulfill HHFDC's existing infrastructure obligations in the Villages of Kapolei and Waiahole Valley, or for other governmental infrastructure projects.

HHFDC respectfully requests that the amount of \$45 million be inserted into Page 2, Line 10 of the bill and the effective date be changed to July 1, 2022.

Thank you for the opportunity to testify.