

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

SENATE COMMITTEE ON WAYS AND MEANS

February 22, 2022 at 10:00 a.m.
State Capitol, Room 211

In consideration of
S.B. 3048 SD1
RELATING TO AFFORDABLE HOUSING.

HHFDC **strongly supports** this measure that would authorize Budget & Finance to transfer up to \$45 million in legacy tax-exempt general obligation bond proceeds from the Rental Housing Revolving Fund (RHRF) to the Dwelling Unit Revolving Fund (DURF).

As it stands now, the funds can't be deployed for affordable rental housing development due to US 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 on LIHTC projects, they need to be taxable GO bond proceeds. Once transferred to DURF, the funds can be used to fulfill HHFDC's existing infrastructure obligations in Villages of Kapolei and Waiahole Valley, or other government infrastructure projects.

HHFDC respectfully requests that **up to \$45 million** in tax-exempt general obligation bond proceeds be inserted into the bill.

Thank you for the opportunity to testify.



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

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

before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

in consideration of
SB3048, SD1
RELATING TO STATE FUNDS.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** SB3048, SD1, 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.