

STAND. COM. REP. NO. 2209

Honolulu, Hawaii

APR 17, 2023

RE: S.C.R. No. 151

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.C.R. No. 151 entitled:

"SENATE CONCURRENT RESOLUTION REAFFIRMING THE COMMITMENT TO INCREASE THE STATE'S AFFORDABLE HOUSING STOCK BY NOT ALLOCATING SPECIAL PURPOSE REVENUE BONDS AND DISCOURAGING THE USE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this measure is to reaffirm the commitment to increase the State's affordable housing stock by not allocating special purpose revenue bonds and discouraging the use of special purpose revenue bonds.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that special purpose revenue bonds allow non-governmental entities serving a public purpose to use the name of the State to sell bonds whose interests are exempt from federal and state taxation. Your Committee further finds that while there is no aggregate ceiling on the amount of special purposes revenue bonds that the State can issue, private activity bonds, which are used in conjunction with the Low-Income Housing Tax Credit Program, have a volume cap that is determined by the Internal Revenue Service each year. Your Committee notes that even though special purpose revenue bonds have no cap, some are subject to the

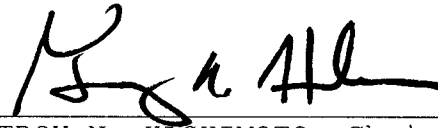
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private activity bond volume cap, hindering the State's ability to build affordable housing. In recognition that certain special purpose revenue bonds can divert much needed private activity bonds that can address the State's housing crisis, the Legislature enacted Act 182, Session Laws of Hawaii 2022, which, among other things, established a moratorium on the issuance of special purpose revenue bonds unless requested by the Governor. Your Committee believes that it is important to reaffirm the State's commitment to build more affordable housing by not issuing special purposes revenue bonds, as a reminder of the severe housing crisis the State is experiencing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151 and recommends that it be referred to your Committee on Finance.

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



TROY N. HASHIMOTO, Chair



