

JOSH GREEN, M.D.  
GOVERNOR



**STATE OF HAWAII**  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM  
**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

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Statement of  
**DELMOND WON**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

March 30, 2023 at 10:05 a.m.  
State Capitol, Room 211

In consideration of  
**H.B. 679 HD1 SD1**  
**RELATING TO STATE FUNDS.**

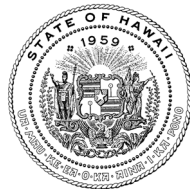
HHFDC **strongly supports** H.B. 679 HD1 SD1, as the passage of this bill is critical to HHFDC's ability to fund the Rental Housing Revolving Fund (RHRF) financing award commitments that were made last year and to keep the pipeline of affordable housing going.

Last September, HHFDC received conditional approval from Governor Ige in connection with its request to allot, release, and expend the \$300 million appropriation of general funds for the RHRF infusion under Act 236, SLH 2022 with the condition that the expenditure of the general funds be made after June 30, 2023. The condition was imposed as a result of the State's need to comply with the maintenance of effort (MOE) requirements under the Elementary and Secondary School Emergency Relief pursuant to the provisions of the federal American Rescue Plan Act, which requires State general fund expenditures to be carefully monitored to limit expenditures that may disrupt the State's MOE calculations.

As a result, HHFDC is prohibited from expending the allotment from the general funds until after the current appropriation lapse date of June 30, 2023. This bill extends the lapse date to the following fiscal year to allow for the expenditure of general funds into RHRF to fulfill its financing award commitments.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 679, H.D. 1, S.D. 1

**March 30, 2023**  
**10:05 a.m.**  
**Room 211 and Videoconference**

RELATING TO STATE FUNDS

The Department of Budget and Finance (B&F) supports the intent of this bill. House Bill (H.B.) No. 679, H.D. 1, S.D. 1, amends Act 236, SLH 2022, by delaying the expenditure or encumbrance of an unspecified amount of general funds appropriated for deposit into the Rental Housing Revolving Fund until July 1, 2023, or thereafter. B&F notes that \$300,000,000 was the amount of general funds appropriated in Act 236.

Although this bill assists the State in satisfying its American Rescue Plan Act Elementary and Secondary School Emergency Relief fund maintenance-of-effort obligations, B&F would recommend passage of H.B. No. 1018, H.D. 1, which delays a greater number of "big-ticket" appropriations and has a more significant impact.

Thank you for your consideration of our comments.