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### Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation  
Before the

### **SENATE COMMITTEE ON WAYS AND MEANS**

February 19, 2025 at 10:02 a.m.  
State Capitol, Room 211

In consideration of  
**S.B. 40 SD1**  
**RELATING TO STATE FINANCES.**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **supports** SB 40 SD1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to utilize revenue bonds when securing a line of credit or other instrument of indebtedness for the Bond Volume Cap Recycling Program.

A line of credit is needed for private activity bond recycling to provide liquidity and ensure that funds are readily available to pay off existing bonds as they mature or are redeemed. This will allow HHFDC to retire the old bonds while waiting for new bonds to be issued or for cash flows from the underlying projects to become available. The line of credit acts as a financial bridge, maintaining continuity in funding and avoiding disruptions in the financing structure, which is critical for compliance with Internal Revenue Code Section 145 (the federal law for qualified bonds).

Thank you for the opportunity to testify on this bill.