

STAND. COM. REP. NO.

486

Honolulu, Hawaii

FEB 12 , 2025

RE: H.B. No. 529
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 529
entitled:

"A BILL FOR AN ACT RELATING TO STATE FINANCES,"

begs leave to report as follows:

The purpose of this measure is to authorize the Hawaii
Housing Finance and Development Corporation to secure a line of
credit or other instrument of indebtedness for the Bond Volume Cap
Recycling Program.

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

Your Committee finds that 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. 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
federal law for qualified bonds. This measure will allow the
Hawaii Housing Finance and Development Corporation to retire old
bonds while waiting for new bonds to be issued or for class flows
from the underlying projects to become available.

2025-1615 HB529 HD1 HSCR HMSO



Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Housing Finance and Development Corporation may secure revenue bonds as a line of credit or other instrument of indebtedness for the Bond Volume Cap Recycling Program;
- (2) Changing the line of credit or other instrument of indebtedness amount to an unspecified amount; and
- (3) Changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider a line of credit or other instrument of indebtedness amount of \$300,000,000.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 1, and be referred to your Committee on Finance.

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

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LUKE A. EVSLIN, Chair



