
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the Hawaii housing
3 finance and development corporation has legacy funds within the
4 rental housing revolving fund that are derived from tax-exempt
5 general obligation bond proceeds. These tax-exempt funds have
6 limited usefulness for affordable rental housing development
7 because under United States Treasury regulations, tax-exempt
8 funds cannot be used to finance projects that also use
9 low-income housing tax credits as there can only be one
10 tax-exempt financing source per project. However, under United
11 States Treasury regulations, tax-exempt bond proceeds can be
12 used for public infrastructure projects. Financing of public
13 infrastructure projects is an allowable use of the Hawaii
14 housing finance and development corporation's dwelling unit
15 revolving fund, but not the rental housing revolving fund.

16 The legislature further finds that the tax-exempt general
17 obligation bond proceeds in the rental housing revolving fund



1 could be utilized if the funds were transferred to the dwelling
2 unit revolving fund.

3 Therefore, the purpose of this part is to transfer
4 tax-exempt general obligation bond funds from the rental housing
5 revolving fund to the dwelling unit revolving fund.

6 SECTION 2. The director of finance is authorized to
7 transfer tax-exempt general obligation bond proceeds and the
8 interest that has accrued thereon from the rental housing
9 revolving fund to the dwelling unit revolving fund in an amount
10 not to exceed \$45,000,000 for fiscal year 2022-2023.

11 PART II

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$300,000,000 or so
14 much thereof as may be necessary for fiscal year 2022-2023 to be
15 deposited into the rental housing revolving fund established in
16 section 201H-202, Hawaii Revised Statutes.

17 SECTION 4. There is appropriated out of the rental housing
18 revolving fund the sum of \$300,000,000 or so much thereof as may
19 be necessary for fiscal year 2022-2023 for the purposes of this
20 part; provided that up to \$150,000,000 may be used for mixed-
21 income rental projects or units in mixed-income rental projects



1 targeted for individuals and families with incomes above sixty
2 and at or below one hundred per cent of the median family income
3 for the State of Hawaii.

4 The sum appropriated shall be expended by the Hawaii
5 housing finance and development corporation for the purposes of
6 this part; provided that the appropriation shall not lapse at
7 the end of the fiscal year for which the appropriation is made;
8 provided further that any moneys not awarded as of June 30,
9 2023, may be used for other rental housing projects pursuant to
10 paragraph 201H-202(e)(1), Hawaii Revised Statutes; provided
11 further that all moneys from the appropriation that are
12 unallotted as of June 30, 2024, shall lapse on that date.

13 PART III

14 SECTION 5. Section 201H-202, Hawaii Revised Statutes, is
15 amended by amending subsections (b) and (c) to read as follows:

16 "(b) An amount from the fund, to be set by the corporation
17 and authorized by the legislature, may be used for
18 administrative expenses incurred by the corporation in
19 administering the [~~fund~~] corporation's housing finance
20 programs; provided that fund moneys [~~may~~] shall not be used to



1 finance day-to-day administrative expenses of projects allotted
2 fund moneys.

3 (c) The following may be deposited into the fund:
4 appropriations made by the legislature, conveyance taxes
5 pursuant to section 247-7, private contributions, repayment of
6 loans, interest, other returns, and moneys from other sources."

7 PART IV

8 SECTION 6. There is established two full-time equivalent
9 (2.0 FTE) housing finance specialist I positions (BED160HF)
10 within the Hawaii housing finance and development corporation.

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$1,594,000 or so much
13 thereof as may be necessary for fiscal year 2022-2023 for
14 computer software and hardware; information technology
15 improvements; videoconferencing improvements; and scanning and
16 digitization equipment, services, and warranties.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the purposes of
19 this part.

20 PART V



1 (2) The appropriations made in this Act meet the needs
2 addressed by this Act.

3 SECTION 10. If any provision of this Act, or the
4 application thereof to any person or circumstance, is held
5 invalid, the invalidity does not affect other provisions or
6 applications of the Act that can be given effect without the
7 invalid provision or application, and to this end the provisions
8 of this Act are severable.

9 SECTION 11. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 12. This Act shall take effect on July 1, 2022.



Report Title:

State Funds; Rental Housing Revolving Fund; Dwelling Unit Revolving Fund; Housing Finance Programs; HHFDC; Appropriation

Description:

Authorizes the transfer of excess funds from the Rental Housing Revolving Fund to the Dwelling Unit Revolving Fund. Appropriates funds into and out of the Rental Housing Revolving Fund. Provides that the Rental Housing Revolving Fund may be used for the HHFDC's housing finance programs. Establishes two full-time equivalent (2.0 FTE) housing finance specialist positions. Appropriates funds to the HHFDC for computer software and hardware; information technology improvements; videoconferencing improvements; and scanning and digitization equipment, services, and warranties. Provides that part of the funds appropriated for disease outbreak control are to be expended for the procurement of rapid antigen tests to detect coronavirus disease 2019. (CD2)

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