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# A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

PART I

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

The legislature further finds that the tax-exempt general 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 \$ for fiscal year 2022-2023.

11 PART II

12 SECTION 3. Section 201H-202, Hawaii Revised Statutes, is  
13 amended by amending subsections (b) and (c) to read as follows:

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



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

## PART III

SECTION 4. There is established two full-time equivalent  
(2.0 FTE) housing finance specialist I positions (BED160HF)  
within the Hawaii housing finance and development corporation.

SECTION 5. There is appropriated out of the general  
revenues of the State of Hawaii the sum of \$ or so  
much thereof as may be necessary for fiscal year 2022-2023 for  
computer software and hardware; information technology  
improvements; videoconferencing improvements; and scanning and  
digitization equipment, services, and warranties.

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

## PART IV

SECTION 6. Statutory material to be repealed is bracketed  
and stricken. New statutory material is underscored.

SECTION 7. 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. 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. (HD1)

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