Honolulu, Hawaii

FEB 15 ' 2022

RE: H.B. No. 2080 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2080 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize the transfer of excess tax-exempt general obligation bond proceeds and accrued interest from the Rental Housing Revolving Fund to the Dwelling Unit Revolving Fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation.

Your Committee finds that tax-exempt funds cannot be used to finance 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 be only one tax-exempt financing source per project. However, under United States Treasury regulations, tax-exempt bonds proceeds can be used for public infrastructure projects. Your Committee notes that 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. Your Committee further finds that

this measure will enable the Hawaii Housing Finance and Development Corporation to make expedient use of existing Rental Housing Revolving Fund balances for priority public infrastructure projects statewide.

Your Committee has amended this measure by:

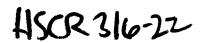
- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2080, H.D. 1, and be referred to your Committee on Finance.

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

Madine K. Nakamura, Chair

State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Housing

	e Referral:	Date:	2 10/2	2_
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKAMURA, Nadine K. (C)				
	<u> </u>			
2. HASHIMOTO, Troy N. (VC)			-september 1987 television	
3. AQUINO, Henry J.C.				
4. CLARK, Linda				
5 WAGAN GARAGE				
5. ILAGAN, Greggor				
6. KITAGAWA, Lisa				
U. KITAGAWA, Lisa				
7. LoPRESTI, Matthew S.				
8. TAKUMI, Roy M.	~			
9. McDERMOTT, Bob		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
	<u> </u>			
				-
TOTAL (9)	8	0	0	1
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s) Committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				