

STAND. COM. REP. NO. 1956

Honolulu, Hawaii

APR 21 2023

RE: H.C.R. No. 179

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.C.R. No. 179 entitled:

"HOUSE CONCURRENT RESOLUTION REAFFIRMING THE COMMITMENT TO INCREASE THE STATE'S AFFORDABLE HOUSING STOCK BY NOT ALLOCATING SPECIAL PURPOSE REVENUE BONDS AND DISCOURAGING THE USE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to reaffirm the Legislature's commitment to increase the State's affordable housing stock by not allocating special purpose revenue bonds and discouraging the use of special purpose revenue bonds.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Affordable Housing Connections, LLC.

Your Committee finds that the State is facing a housing shortage and it must support and facilitate the production and maintenance of available affordable housing. Your Committee recognizes that, while Low-Income Housing Tax Credits are not subject to a volume cap, they must be used in conjunction with private activity bond financing. Your Committee further recognizes that the combination of federal and state Low-Income Housing Tax Credits and private activity bonds allows developers to feasibly build rental housing projects for households at or below sixty percent of the area median income. Additionally,



private activity bonds, which are capped by the federal government each year, have been the primary financing source of affordable housing. While special purpose revenue bonds (SPRBs) have no cap, some are subject to the private activity bond volume cap, which can divert much needed private activity bond financing and hinder the ability of developers to build affordable housing projects in the State. In recognition of this situation, the Legislature enacted Act 182, Session Laws of Hawaii 2022, which establishes a moratorium on the issuance of SPRBs, unless requested by the Governor. This measure seeks to reaffirm the Legislature's commitment to allow the maximum amount of private activity bonds to be used to address the State's ongoing housing crisis.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, and recommends its adoption.

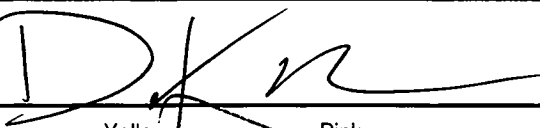
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:			
HCR 179	HOU	04/18/2023			
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____					
The Recommendation is:					
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310			
<input type="checkbox"/> Recommit 2313					
Members	Aye	Aye (WR)	Nay	Excused	
CHANG, Stanley (C)	✓				
KANUHA, Dru Mamo (VC)	✓				
AQUINO, Henry J.C.	✓				
RHOADS, Karl	✓				
AWA, Brenton	✓				
TOTAL	5				
Recommendation:					
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
Chair's or Designee's Signature:					
					
Distribution:					
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy		

*Only one measure per Record of Votes