

STAND. COM. REP. NO.

1605

Honolulu, Hawaii

MAR 28 , 2023

RE: H.R. No. 184

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.R. No. 184  
entitled:

"HOUSE 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 of this measure is to reaffirm 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.

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

Your Committee finds that special purpose revenue bonds allow  
non-governmental entities serving a public purpose to use the name  
of the State to sell bonds whose interests are exempt from federal  
and state taxation. Your Committee further finds that while there  
is no aggregate ceiling on the amount of special purposes revenue  
bonds that the State can issue, private activity bonds, which are  
used in conjunction with the Low-Income Housing Tax Credits  
Program, have a volume cap that is determined by the Internal  
Revenue Service each year. Your Committee notes that even though  
special purpose revenue bonds have no cap, some are subject to the

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private activity bond volume cap, hindering the State's ability to build affordable housing. In recognition that certain special purpose revenue bonds can divert much needed private activity bonds that can address the State's housing crisis, the Legislature enacted Act 182, Session Laws of Hawaii 2022, which, among other things, established a moratorium on the issuance of special purpose revenue bonds unless requested by the Governor. Your Committee believes that it is important to reaffirm the State's commitment to build more affordable housing by not issuing special purposes revenue bonds as a reminder of the severe housing crisis the State is experiencing.

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.R. No. 184 and recommends that it be referred to your Committee on Finance.

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



TROY N. HASHIMOTO, Chair



