

STAND. COM. REP. NO.

1639

Honolulu, Hawaii

APR 04 2023

RE: S.C.R. No. 151

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 S.C.R. No. 151 entitled:

"SENATE 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 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 received comments on this measure from one individual.

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 the four percent low-income housing tax credit is not subject to a volume cap, it 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, the Internal Revenue Service restricts the amount of certain private activity bonds that can be issued within a state during a calendar year. 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 S.C.R. No. 151 and recommends its adoption.

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

  
STANLEY CHANG, Chair



