
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

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

15 The legislature further finds that the tax-exempt general
16 obligation bond proceeds in the rental housing revolving fund



1 can be utilized if the funds are transferred to the dwelling
2 unit revolving fund.

3 Therefore, the purpose of this Act is to transfer tax-
4 exempt general obligation bond funds from the rental housing
5 revolving fund to the dwelling unit revolving fund for the
6 purposes of the dwelling unit revolving fund.

7 SECTION 2. The director of finance is authorized to
8 transfer tax-exempt general obligation bond proceeds and accrued
9 interest from the rental housing revolving fund to the dwelling
10 unit revolving fund up to the sum of \$ for fiscal year
11 2022-2023.

12 SECTION 3. This Act shall take effect on July 1, 2050.

13



Report Title:

State Funds; Rental Housing Revolving Fund; Dwelling Unit
Revolving Fund

Description:

Authorizes the transfer of excess tax-exempt general obligation
bond proceeds from the rental housing revolving fund to the
dwelling unit revolving fund. Effective 7/1/2050. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

