
SENATE CONCURRENT RESOLUTION

URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO
ADOPT ADMINISTRATIVE RULES TO PROHIBIT RENTAL HOUSING
REVOLVING FUND LOAN FORGIVENESS UNLESS THE CORPORATION
REPOSSESSES THE PROJECT.

1 WHEREAS, the State's Rental Housing Revolving Fund (RHRF)
2 provides equity gap low-interest loans to qualified developers
3 constructing affordable housing units; and
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5 WHEREAS, the RHRF is funded by state taxpayers, namely
6 revenues from the conveyance tax and from general appropriations
7 made by the Legislature; and
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9 WHEREAS, these loans are very long-term (fifty-five years)
10 and low-interest (0.25 percent); and
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12 WHEREAS, repayment does not begin until after senior debt
13 has been fully repaid, often in year thirty-one; and
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15 WHEREAS, developers may refinance RHRF debt from private
16 sector banks, repaying the RHRF early, but rarely do so because
17 they have no incentive to; and
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19 WHEREAS, the Hawaii Housing Finance and Development
20 Corporation (HHFDC) may reduce the developer's RHRF debt service
21 payments if justified by the project's low cashflow; and
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23 WHEREAS, HHFDC is permitted to forgive any remaining RHRF
24 debt; and
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26 WHEREAS, affordable housing developers have no incentive to
27 repay RHRF loans in full; and
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29 WHEREAS, most RHRF housing is only temporarily affordable,
30 and their owners are free to evict low-income tenants and rent



1 or sell their projects to the highest bidder after affordability
2 restrictions expire; and

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4 WHEREAS, over fourteen thousand units of affordable housing
5 will expire by the year 2100, many of which were subsidized by
6 RHRF loans; and

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8 WHEREAS, RHRF loan terms are commercially unreasonable, and
9 state taxpayers deserve a better deal; and

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11 WHEREAS, forgiving RHRF loans to private developers amounts
12 to a free gift of taxpayer funds to private entities; and

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14 WHEREAS, full repayment of these loans will enable the RHRF
15 to create more housing in the future; now, therefore,

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17 BE IT RESOLVED by the Senate of the Thirty-second
18 Legislature of the State of Hawaii, Regular Session of 2024, the
19 House of Representatives concurring, that the Hawaii Housing
20 Finance and Development Corporation is urged to adopt
21 administrative rules that prohibit Rental Housing Revolving Fund
22 loan forgiveness unless the Corporation repossesses the project;
23 and

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25 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
26 Development Corporation is urged to prohibit the issuance of
27 grants from the Rental Housing Revolving Fund; and

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29 BE IT FURTHER RESOLVED that a certified copy of this
30 Concurrent Resolution be transmitted to the Executive Director
31 of the Hawaii Housing Finance and Development Corporation, who
32 is requested to transmit a copy to each member of the Board of
33 Directors of the Hawaii Housing Finance and Development
34 Corporation.

