

MAR 10 2017

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## SENATE RESOLUTION

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URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO  
WORK WITH HOUSING STAKEHOLDERS AND OTHER STATE AND COUNTY  
AGENCIES TO EVALUATE AND UPDATE THE RENTAL HOUSING  
REVOLVING FUND PROGRAM'S POLICIES AND PROCEDURES AND  
REINSTATE THE PREDEVELOPMENT LOAN PROGRAM.

1 WHEREAS, the lack of affordable housing has been one of  
2 Hawaii's most significant and challenging social problems, with  
3 home prices and rental costs for Hawaii's residents continuing  
4 to escalate; and

5  
6 WHEREAS, a shortage of affordable workforce housing  
7 compounds the problem of traffic congestion, as growing numbers  
8 of families are unable to find reasonably priced housing near  
9 their workplaces; and

10  
11 WHEREAS, increased construction of affordable workforce  
12 housing supports the State of Hawaii's goals to address Hawaii's  
13 affordable housing crisis; and

14  
15 WHEREAS, projections of Hawaii's housing needs indicate the  
16 need for 64,000 new housing units by 2025, of which 22,200 units  
17 will need to be rental units; and

18  
19 WHEREAS, Act 127, Session Laws of Hawaii 2016, was enacted  
20 to address the need for 64,700 new housing units with the goal  
21 to build 22,247 residential rental units by 2026; and

22  
23 WHEREAS, the Hawaii Housing Finance and Development  
24 Corporation is responsible for developing, funding, and  
25 approving affordable housing projects in the State of Hawaii and  
26 administers the rental housing revolving fund program, low-  
27 income housing tax credit program, hula mae multi-family tax-  
28 exempt bond program, dwelling unit revolving fund, and 201H  
29 development assistance program; and

30  
31 WHEREAS, the rental housing revolving fund program provides  
32 "equity gap" low-interest loans or grants to qualified owners  
33 and developers constructing affordable housing units for the



1 development, pre-development, construction, acquisition,  
2 preservation, and substantial rehabilitation of rental housing  
3 units; and  
4

5 WHEREAS, eligible applicants of the rental housing  
6 revolving fund include qualified non-profit and for-profit  
7 corporations, limited liability companies and partnerships, and  
8 government agencies, and all awards from the fund are made  
9 competitively and subject to the availability of funds; and  
10

11 WHEREAS, the Hawaii Housing Finance and Development  
12 Corporation accepts applications, and awards loans and grants  
13 from the rental housing revolving fund once annually; and  
14

15 WHEREAS, non-profit and for-profit developers, construction  
16 industry stakeholders, and community housing stakeholders have  
17 requested an evaluation of the policies and procedures of the  
18 administration of the rental housing revolving fund; and  
19

20 WHEREAS, the rental housing revolving fund had an  
21 approximate cash balance of \$126,000,000, and outstanding  
22 commitments totaling approximately \$95,000,000, as of June 30,  
23 2016; and  
24

25 WHEREAS, the Hawaii Housing Finance and Development  
26 Corporation also administers a predevelopment loan program,  
27 which is temporarily suspended, that provides loans for  
28 predevelopment activities that include but are not limited to:  
29 staff and administrative costs; rent; legal fees; preliminary  
30 site acquisition costs; consultant fees for preliminary studies;  
31 feasibility studies; planning; design; and environmental studies  
32 that must be attributed to a specific housing project; and  
33

34 WHEREAS, it is in the interest of the State of Hawaii's  
35 commitment to building affordable housing units to ensure that  
36 existing housing programs are meeting the needs and demands of  
37 those who take on the task and associated risks of developing  
38 housing; now, therefore,  
39

40 BE IT RESOLVED by the Senate of the Twenty-ninth  
41 Legislature of the State of Hawaii, Regular Session of 2017,  
42 that the Hawaii Housing Finance and Development Corporation is



1 urged to work with housing stakeholders and other state and  
2 county agencies to evaluate and update its policies and  
3 procedures with respect to its administration of the rental  
4 housing revolving fund program; and

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6 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and  
7 Development Corporation is requested to evaluate and, if  
8 necessary, revise the following:

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10 (1) The timeframe, as well as procedures, to address  
11 outstanding award commitment funds that have not been  
12 used by developers in a timely manner and how the use  
13 of such funds could be made available to other  
14 applicants;

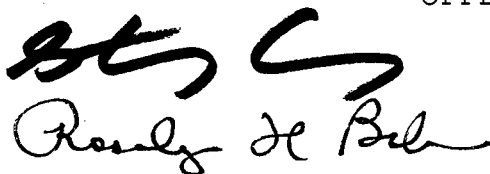
15  
16 (2) The feasibility of establishing a minimum of three  
17 rounds of awards from the fund annually; and




18  
19 (3) Streamlining and simplifying the application packet  
20 and requirements; and

21  
22 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and  
23 Development Corporation is urged to reinstate its predevelopment  
24 loan program, subject to available funds, to assist developers  
25 in financing the cost of developing affordable rental housing;  
26 and

27  
28 BE IT FURTHER RESOLVED that certified copies of this  
29 Resolution be transmitted to the Governor, Executive Director of  
30 the Hawaii Housing Finance and Development Corporation,  
31 Executive Director of the Hawaii Community Development  
32 Authority, Director of the Office of Planning, and Chairperson  
33 of the Special Action Team on Affordable Rental Housing  
34 established pursuant to Act 127, Session Laws of Hawaii 2016.

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OFFERED BY:

  
Randy H. Bell



S.R. NO. 65

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