

STAND. COM. REP. NO.

2146

Honolulu, Hawaii

FEB 11 2026

RE: S.B. No. 2060  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.  
No. 2060 entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL HOUSING REVOLVING  
FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Housing Finance and Development Corporation, with the approval of the Director of Finance, to transfer moneys between the Rental Housing Revolving Fund and its subaccounts without legislative authorization;
- (2) Authorize the Director of Finance to transfer moneys from the Rental Housing Revolving Fund to its Mixed-Income Subaccount for fiscal year 2026-2027; and
- (3) Appropriate funds.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawai'i, Housing Hawai'i's Future, ROAR & CARES, and Holomua Collaborative.



Your Committee finds that workforce housing is an essential component of the State's housing supply. The Rental Housing Revolving Fund Mixed-Income Subaccount is a dedicated source of funds that exists to support the State's construction of workforce housing through mixed-income developments. In addition to the funds required to continue the development of mixed-income housing, the Hawaii Housing Finance and Development Corporation also needs greater flexibility to deploy funds when and where demand is greatest.

Your Committee further finds that funds in the Rental Housing Revolving Fund could be more effectively deployed by:

- (1) Authorizing the use of funds for any and all forms of financing in addition to loans;
- (2) Prioritizing funds to projects that have perpetual affordability commitments and projects proposed by applicants with a demonstrated history of early repayment to the Fund; and
- (3) Requiring that loans supported by the Rental Housing Revolving Fund be reviewed and renegotiated under certain conditions.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing the Rental Housing Revolving Fund and the Mixed-Income Subaccount to be used to provide any and all forms of financing;
- (2) Requiring the Hawaii Housing Finance and Development Corporation to give preference to certain projects with perpetual affordability commitments and to applicants with a demonstrated history of early repayment to the Rental Housing Revolving Fund;
- (3) Requiring Rental Housing Revolving Fund loans applied for or awarded after December 31, 2026, to be subject to review and renegotiation when any mortgage debt to which the loan is subordinate is refinanced or retired; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2060, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
STANLEY CHANG, Chair



