

STAND. COM. REP. NO.

3445

Honolulu, Hawaii

APR 07 2026

RE: S.R. No. 45

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.R. No. 45
entitled:

"SENATE RESOLUTION SUPPORTING THE USE OF THE DWELLING UNIT
REVOLVING FUND TO FUND PREDEVELOPMENT COSTS FOR ANY
GOVERNMENT AFFORDABLE HOUSING DEVELOPMENT PROJECT THROUGH
INTERIM LOANS TO EXPEDITE THE DELIVERY OF AFFORDABLE HOUSING
TO HAWAII'S RESIDENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to support the use
of the Dwelling Unit Revolving Fund to fund predevelopment costs
for any government affordable housing development project through
interim loans to expedite the delivery of affordable housing to
Hawaii's residents.

Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation and
Office of Planning and Sustainable Development.

Your Committee finds that predevelopment is one of the most
critical and financially risky stages of housing production.
Before a project can move toward production, government agencies
and developers must complete a list of technical and regulatory
tasks, including site analyses, environmental assessments,
conceptual and construction drawings, and preparation of permit
and financing applications. These steps are essential but costly,
and failure at any point may halt a project entirely.



Your Committee further finds that, historically, the Hawaii Housing Finance and Development Corporation has only used the Dwelling Unit Revolving Fund for predevelopment financing for projects it directly owns or administers, due to the high risk of non-recoupment of loans during the predevelopment phase. However, affordable housing developments today depend on a broad network of state, county, and non-profit partners. This measure recognizes that providing interim predevelopment loans through the Dwelling Unit Revolving Fund can accelerate the delivery of affordable housing for the State's residents.

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.R. No. 45 and recommends its adoption.

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


STANLEY CHANG, Chair



