

MAR 10 2017

SENATE CONCURRENT RESOLUTION

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

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1 WHEREAS, the rental housing revolving fund program provides
2 "equity gap" low-interest loans or grants to qualified owners
3 and developers constructing affordable housing units for the
4 development, pre-development, construction, acquisition,
5 preservation, and substantial rehabilitation of rental housing
6 units; and
7

8 WHEREAS, eligible applicants of the rental housing
9 revolving fund include qualified non-profit and for-profit
10 corporations, limited liability companies and partnerships, and
11 government agencies, and all awards from the fund are made
12 competitively and subject to the availability of funds; and
13

14 WHEREAS, the Hawaii Housing Finance and Development
15 Corporation accepts applications, and awards loans and grants
16 from the rental housing revolving fund once annually; and
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18 WHEREAS, non-profit and for-profit developers, construction
19 industry stakeholders, and community housing stakeholders have
20 requested an evaluation of the policies and procedures of the
21 administration of the rental housing revolving fund; and
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23 WHEREAS, the rental housing revolving fund had an
24 approximate cash balance of \$126,000,000, and outstanding
25 commitments totaling approximately \$95,000,000, as of June 30,
26 2016; and
27

28 WHEREAS, the Hawaii Housing Finance and Development
29 Corporation also administers a predevelopment loan program,
30 which is temporarily suspended, that provides loans for
31 predevelopment activities that include but are not limited to:
32 staff and administrative costs; rent; legal fees; preliminary
33 site acquisition costs; consultant fees for preliminary studies;
34 feasibility studies; planning; design; and environmental studies
35 that must be attributed to a specific housing project; and
36

37 WHEREAS, it is in the interest of the State of Hawaii's
38 commitment to building affordable housing units to ensure that
39 existing housing programs are meeting the needs and demands of
40 those who take on the task and associated risks of developing
41 housing; now, therefore,
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1 BE IT RESOLVED by the Senate of the Twenty-ninth
2 Legislature of the State of Hawaii, Regular Session of 2017, the
3 House of Representatives concurring, that the Hawaii Housing
4 Finance and Development Corporation is urged to work with
5 housing stakeholders and other state and county agencies to
6 evaluate and update its policies and procedures with respect to
7 its administration of the rental housing revolving fund program;
8 and

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10 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
11 Development Corporation is requested to evaluate and, if
12 necessary, revise the following:

- 13
- 14 (1) The timeframe, as well as procedures, to address
15 outstanding award commitment funds that have not been
16 used by developers in a timely manner and how the use
17 of such funds could be made available to other
18 applicants;
 - 19
20 (2) The feasibility of establishing a minimum of three
21 rounds of awards from the fund annually; and
 - 22
23 (3) Streamlining and simplifying the application packet
24 and requirements; and
- 25

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

31
32 BE IT FURTHER RESOLVED that certified copies of this
33 Concurrent Resolution be transmitted to the Governor, Executive
34 Director of the Hawaii Housing Finance and Development
35 Corporation, Executive Director of the Hawaii Community
36 Development Authority, Director of the Office of Planning, and
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1 Chairperson of the Special Action Team on Affordable Rental
2 Housing established pursuant to Act 127, Session Laws of Hawaii
3 2016.
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OFFERED BY: Will Eyo

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