

MAR 10 2023

SENATE RESOLUTION

URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO
PRIORITIZE THE ALLOCATION OF FUNDS FROM THE RENTAL HOUSING
REVOLVING FUND AND DWELLING UNIT REVOLVING FUND TO BE USED
TO ENHANCE CREDIT AND GUARANTEE AND INSURE LOANS THAT
PRIVATE FINANCIAL INSTITUTIONS MAKE TO DEVELOPERS OF
HOUSING THAT IS EXCLUSIVELY FOR HAWAII RESIDENTS WHO ARE
OWNER- OR RENTER-OCCUPANTS AND WHO OWN NO OTHER REAL
PROPERTY.

1 WHEREAS, the State is experiencing a severe housing crisis
2 and innovative and unique solutions are needed to increase the
3 supply of housing in the State; and
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5 WHEREAS, most developers of affordable rental housing
6 projects rely on federal and state low-income housing tax
7 credits, which only represent a fraction of the total
8 development costs for a project; and
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10 WHEREAS, developers that utilize low-income housing tax
11 credits are required to rent the units to households making a
12 certain percentage of the area median income, which can further
13 affect a developer's ability to obtain long-term private loans
14 for additional development costs, due to limited projected cash-
15 flow; and
16

17 WHEREAS, the remaining "gap" in costs for developers to
18 build affordable rental housing units hinders the rate of
19 development in the State, which is further slowed during times
20 when borrowing power is more limited due to high interest rates;
21 and
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23 WHEREAS, the Rental Housing Revolving Fund, which is funded
24 in part by the real estate conveyance tax and administered by
25 the Hawaii Housing Finance and Development Corporation, provides
26 "equity gap" low-interest loans or grants to qualified owners
27 and developers for the development, construction, acquisition,



1 preservation, and substantial rehabilitation of affordable
2 housing and rental housing units; and
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4 WHEREAS, the Dwelling Unit Revolving Fund is also a fund
5 administered by the Hawaii Housing Finance and Development
6 Corporation to provide loans or grants for the acquisition of
7 real property; development and construction of residential,
8 commercial, and industrial properties; interim and permanent
9 loans to developers; and all things necessary to carry out the
10 purposes of the Housing Development Program, including
11 administrative expenses; and
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13 WHEREAS, utilizing the Rental Housing Revolving Fund and
14 the Dwelling Unit Revolving Fund to enhance credit and guarantee
15 and insure loans that private financial institutions make to
16 developers of affordable housing would enable the State to
17 create much more affordable housing units for the same amounts
18 appropriated to these funds; now, therefore,
19

20 BE IT RESOLVED by the Senate of the Thirty-second
21 Legislature of the State of Hawaii, Regular Session of 2023,
22 that the Hawaii Housing Finance and Development Corporation is
23 urged to prioritize the allocation of funds from the Rental
24 Housing Revolving Fund and Dwelling Unit Revolving Fund to be
25 used to enhance credit and guarantee and insure loans that
26 private financial institutions make to developers of housing
27 that is exclusively for Hawaii residents who are owner- or
28 renter-occupants and who own no other real property; and
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30 BE IT FURTHER RESOLVED that a certified copy of this
31 Resolution be transmitted to the Executive Director of the
32 Hawaii Housing Finance and Development Corporation.
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OFFERED BY: _____

