

STAND. COM. REP. NO. **3385**

Honolulu, Hawaii

**MAR 28 2024**

RE: S.R. No. 31  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.R. No. 31 entitled:

"SENATE RESOLUTION URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO AMEND THE PRIORITY FOR WHICH LOW-INCOME HOUSING TAX CREDITS ARE ALLOCATED AND MONEYS IN THE RENTAL HOUSING REVOLVING FUND ARE USED AND TO ADOPT CERTAIN ADMINISTRATIVE RULES THAT INCENTIVIZE THE DEVELOPMENT OF AFFORDABLE HOUSING IN THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to amend the priority for which low-income housing tax credits are allocated and moneys in the Rental Housing Revolving Fund are used and to adopt certain administrative rules that incentivize the development of affordable housing in the state.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the federal Low-Income Housing Tax Credit (LIHTC) Program is intended to encourage the construction or rehabilitation of low-income rental units. The State also



created its own LIHTC, which is equal to fifty percent of the federal LIHTC allocated to a project, and the Hawaii Housing Finance and Development Corporation (HHFDC) is the designated agency responsible for the administration of both the federal and state LIHTC programs. Your Committee also finds that HHFDC's Qualified Allocation Plan (QAP) sets forth the criteria to evaluate and allocate LIHTC to projects and the procedures to monitor compliance with the provisions of the LIHTC Program. Your Committee finds, however, that existing LIHTC incentives do not reflect policies that will ensure the State can successfully address its ongoing housing shortage or best utilize tax payer funds. Therefore, this measure urges HHFDC to incentivize and prioritize certain projects to maximize benefits of the LIHTC program.

Your Committee has amended this measure by:

- (1) Deleting duplicative language that would have urged HHFDC to prioritize providing loans or grants for rental housing projects that have been awarded LIHTC and that meet certain criteria;
- (2) Clarifying references to HHFDC's Qualified Allocation Plan for consistency; and
- (3) Requesting that certified copies of this measure be sent to all members of the Board of Directors of HHFDC rather than just its Chairperson.

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. 31, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 31, S.D. 1.

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

  
STANLEY CHANG, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SR 31</b>	Committee Referral: <b>HOU</b>	Date: <b>3/21/24</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.				—
KANUHA, Dru Mamo	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes