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STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 22, 2022 at 10:00 a.m.
State Capitol, Room 423

In consideration of

H.R. 104

**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO COMBAT HOSTILE AND HARMFUL ACTIONS BY PROFIT-DRIVEN INVESTORS
AND AGGREGATORS PARTICIPATING IN THE STATE'S LOW-INCOME HOUSING
TAX CREDIT (LIHTC) PROGRAM.**

HHFDC offers comments on H.C.R. 108. HHFDC recognizes the concern related to aggregators blocking the right of first refusal to nonprofit organizations participating in the LIHTC Program.

The problem this resolution seeks to address will not be resolved by further amendments to the Qualified Allocation Plan (QAP).

The current QAP already addresses this concern. The current point system discourages applicants from electing the qualified contract (QC) provision allowed under the Internal Revenue Code (IRC). Any applicant that does not waive their right to a QC loses 20 points, the highest scoring item on the criteria list.

LIHTC awards are made in accordance with the QAP, which promotes efficient use of government resources. The current QAP applies to requests for financing in 2022 and 2023.

A new QAP is prepared once every two years due to the process involved for revising the QAP. This is because staff needs to hold meetings with housing stakeholders to gather input and work on revising the QAP during the second year.

Thank you for the opportunity to testify.