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## HOUSE CONCURRENT RESOLUTION

URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING TAX CREDIT PROGRAM.

WHEREAS, supportive housing combines affordable housing 2 with access to services to help special needs populations live more stable and productive lives; and

WHEREAS, supportive housing has been demonstrated to decrease high use of emergency services and public systems, generating significant cost savings to taxpayers; and

WHEREAS, according to studies from the Hawaii Pathways Project and City and County of Honolulu's Housing First Program, supportive housing not only benefited individuals with improved housing retention, health, and quality of life but also lowered crime rates and reduced burdens and costs on already stretched public systems; and

WHEREAS, the Low-Income Housing Tax Credit Program is a major financing tool for the construction or rehabilitation of low-income rental units; and

WHEREAS, as the State's Low-Income Housing Tax Credit administrator, the Hawaii Housing Finance and Development Corporation developed a Qualified Allocation Plan, which sets forth criteria to evaluate and allocate the Low-Income Housing Tax Credit to projects that meet the housing needs of Hawaii residents; and

WHEREAS, the Qualified Allocation Plan uses a point system to rank projects based on the established evaluation criteria, and up to two points are provided to projects that serve tenants with special housing needs; and

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WHEREAS, however, occupancy of these special needs housing units is restricted to special needs tenants for the duration of the committed affordability period, which often extends beyond the Low-Income Housing Tax Credit compliance period; and

WHEREAS, moreover, special needs housing units must be occupied at all times by a special needs tenant and must remain vacant until a special needs tenant occupies the unit, regardless of whether there is a waitlist for the project for the other remaining units; and

WHEREAS, given the dearth of supportive housing units in Low-Income Housing Tax Credit projects, these restrictions appear to hinder the provision of low-rent housing for special needs populations; and

WHEREAS, amending the Qualified Allocation Plan could reduce development risks and encourage developers to build supportive housing; and

WHEREAS, the Qualified Allocation Plan could be amended to allow:

(1) Developers to exert their best efforts to restrict the supportive housing units for special needs tenants for the duration of the committed affordability period or Low-Income Housing Tax Credit compliance period; and

(2) For the application of a vacant-unit rule that would allow developers to rent a supportive housing unit to an income-eligible tenant after making reasonable attempts to rent the unit, or the next available unit, to a special needs tenant; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, the Senate concurring, that the Hawaii Housing Finance and Development Corporation is urged to promote supportive housing in the State's Low-Income Housing Tax Credit Program; and

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BE IT FURTHER RESOLVED that the Hawaii Housing Finance and Development Corporation is urged to amend the 2025-2026 Qualified Allocation Plan for the Low-Income Housing Tax Credit Program to facilitate supportive housing development; and

BE IT FURTHER RESOLVED that certified copies of this
Concurrent Resolution be transmitted to the Chairperson of the
Board of Directors and Executive Director of the Hawaii Housing
Finance and Development Corporation.