HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

H.R. NO. **140**

HOUSE RESOLUTION

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

1 WHEREAS, supportive housing combines affordable housing 2 with access to services to help special-needs populations live 3 more stable and productive lives; and 4 5 WHEREAS, supportive housing has been demonstrated to 6 decrease high use of emergency services and public systems, generating significant cost savings to taxpayers; and 7 8 9 WHEREAS, according to studies from the Hawaii Pathways Project and City and County of Honolulu's Housing First Program, 10 supportive housing not only benefited individuals with improved 11 housing retention, health, and quality of life but also lowered 12 13 crime rates and reduced burdens and costs on already stretched 14 public systems; and 15 16 WHEREAS, the low-income housing tax credit program is a 17 major financing tool for the construction or rehabilitation of 18 low-income rental units; and 19 20 WHEREAS, as the State's low-income housing tax credit administrator, the Hawaii Housing Finance and Development 21 22 Corporation developed a Qualified Allocation Plan, which sets 23 forth criteria to evaluate and allocate the low-income housing 24 tax credit to projects that meet the housing needs of the people of the State; and 25 26 27 WHEREAS, the Qualified Allocation Plan uses a point system to rank projects based on the established evaluation criteria, 28 29 and up to two points are provided to projects that serve tenants 30 with special housing needs; and 31

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WHEREAS, however, occupancy of these special-needs housing 1 units is restricted to special-needs tenants for the duration of 2 3 the committed affordability period, which often extends beyond 4 the low-income housing tax credit compliance period; and 5 6 WHEREAS, moreover, special-needs housing units must be 7 occupied at all times by a special-needs tenant and must remain vacant until a special-needs tenant occupies the unit, 8 9 regardless of whether there is a waitlist for the project for 10 the other remaining units; and 11 12 WHEREAS, given the dearth of supportive housing units in 13 low-income housing tax credit projects, these restrictions 14 appear to hinder the provision of low-rent housing for specialneeds populations; and 15 16 17 WHEREAS, amending the Qualified Allocation Plan could 18 reduce development risks and encourage developers to build 19 supportive housing; and 20 WHEREAS, the Qualified Allocation Plan could be amended to 21 22 allow: 23 24 (1)Developers to exert their best efforts to restrict the 25 supportive housing units for special-needs tenants for 26 the duration of the committed affordability period or 27 low-income housing tax credit compliance period; and 28 29 (2) For the application of a vacant-unit rule that would 30 allow developers to rent a supportive housing unit to an income-eligible tenant after making reasonable 31 32 attempts to rent the unit, or the next available unit, 33 to a special-needs tenant; now, therefore, 34 35 BE IT RESOLVED by the House of Representatives of the 36 Thirty-second Legislature of the State of Hawaii, Regular 37 Session of 2023, that the Hawaii Housing Finance and Development Corporation is urged to promote supportive housing in the 38 39 State's low-income housing tax credit program; and 40 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and 41 42 Development Corporation is urged to amend the 2023-2024 Qualified

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1 Application Plan for the low-income housing tax credit program to facilitate supportive housing development; and 2 3 4

BE IT FURTHER RESOLVED that certified copies of this 5 Resolution be transmitted to the Chairperson of the Board of Directors and Executive Director of the Hawaii Housing Finance 6 7 and Development Corporation.

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OFFERED BY: Multi K. Multi

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