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Statement of
DELMOND WON
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

March 30, 2023 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.C.R. 54/ S.R. 49
**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING
TAX CREDIT PROGRAM.**

HHFDC recognizes that homelessness is a longstanding statewide issue and supports state and county efforts to provide the unsheltered homeless with housing and related services. Furthermore, HHFDC agrees that supportive housing is an innovative solution to house special needs populations, which includes the chronically homeless, individuals with disabilities, transitioning from incarceration, and those suffering from substance abuse.

HHFDC offers the following comments on S.C.R. 54/ S.R. 49, which urges HHFDC to amend the 2023-2024 Qualified Allocation Plan (QAP) for LIHTC to facilitate supportive housing development by allowing 1) developers to restrict the supportive housing units for special needs tenants for the duration of the committed affordability period/ LIHTC 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.

It is too late to amend the 2023-2024 QAP. In January, HHFDC convened a working group to consider changes for the 2024-2025 QAP. Supportive housing was not considered at this time. The final draft will be sent to HHFDC's Board of Directors in May, with Board approval expected in August. As the QAP is amended every two years,

the next opportunity will be in January 2025, at which time we will consider amendments that could facilitate supportive housing.

The QAP determines which housing projects should receive allocations of LIHTC by awarding points based on evaluation criteria that are aligned with the intent of the LIHTC program established under the Internal Revenue Code. As such, we generally oppose legislation that imposes individual QAP mandates. Ultimately, it can have the effect of undermining the intent of the evaluation criteria.

Thank you for the opportunity to provide testimony.