

Honolulu, Hawaii

JAN 31 2025

RE: S.B. No. 75

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 75
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a working group to revise the State's
Qualified Allocation Plan, the prioritization of the
Rental Housing Revolving Fund, and the terms of loans
made from the Fund; and
- (2) Require a report to the Legislature.

Your Committee received testimony in support of this measure
from the Maui Chamber of Commerce and Holomua Collaborative.

Your Committee received testimony in opposition to this
measure from Mark Development Inc.

Your Committee received comments on this measure from the
Hawaii Housing Finance and Development Corporation, Hawaii Public
Housing Authority, NAIOP Hawaii, and Catholic Charities Hawai'i.

Your Committee finds that the Hawaii Housing Finance and
Development Corporation (HHFDC) is the principal agency
responsible for the development of the State's Qualified



Allocation Plan (QAP) to administer the Low-Income Housing Tax Credit Program. Additionally, HHFDC is responsible for the administration and maintenance of the Rental Housing Revolving Fund. As the Low-Income Housing Tax Credit and the Rental Housing Revolving Fund provide two significant sources of funding for the diverse housing needs of Hawaii's residents, it is critical that these resources are allocated through a transparent, accountable, and efficient process. Therefore, the establishment of a working group will align the State's housing priorities to ensure that the housing needs of all residents, including the State's most vulnerable populations, are represented while providing opportunities for stakeholder participation.

Your Committee notes that HHFDC has conducted two successive rounds of revisions to the QAP in 2023 and 2024. However, your Committee notes that HHFDC utilized manifestly inadequate public outreach processes when engaging the community. During the 2024 QAP revision, testimony from all participants revealed a consensus that the decision-making process lacked two-way communication and transparency. For example, testimony submitted by Mark Development Inc. to HHFDC on October 4, 2024, stated that "the proposed changes to the [Qualified Allocation Plan]" are such a "significant departure" from the previous QAP that it recommended the changes not be implemented before "the calendar year 2030". Accordingly, establishing a statutory working group will help ensure the participation of all stakeholders in a regular, ongoing dialogue that will foster the most efficient, transparent, and predictable use of state taxpayer funds in the process of revising the QAP.

As HHFDC is promising to convene a working group for the third consecutive year, your Committee hopes that the working group will effectuate the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 75 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.



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


STANLEY CHANG, Chair



Record of Votes Committee on Housing HOU

*Only one measure per Record of Votes