

STAND. COM. REP. NO. 1859 -24

Honolulu, Hawaii

APR 12 , 2024

RE: S.C.R. No. 43
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.C.R. No. 43, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO AMEND THE PRIORITY FOR WHICH LOW-INCOME HOUSING TAX CREDITS ARE ALLOCATED AND MONEYS IN THE RENTAL HOUSING REVOLVING FUND ARE USED AND TO ADOPT CERTAIN ADMINISTRATIVE RULES THAT INCENTIVIZE THE DEVELOPMENT OF AFFORDABLE HOUSING IN THE STATE,"

begs leave to report as follows:

The purpose of this measure is to urge the Hawaii Housing Finance and Development Corporation to amend the priority for which Low-Income Housing Tax Credits are allocated and monies in the Rental Housing Revolving Fund are used and adopt certain administrative rules that incentivize the development of affordable housing in the State.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation; Catholic Charities Hawai'i; and AARP Hawai'i.

2024-2823 SCR43 HD1 HSCR HMSO



Your Committee finds that the Low-Income Housing Tax Credit (LIHTC) Program is the federal government's primary policy tool for encouraging the development and rehabilitation of affordable rental housing. The LIHTC Program awards developers federal tax credits to offset construction costs in exchange for agreeing to reserve a certain fraction of units that are rent-restricted for lower-income households. Your Committee further finds that at the state level, the Rental Housing Revolving Fund also offsets construction costs for the development of affordable rental housing for low-income households. Your Committee believes that the priority of projects that receive funding from the LIHTC Program and Rental Housing Revolving Fund need to be amended to ensure that these funds are used to further incentivize the development of affordable rental housing.

Your Committee notes the concerns raised in testimony before your Committee regarding the order of priority under this measure potentially having unintended consequences of locking some communities out of much needed affordable housing and that prioritizing certain projects before considering key factors, such as project readiness, may contravene the objective of economical resource allocation.

Your Committee has amended this measure by:

- (1) Changing its title to make a technical amendment; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 43, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 43, S.D. 1, H.D. 1.



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

for 
LUKE A. EVSLIN, Chair



