



DAVID Y. IGE
GOVERNOR

DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

21:FIN/1231

December 30, 2021

To: All Consolidated Application Applicants

Subject: Low-Income Housing Tax Credit (LIHTC) and
Hula Mae Multi-Family (HMMF) Bond Funding Programs

We would like to thank all applicants for their participation in the 2021 funding round. In response to numerous inquiries received by our office, we would like to provide additional information to help promote understanding and clarity related to the scoring process.

Given the increased demand and limited supply of resources, the evaluation process has become increasingly competitive. The Hawaii Housing Finance and Development Corporation (HHFDC) utilizes a fair, consistent, and impartial process to evaluate the merits of each application submitted during the funding round. In addition to the minimum threshold requirements, we also utilize the HMMF evaluation and scoring criteria to assist in the process. Details on this can be found under the "HMMF Section" tab of the Consolidated Application (Excel) file.

Please see the Consolidated Application – HMMF Section and the Qualified Allocation Plan – Section III.D Criteria Point System.

- Under HMMF Criteria 1, there were questions about scoring related to the affordability periods. We would like to clarify that an award of 4 points will only be given to projects with 46 years or more of affordability. Projects with 36-45 years would be awarded 3 points, 26-35 years 2 points and 16-25 years 1 point.
- Unlike HMMF Criteria 1-7, Criteria 8-10 do not offer any scoring methodology but rather includes a list of points that are considered when evaluating a project. We agree with your feedback that it is vague and that it would be better to share details about the scoring methods applied to these criteria. Specifically:
 - Under HMMF Criteria 8 (Project Location and Market Demand), we would like to clarify that the scoring methodology used is the same as LIHTC Criterion 8 (Project

Location and Market Demand) from the Qualified Allocation Plan (QAP). Reference the QAP for more details on how this score is derived.

- The HMMF Criteria 9 (Developer Experience) is scored in the same manner with LIHTC Criterion 9 (Developer and Property Management Experience) from the Qualified Allocation Plan (QAP). Note: The point scales are different between the programs. Scores are prorated accordingly from a 7-point maximum (LIHTC) to a 6-point maximum (HMMF) score. Reference the QAP for more details on how this score is derived.
- The HMMF Criteria 10 (Overall Project Feasibility) is scored in the same manner with the LIHTC Criterion 3 (Overall Project Feasibility) from the Qualified Allocation Plan (QAP). Once again, scores are prorated from a 22-point maximum (LIHTC) to a 10-point maximum (HMMF) score. Reference the QAP for more details on how this score is derived.

We hope that this information provides you with more clarity into HHFDC's scoring process. HHFDC will be posting the HMMF scores from the 2021 funding round on our website. This should help promote transparency. We look forward to your participation in the upcoming funding round.

Should you have any further questions, please feel free to contact us at (808) 587-0567.