

STATE OF HAWAII
AFFORDABLE HOUSING FUNDING ROUND

2025

FUNDING ROUND
REFERENCE



TABLE OF CONTENTS

1	COVER LETTER
3	IMPORTANT CHANGES TO 2025 CONSOLIDATED APPLICATION
7	2025 CONSOLIDATED APPLICATION - INSTRUCTIONS
17	APPLICATION SUBMITTAL PROCESS
18	HMMF - MINIMUM THRESHOLD & EVALUATION CRITERIA
27	RHRF SECTION - PROGRAM OVERVIEW
34	FEE SCHEDULE
35	SCHEDULE OF IMPORTANT EVENT
36	AREA MEASUREMENT STANDARDS FOR CALCULATING DEVELOPMENT COST



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

IN REPLY REFER TO:
24:FIN/1234

December 13, 2024

To All Interested Parties:

SUBJECT: 2025 CONSOLIDATED APPLICATION FINANCING PROGRAMS

The Hawaii Housing Finance and Development Corporation (HHFDC) is pleased to present the 2025 Consolidated Application for its financing programs. Please complete this application packet for the following financing programs:

- Low-Income Housing Tax Credit (LIHTC) Program
- Hula Mae Multi-Family (HMMF) Revenue Bond Program
- Rental Housing Revolving Fund (RHRF) Program
- Dwelling Unit Revolving Fund (DURF) Program

Please review the entire 2025 Consolidated Application and 2025 Qualified Allocation Plan to familiarize yourself with the requirements, forms, fees and deadlines. Refer to the HHFDC website at www.hawaii.gov/dbedt/hhfdc for the most current information. **Carefully review all materials associated with your application submittal as the failure to meet the policies, thresholds and other requirements may result in the rejection of your application.**

Payment of application fees shall be in the form of a cashier's check and must be submitted with the completed application by the deadlines set forth herein in order to be considered for funding. Application fees are non-refundable. Cashier's checks shall be made payable to the *Hawaii Housing Finance and Development Corporation*. HHFDC shall not accept any other check form, including, but not limited to Official, Certified, Treasurer's, Teller's, business, or personal checks or money orders. No other form of payment will be accepted.

Please Note:

- 1) HHFDC's receipt of an application does not constitute acceptance of the application.

HHFDC reserves the right to return an application to the applicant at any time without further processing, for reasons including, but not limited to, the following:

- a. Failure to meet application submittal requirements (e.g., timeliness, correct application fees, cashier's check, correct number of copies).

- b. Failure to meet individual program criteria (e.g., income set-aside requirements, minimum periods of affordability, amount of tax credits requested per low-income units).
 - c. Failure to disclose in the application any known material defects about the development of the project, any misrepresentation, or fraud.
 - d. Applicant has ten (10) business days after date of written notification to correct application deficiencies noted by HHFDC. If the deficiencies are not corrected within ten (10) business days, the application will not be processed.
- 2) Awards are subject to the availability of funds and approval by the Governor of the State of Hawaii.
 - 3) HHFDC does not discriminate against any person because of race, color, religion, sex, including gender identity or expression, sexual orientation, disability, familial status, ancestry, age, marital status, or HIV infection.

Information regarding our financing programs and current reference information can be found on the HHFDC website at www.hawaii.gov/dbedt/hhfdc. Specific program questions and/or a request to schedule a meeting with staff to review the application should be directed as follows:

- LIHTC, HMMF and RHRF Programs – Finance Branch at hhfdcapplications@hawaii.gov
- DURF Program – Development Branch at (808) 587-0529

Thank you for your interest in HHFDC's financing programs.

Important Changes to 2025 Consolidated Application

NOTE: This is not an exhaustive list of changes to the 2025 Consolidated Application, but a brief summary of key updates HHFDC wishes to highlight. Applicants are responsible for thoroughly reviewing all materials provided by HHFDC to ensure compliance. For questions or clarifications, please contact hhfdcapplications@hawaii.gov.

Consolidated Application Version: Applicants are advised to regularly monitor the HHFDC website for updates to the Consolidated Application, as changes to the official application may occur mid-round. It is the applicant's responsibility to ensure they are using the most current version of the application. The current version as of December 20, 2024, is 2025-Consolidated-Application-12-18-24.

Submission Process: The 2025 Consolidated Application submission process will include a significant reduction in the use of physical paper. A key update is the elimination of the requirement to submit physical copies of Exhibits and Project Plans. Only the core application components, such as the Application and Input Sheet, Financial Worksheets, Certifications & Assurances, and Questions need to be submitted in physical form. This change significantly reduces the volume of printed materials, hopefully saving substantial time and expense for applicants. Additionally, email submissions have been discontinued, and complete applications must be submitted either in person or via USPS mail by 2pm on February 14th, 2025. In-person submissions must be scheduled, and the link to schedule can be found on the HHFDC website.

Minimum Set-Aside Election: Project election must be selected from the dropdown on the Application Input, Section II. General Information. Failure to make selection will cause "Error" in later stages of the application.

- 2025 Set-Aside Elections are:
 - 40-60 Minimum Set-Aside
 - 20-50 Minimum Set-Aside
 - Average Income (new for 2025)

Average Income allows units up to 80% AMI to be considered LIHTC units; however, the project must conform to the following criteria:

- Each bedroom designation must have an average AMI of less than or equal to 60%. For example, if the project includes studio, 1-bedroom, and 2-bedroom units, the average AMI for each unit type must be at or below 60%.
- The project cannot contain non-LIHTC units (Applicable Fraction must be 100%).

Building/Project Area: For projects with unit bedroom types that have multiple floor plans, input the average area of each bedroom type into the application.

Environmental Review: HHFDC is responsible for verifying that projects awarded state funds fully comply with Chapter 343, HRS. For projects pursuing an Environmental Assessment (EA) Exemption Notice, the exemption process must be completed and adhere strictly to the requirements outlined in HAR §11-200.1-17. Applicants are encouraged to contact HHFDC directly with any questions or for clarification regarding this requirement.

State Conveyance Election: Projects electing to offer a sale to a State agency at fair market value, indicate this election by selecting the corresponding checkbox in the Application Input, Section VI: Other.

Operational Subsidies: Projects receiving operational subsidies must utilize the new tab in the Consolidated Application, *D1-Operating Subsidy Calculation*. Failure to do so will result in “Error” for tab *D-Operating Budget*.

Building/Civil Permit Status: The readiness scoring criteria for 2025 will place significant emphasis on permit status. It is crucial to clearly indicate the project’s permit status as of the application date in both the *Project Schedule* section of the Application Input tab and *Exhibit 18: Project Readiness*. If the project plans to submit for permits before May 31, 2025 (as required to score points under HMMF Scoring Criterion 4), this must be explicitly noted in the application. The Applicant is responsible for providing updates on permit status to the HHFDC as they occur.

Summary of 2025 Changes to HMMF Scoring Criteria

Evaluation Criteria and Scoring System

- Criterion 1: Affordable Commitment Period:
 - Revised to reward up to perpetuity, providing:
 - 0 points for 45 years or less,
 - 0.5 points for 46-55 years,
 - 1 point for 56-65 years,
 - 1.5 points for 66 years or more,
 - 2 points for perpetuity.
- Criterion 2: Level of Affordability/Percentage of Income Targeted Units:
 - Criterion focuses on specific set-aside elections (Average Income or 40-60 or 20-50 Minimum Set-Aside). Higher points reward targeting lower-income households, up to 6 points.

- By selecting the Average Income Set-Aside, points are scored for average project AMI at less than or equal to 51%, 54%, or 57%. However, the Applicable Fraction must be 100% and each specific bedroom type must be 60% AMI or below, per 2025 QAP.
 - For original set-aside elections, points are awarded based on the highest AMI level of the lowest 30% of affordable units in the project. Scoring increments are set at 30% AMI, 40% AMI, and 50% AMI. For instance, in a 10-unit building with one unit at 30% AMI and two units at 40% AMI, the project would qualify at the 40% AMI level, as 30% of the units fall within this category or below.
- Criterion 3: Financing Ratio – HMMF Resource Efficiency:
 - Projects will be scored on relative basis, with 4 points maximum for the most efficient project to 0 points for the least efficient project, defined as bond usage requested per LIHTC unit.
- Criterion 4: Readiness:
 - Expanded to 15 points, with scoring based primarily on permit status:
 - 0 points if permits won't be submitted by May 31, 2025,
 - 5 points for all permits submitted and accepted by May 31, 2025,
 - 10 points if all permits are accepted at application date,
 - 15 points if all permits are ready for issuance.
- Criterion 5: Developer Fee:
 - Removed.
- Criterion 5: Project-Based Rental Assistance Subsidies:
 - Tiered points based on the percentage of units subsidized:
 - 0 points for 0% subsidy,
 - 0.5 points for 1-10% subsidy,
 - 1 point for 11-20% subsidy,
 - 1.5 points for 21-30% subsidy,
 - 2 points for 31% or more subsidy.
- Criterion 6: Local Government Support / State or Local Government Financing:
 - Renamed to emphasize financing support, awarding:
 - 1 point for commitments between \$10,000 and \$80,000 per unit,
 - 2 points for commitments over \$80,000 per unit.
- Criterion 7: New Category - State/Local Government-Owned Land:
 - Awards 1 point for projects with a land lease from a government agency, including HHFDC, on property owned by the government before the application date.

- Criterion 8: Project Location and Market Demand:
 - Projects in rural districts proximate to employment, medical and educational facilities now receive 0.5 points (from 0 in 2024)
- Criterion 9: Developer Experience:
 - Expanded to 5 points, with scores based on the developer’s experience:
 - Up to 3 points for demonstrating past success,
 - 0.5 points each for other metrics, including number of projects managed in Hawaii and overall LIHTC experience.
- Criterion 10: Reasonableness of Development Costs:
 - Simplified to 2 points if costs are deemed “reasonable” by HHFDC. Existing buildings used for housing receive 0 points. Projects that are awarded and increase costs by more than 10% before closing will be deemed “unreasonable”, losing the 2 points and jeopardizing the award.
- Criterion 11: Unit Sizes:
 - Similar scoring for unit size, but 1 additional point awarded if minimum unit sizes are met (e.g., 300 sq. ft. for studios, 520 sq. ft. for 2-bedrooms).
- Criterion 12: Tenant Services and Amenities:
 - Maintains the same maximum, awarding up to 1 point each for services and amenities included in the application.
- Criterion 13: Energy Efficiency and Green Building:
 - 1 point maximum, with points awarded based on the selected building standard certification:
 - 0.25 points for basic certification (EPA Energy Star v3),
 - 0.50 points for moderate certification (LEED Silver, NAHB Silver)
 - 0.75 points for advanced certification (LEED Gold, NAHB Gold)
 - 1 point for excellent certifications (LEED Platinum, NAHB Emerald).
- Criterion 14: New Category - State Conveyance:
 - 1 point awarded if applicants agree to offer the project to a state agency for fair market value before the end of the extended use period.
- Criterion 15: New Category - Special Housing Needs:
 - 1 point for projects that commit to providing services and units for tenants with special housing needs, including people with disabilities, domestic violence survivors, elders, and those experiencing homelessness. Commitment must be documented and provided at no cost to tenants.

2025 Consolidated Application – Instructions

Applicants must adhere to the following guidelines for completing and submitting their applications to the Hawaii Housing Finance and Development Corporation (HHFDC). **Failure to meet these requirements will result in rejection.**

Key Submission Requirements

1. Complete and Accurate Submission

- Applications must be completed and submitted in their entirety. Incomplete applications will not be processed for review or decision-making by the HHFDC Board of Directors.

2. File Format

- Applications must be prepared using the **Excel file format provided by HHFDC**.
- Use of manipulated, outdated, or unauthorized versions of the Excel file will result in rejection.
- Submit the following:
 - **Digital Copy:** One (1) digital version of the completed Excel Application and individually labeled PDF files for each Application Section and Exhibit, saved on a **USB flash drive**.
 - **Physical Copy:** One (1) original hard copy of the official application, including **ONLY** the following items:
 1. Application Fee Receipt and Invoice for Payment Sheet
 2. Application and Input Sheet
 3. Financial Worksheets (Exhibits A – G)
 4. Applicant Credit Information Authorization
 5. LIHTC Threshold Certifications and Assurances
 6. LIHTC Program Certification
 7. Questions
 - **All numbered Exhibits 1-41 should be submitted via the Digital Copy. This includes Exhibit 28 - Project Plans & Specifications.**
- Both Digital and Physical Copies must comply with the **Order of Submission** (listed below). **Failure to meet these format standards will result in rejection.**

3. Review Changes

- Applicants must thoroughly review the **2025 Consolidated Application** and **2025 Qualified Allocation Plan (QAP)**, as several changes have been incorporated. Applications must meet all policies, thresholds, and requirements.

4. Contact for Questions

- For clarification, email the HHFDC Finance Branch at hhfdapplications@hawaii.gov.

Order of Submission

Applications must be submitted in the following order:

1. **Application Fee Receipt and Invoice for Payment Sheet**
2. **Application and Input Sheet**

3. **Financial Worksheets (Exhibits A – G):**
 - **Exhibit A:** Financing Sources
 - **Exhibit B:** Project Budget/Uses
 - **Exhibit B-1:** Rehabilitation Cost Detail
 - **Exhibit B-2:** Bond Issuance Cost
 - **Exhibit B-3:** Developer Fee Detail
 - **Exhibit B-4:** Budget Threshold Checks
 - **Exhibit B-5:** Sitework Breakdown
 - **Exhibit B-6:** Vertical Construction Breakdown
 - **Exhibit C:** Construction Disbursement and Funding
 - **Exhibit D:** Operating Budget
 - **Exhibit D-1:** Operating Subsidy Calculation (**New for 2025**)
 - **Exhibit E:** Multi-Year Budget
 - **Exhibit F:** LIHTC Basis and Calculation
 - **Exhibit G:** Estimated Project Revenues
4. **Certifications and Assurances**
5. **Applicant Credit Information Authorization**
6. **LIHTC Threshold Certifications and Assurances:**
 - Includes Smoke-Free and Public Housing Waitlist Certification
7. **LIHTC Program Certification**
8. **Questions**
9. **Exhibits 1 – 41:**
 - For non-applicable exhibits, include a page labeled:
 “THIS SECTION IS INTENTIONALLY OMITTED”
 - Provide a brief explanation for omissions.

Important Notes

- Applications that do not meet policies, thresholds, or completeness standards may be rejected.
 - Adherence to these detailed instructions is essential to ensure the application is reviewed and processed.
-

2025 Consolidated Application - Exhibits

Exhibit 1: Organizational Documents

- Current signed/executed copies of:
 - IRS Tax Exemption Letter (for non-profits)
 - Articles of Incorporation

Exhibit 2: Treasury Form 990

- Provide the most recent signed/executed Treasury Form 990 with all supporting documentation as filed with the IRS.

Exhibit 3: Certified Organizational Documents

- Certified copies of the Applicant's organizational documents, including:
 - Articles of incorporation and bylaws (inclusive of amendments)
 - Declaration of trust (inclusive of amendments)
 - Partnership or limited partnership agreements (inclusive of amendments)
 - Current signature resolution (if not covered in bylaws)

Exhibit 4: Financial Statements

- Copies of the Applicant's past three (3) years of audited financial statements prepared in accordance with GAAP.
- If the Applicant is a newly formed entity, submit tax returns and financial statements for the past three years (3) for the developer and principals.

Exhibit 5: Organizational Chart

- Provide a detailed organizational chart for the sponsor and owner of the project, inclusive of the following:
 - **All parties involved in the project**, labeling:
 - Each party's roles and responsibilities
 - Ownership percentage interests
 - Any additional clarifying details essential to understanding the organizational chart and its operations
 - **A summary narrative** providing context to the internal structure and operations of the entity(ies), including:
 - Applicant entity type (e.g., single asset, real estate holding company, etc.)
 - The entity's specific purpose and the date it was formed
 - Name and relevant operating details for the General Partner(s), Limited Partners(s), and any other affiliated parties.
 - If the ownership structure is expected to change at any point during the development process, include:
 - A separate organizational chart reflecting the anticipated ownership structure
 - A detailed narrative describing the planned changes, following the same structure outlined above.

Exhibit 6: Certificate of Vendor Compliance (CVC)

- Provide a compliant CVC dated no more than 30 days from the Application Submission date.

Exhibit 7: Trade and Banking References

- Include references from trade and/or banking sources.

Exhibit 8: Housing Development Experience

- Complete all information fields in the “Exhibit 8 & 9” worksheet tab of the Application.
- Ensure the information is detailed and comprehensive.

Exhibit 9: Project Team Résumés

- Submit résumés for each entity and key staff member involved in the project, including:
 - Developer
 - General contractor
 - Consultant
 - Project sponsor
 - Nonprofit
 - Architect
- Résumé content must include:
 - Relevant development details for at least five (5) years
 - Project name and address
 - Brief description of the project
 - Beginning and ending dates of the contract or project
 - Year the project was placed in service
 - Owner’s name and contact information
 - List of federal, state, or local subsidies used in the project, with total subsidy amounts
- Attach letters of reference for key project staff and development team members, if applicable.

Exhibit 10: Management Company

- Document all affordable housing projects managed by the management agent over the last five (5) years.
- Include the following details:
 - Project name
 - Project address
 - Number of units
 - Names of state, federal, and local subsidy programs associated with the project
 - Term of involvement
 - Contact information for the project owner

Exhibit 11: Location Map

- Provide a location map of the project site. The map should identify:
 - Site
 - Parks
 - Schools

- Public transit routes and stops
- Shopping and business districts
- Competitive developments

Exhibit 12: Photographs and Renderings

- Include the following:
 - Photographs of the current project site
 - Post-construction renderings of the project and site

Exhibit 13: Surveys

- Provide available surveys, such as:
 - ALTA
 - Boundary
 - Topographic (topo)

Exhibit 14: Site Control

- Submit documentation proving the Applicant has secured site control, such as:
 - Deed
 - Lease
 - Agreement of sale
 - Option agreement
- Include all accompanying exhibits, appendices, and attachments associated with the site control documents.
- Provide a comprehensive summary of each site control document, detailing:
 - Significant terms and conditions
 - Key milestones and dates
 - Costs associated with lease agreements
 - Any other pertinent details impacting site control throughout the development period

Exhibit 15: Existing Encumbrances

- Provide copies of any existing notes, mortgages, or loan agreements encumbering the project site, if available.

Exhibit 16: Preliminary Title Report

- Submit a preliminary title report dated no earlier than six (6) months from the Application submission date.
- Include a separate document detailing:
 - All encumbrances listed in the title report
 - Explanations of how each encumbrance impacts the proposed project

Exhibit 17: Special Site Classification

- If the project is located in a Special Site Classification (SSC), provide:
 - A map or maps clearly identifying the project’s location within the SSC.
 - SSCs include, but are not limited to:

- Special Management Areas (SMA)
- Special Districts
- Flood Zones
- Qualified Census Tracts (QCT)
- Difficult Development Areas (DDA)

Exhibit 18: Project Readiness

- Provide documentation of project readiness, including but not limited to:
 - State Land Use Designation
 - County Zoning
 - SMA approvals
 - 201-H approvals
 - Administrative approvals
 - County Site and Building Permits
- Include a comprehensive narrative that explains:
 - The status of each approval
 - Any compliance reports or associated conditions/requirements that may impact the project

Exhibit 19: Letters of Support

- Include letters of support dated within six (6) months of the Application submission date from any of the following:
 - County Mayor
 - City or County Council
 - County Housing Office or Agency
 - Neighborhood Board

Exhibit 20: Environmental Review

- Provide documentation demonstrating compliance with Chapter 343, HRS, such as:
 - Environmental Assessment (EA) Exemption Notice, with confirmation of publication in the Environmental Review Program’s "The Environmental Notice"
 - EA Exemption Notice must fully conform to all requirements under HAR §11-200.1-17.
 - HHFDC retains full discretion to determine whether the provided Environmental Assessment (EA) Exemption complies with **HAR §11-200.1-17**, regardless of the preparing agency or department
 - A sample HHFDC EA Exemption Notice addressing the requirements of HAR §11-200.1-17 can be found at:
https://files.hawaii.gov/dbedt/erp/Other_TEN_Publications/2024-10-08-OA-Exemption-HHFDC-Kamoiiliili-Apartments-Project.pdf
 - Published draft EA, Anticipated Finding of No Significant Impact, or published draft Environmental Impact Statement (EIS).

Exhibit 21: Utilities

- Provide utility-related documents, including:
 - Water: A letter from the Board of Water Supply or Department of Water Supply confirming system adequacy and availability.
 - Sewer: A copy of the sewer application, confirming system capacity adequacy.
 - Electricity: A letter from the local electricity provider confirming availability to the site.
- If necessary, include a narrative summarizing:
 - Material terms, conditions, or considerations affecting the project
 - Outstanding requirements and their anticipated completion timeline

Exhibit 22: Environmental Assessments

- Submit the following:
 - Phase 1 Environmental Site Assessment dated within one (1) year of the Application deadline
 - Phase 2 Environmental Site Assessment, if required
 - Any necessary mitigation plan
- Complete the “Environmental Questionnaire” worksheet tab in the Application.

Exhibit 23: Project Schedule

- Provide a project schedule and timeline in **Critical Path Method (CPM)** format, highlighting major steps such as:
 - Pre-development
 - Financial closing
 - Development and construction
 - Occupancy
 - Operation
- Ensure dates align with milestones listed in the Application.

Exhibit 24: Market Study

- Submit a market study/analysis prepared by an independent firm unaffiliated with the developer.
- The study must assess both current and projected demand for the proposed development within the market area.
- The study must be dated within six (6) months of the Application date.
- The following documentation is required:
 - **Certificate of Vendor Compliance**: Dated within 30 days of the Application date, showing "compliant" or "exempt" for all checks.
 - Evidence that conducting market studies is a primary purpose of the firm.
 - Affidavit certifying the firm is not affiliated with the developer/Applicant (use the “Market Analyst Affidavit” worksheet tab in the Application).
 - Affidavit from the developer/Applicant certifying no affiliation with the market analysis firm.
 - If the project serves a special housing need, include an analysis of market demand for such tenants.

Exhibit 25: Appraisal

- If available, include a current appraisal report conforming to USPAP standards.
- If HHFDC is providing loan financing, HHFDC will order the appraisal at the Applicant's expense. A deposit covering the cost must be provided by the Applicant.
- Appraisals ordered by the Applicant may not be acceptable unless they meet federal and HHFDC standards.

Exhibit 26: Financing Commitments

- Provide terms and conditions for all proposed financing sources, including:
 - Commitment letters
 - Tax credit syndicators
- Submit a summary of each funding source, detailing:
 - Source name, amount, and interest rate (if applicable)
 - Duration and material terms/conditions
 - Tax credit pricing methodology and rate
 - Representation of the commitment duration

Exhibit 27: Operating Subsidy

- If applicable, provide:
 - Commitment letters or executed contracts from the agency providing the operating subsidy.
 - A detailed calculation of the subsidy by unit and the total projected amount for all units (must reconcile with Financial Worksheet – Exhibit D-1).

Exhibit 28: Digital Plans and Specifications

- Provide a digital copy of the full set of plans for the project, including:
 - Site plan: Minimum scale 1" = 40', showing building types, common elements, and parking.
 - Project Data must be included on the site plan sheet: zoning and building code information, both allowable and proposed, under which the project was designed
 - Floor plans: Each building type at minimum scale 1/8" = 1'0", including handicapped spaces with code references.
 - Exterior elevations: Minimum scale 1/8" = 1'0", indicating finish materials.
 - Unit plans
- Note: A final copy must be approved by the **State of Hawaii Disabilities and Communications Access Board (DCAB)** before funding and construction start.

Exhibit 29: Revitalization Plan

- If applicable, provide:
 - Documentation of a formal designation by the State, City, or County.
 - A detailed explanation of how the project integrates with the revitalization plan for the community.

Exhibit 30: Community Service Facility

- If applicable, submit a description of the Community Service Facility, specifying:
 - How it will serve individuals with income at or below 60% of AMGI.
 - Compliance with requirements under Section 42 of the Internal Revenue Code.

Exhibit 31: Opinion Letter

- Submit an Opinion Letter from a CPA or tax counsel for Low-Income Housing Tax Credit (LIHTC) projects, addressing:
 - Section 42 Requirements: Conformance with Section 42 of the IRC
 - Estimated Costs and Eligible Basis: Representation in the Application
 - Ten-Year Rule: Compliance, if applicable
 - DDA/QCT Boost Qualification: Confirmation of qualification, if applicable

Exhibit 32: Income Limits

- Provide current income limits and maximum tenant contribution schedules established by U.S. Department of Housing & Urban Development (HUD).
- Include the most recent Income, Rent and Sales Guidelines, as published on the HHFDC website.

Exhibit 33: Utility Allowance Schedule

- Include the current utility allowance schedule for the County where the project is located, or provide an alternative calculation as permitted by IRC Section 42.
- Ensure the allowance reconciles with Financial Worksheet – Exhibit D.

Exhibit 34: Public Housing Authority Letter

- Submit a signed letter sent to the Local Public Housing Authority.

Exhibit 35: Homeless Programs Office Letter

- Submit a signed letter sent to the State of Hawaii, Department of Human Services, Homeless Programs Office.

Exhibit 36: Preliminary Engineering Report/Capital Needs Assessment

- For new construction: Provide a Preliminary Engineering Report (PER) completed within one (1) year of the Application date.
- For acquisition rehabilitation: Provide a Capital Needs Assessment (CNA) completed within six (6) months of the Application date.

Exhibit 37: Solar Water Heating System

- If solar water heating is not being installed, provide the approved solar water heating variance.

Exhibit 38: Energy Efficiency and Green Building Standards

- Include a certification from a licensed architect confirming compliance with required building standards.

Exhibit 39: Special Housing Needs

- Submit documentation and support for any special housing needs, if applicable.

Exhibit 40: Cost Certification

- Provide a Certified Cost Estimate (Plan & Cost Review) or Construction Contract.
- Must reconcile with Financial Worksheet – Exhibit B.

Exhibit 41: Operational Budget Certification

- Submit a certified operational budget prepared by an independent third party with at least five (5) years of property management experience for similar projects.
- Include a statement of competence and the certified operational budget as an exhibit.
- Must reconcile with Financial Worksheet – Exhibit D.

STATE OF HAWAII
Hawaii Housing Finance and Development Corporation
2025 Funding Round – Application Submittal Process

The Hawaii Housing Finance and Development Corporation (HHFDC) will accept applications for Low-Income Housing Tax Credits (LIHTC), Hula Mae Multi-Family Bonds (HMMF), Rental Housing Revolving Fund (RHRF) and Dwelling Unit Revolving Funds (DURF) programs in accordance with the following:

1. Consolidated Applications are due **February 14, 2025, 2:00 pm (HST)**. To be considered **complete**, applications must meet the following criteria:
 - a. Include all required inputs, responses, worksheets, certifications, authorizations, assurances, and exhibits as outlined in the **2025 Consolidated Application Instructions**.
 - b. Contain all material facts, supporting documentation, and any additional information necessary for a comprehensive understanding of the project, even if not explicitly specified in the **2025 Consolidated Application Instructions**.
 - c. Require no more than minimal clarification for HHFDC to make a decision regarding the allocation of tax credits or the issuance of bonds requested in the application.

2. HHFDC will accept completed Consolidated Applications only through the following methods:
 - a. Early Submission: Applications may be submitted prior to February 14, 2025, only with prior approval from HHFDC. For more information, contact the Finance Branch at hhfdcapplications@hawaii.gov.

 - b. In-Person Submission: Applications may be submitted in person on February 14, 2025, between 7:45 AM and 2:00 PM (HST) by appointment only. To schedule an appointment, please use the following link: [HHFDC Appointment Scheduling*](#)

 - c. Mail-In Submission: HHFDC must receive one (1) complete Digital Copy and one (1) complete Physical Copy, as outlined in the 2025 Consolidated Application Instructions, by February 14, 2025, 2:00 pm (HST). Applications received after the deadline will not be considered. There is no Email Submission. Mail submissions are required to be sent via the United States Postal Service (USPS) to the following address:

Hawaii Housing Finance and Development Corporation
Attn: Finance Branch
677 Queen Street, Suite 300
Honolulu, HI 96813

3. Please contact the Finance Branch at hhfdcapplications@hawaii.gov with any questions or concerns.

*Appointments will be available in 15-minute increments. Two (2) application max per appointment time. If submitting more than two applications, please contact HHFDC. Full appointment link below:
<https://outlook.office365.com/owa/calendar/HHFDCMultiFamilyFinanceBookings@HawaiiOIMT.onmicrosoft.com/bookings>

HULA MAE MULTI-FAMILY BOND PROGRAM

Minimum Threshold Requirements

Applicants must meet the following Minimum Threshold requirements to receive consideration for financing from the Hula Mae Multi-Family (HMMF) Bond Program.

Market Study:

Applications must include a comprehensive Market Study

- of the housing needs of the proposed target population in the area to be served by the project
- by a disinterested party approved by HHFDC
- completed at the Owner's expense
- dated within six (6) months from the time of application.

Market Study requirements are specified in Appendix 1 of the 2025 Qualified Allocation Plan for Low-Income Housing Tax Credits.

Site Control:

To receive consideration for an award of HMMF Bonds, the applicant must have control of the site in a form acceptable to the HHFDC. Applications must include evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the HHFDC. Evidence of site control must be provided for all proposed sites.

All lease terms must extend a minimum of 5 years past the affordability commitment period.

Capital Needs Assessment (For projects acquiring an existing property):

Applications must include a capital needs assessment (CNA) of the property's current physical condition by a competent, qualified independent third party. A capital needs assessment is a qualified professional's opinion of a property's. The CNA must identify deferred maintenance, physical needs and deficiencies, and material building code violations that affect the property's use, structural and mechanical integrity, and future physical and financial needs and be dated no earlier than six (6) months from the date of the application.

HULA MAE MULTI-FAMILY BOND PROGRAM

2025 Evaluation Criteria and Scoring System

All HMMF Bond Program applications will be scored and ranked using the following criteria:

Criterion 1. Affordable Commitment Period (0 to 2 points)

If, under the Restrictive Covenant Document, the project is “affordable” for:

45 years or less	0 points
46 to 55 years	0.5 points
56 to 65 years	1.0 point
66 or more	1.5 points
Perpetuity	2 points

Criterion 2. Percentage of Income Targeted Units (0 to 6 points)

Applicants receive points by providing a preference to lower income tenants in accordance with the table below.

Applications will earn up to 6 points based on agreeing to comply with the applicable limits in the matrix below. In order to receive points, the application must reflect one set-aside election (average income or “original” minimum set-aside (i.e., 40% at 60% or 20% at 50%) and meet the criteria below for the selected set-aside.

- For average income, the percent shown is the average AMI among the units’ designations.
- For an original minimum set-aside, at least 30% of the units must be affordable to and occupied by households at the AMI shown.

POINTS	MINIMUM SET-ASIDE ELECTION	
	Average Income	30% in Original @
6	51%	30%
3	54%	40%
1	57%	50%

Criterion 3. Financing Ratio – HMMF Resource Efficiency (0 to 4 points)

The HMMF Resource Efficiency ratio is calculated as “Total Private Activity Tax-Exempt Bond (PAB) Financing Requested divided by the Total Number of Proposed LIHTC Rental Units.” Scoring for this ratio will be applied as follows:

1. All projects, whether new construction or existing buildings, will be evaluated comparatively based on their HMMF Resource Efficiency.
2. Projects can earn between 0 and 4 points (rounded to the nearest 0.00) based on their relative HMMF Resource Efficiency:
 - a. The Project with the lowest HMMF Resource Efficiency will receive the maximum of 4 points.
 - b. The Project with the highest total HMMF Resource Efficiency will receive 0 points.
 - c. All other Projects will receive a proportionate score between 0 and 4 points, determined by their HMMF Resource Efficiency relative to the range of scores (difference between the highest and lowest efficiency).
 - d. The calculation formula is as follows:
 - i.
$$\text{Score} = (1 - ([\text{Subject HMMF Resource Efficiency}] - [\text{Lowest HMMF Resource Efficiency}] / ([\text{Highest HMMF Resource Efficiency}] - [\text{HMMF Resource Efficiency}])) * 4.$$

Criterion 4. Readiness (0 to 15 points)

HHFDC will assess the applicant's readiness to proceed with development based on the status and timing of the project's site and building permits issued by the respective governing authority. The status of these permits will indicate the project's level of preparedness, and applications will be scored accordingly. However, HHFDC may adjust the score if there are unresolved development issues that may jeopardize the project's ability to begin construction within one year of the award.

Applicants must provide evidence of permit status in Exhibit 18. Any permit submissions and acceptances by the governing authority occurring after the Consolidated Application due date must be submitted to HHFDC before May 31, 2025, to qualify for points.

The Project will not submit for all required permits to the governing authority before May 31, 2025: 0 points

The Project will submit, and the governing authority will accept, all required permits before May 31, 2025: 5 points

The Project has submitted, and the governing authority has accepted, all required permits as of application date: 10 points

The Project has all required permits ready for issuance from the governing authority as of the application date: 15 points

Criterion 5. Project-Based Rental Assistance Subsidies (0 to 2 points)

Project will receive, for the first time, federal project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs include, but are not limited to, the Rural Development 515 Loan Program and HUD Section 8 project-based Rental Assistance Program. Scoring will be based on the percentage of units subsidized, defined as: Number of Subsidized Units / Total Project Units less Manager’s Unit(s).

If the percentage of units subsidized is 0%:	0 points
greater than 0%, but less than or equal to 10%:	0.5 points
greater than 10%, but less than or equal to 20%:	1 point
greater than 20%, but less than or equal to 30%:	1.5 points
greater than 30%:	2 points

Criterion 6. State/Local Government Financing (0 to 2 points)

The project will be receiving a permanent below market loan from a State or local governmental agency other than HHFDC. The application must include a copy of a commitment letter, government action or contractual agreement.

The project has received a commitment for a permanent below market loan, or grant, of at least \$10,000 but less than \$80,000 per unit. 1 point

The project has received a commitment for a permanent below market loan, or grant, of more than \$80,000 per unit. 2 points

Criterion 7. State/Local Government Owned Land (0 to 1 point)

The project has received a lease from a government agency (including HHFDC) on property owned prior to the application date. Property acquired by the government agency after the application date will not be eligible to receive points under this criterion.

If the answer to the question is: NO 0 points

If the answer to the question is: YES 1 point

Criterion 8. Project Location and Market Demand (0 to 3 points)

The points awarded will be based on HHFDC’s evaluation of factors including, but not limited to:

Project is in a county’s urban core/district (preference) versus rural district and is accessible to employment opportunities and shopping; and recreational, medical and educational facilities are in the immediate vicinity of the project site.

Located in a County’s urban core	1.5 points
Located in an urbanized area	1 point
Located in a master planned community	0.5 points
Located in a rural district in proximity to employment opportunities and medical and educational facilities	0.5 points
<p>Proximity to Public Transportation</p> <p>Project may earn up to 1.5 additional points for availability of a mass transit station/stop within 0.5 miles. For Oahu, projects may earn 1.5 points for being within 0.5 miles of a rail transit station or a bus stop with peak bus service of at least 5 buses per hour, or 0.75 points for being within 0.5 miles of a bus stop with any level of service frequency. For neighboring islands, projects may earn 1.5 points for being within 0.5 miles of a bus stop with peak bus service of at least 3 buses per hour, or 0.75 points for being within 0.5 miles of a bus stop with any level of service frequency.</p>	1.5 points

Criterion 9. Developer Experience

(0 to 5 points)

Applicants receive scores for this criterion based on the following:

1. The development team (inclusive of its general partners, co-developers, management agents, and other members/agents) demonstrating the ability to meet all terms, conditions, and requirements set forth in the application materials will be awarded up to three (3) points. Any applications submitted to HHFDC within the previous five-year period may be considered when awarding points for this criteria.
2. Number of LIHTC projects placed in service by the by the Applicant or an affiliated entity. The number of LIHTC projects placed in service in which the Applicant’s consultant that had a contractual obligation with the Project Owner throughout the construction/rehabilitation period continues to participate in the management of the project throughout the extended use period (as defined and required by IRC section 42(h)(6)(D)), may be included in the scoring of this criterion, subject to the submission of supporting documentation.

Projects Placed in Service	Points
None	0
1 – 5	0.25

6+	0.5
----	-----

3. Number of LIHTC projects placed in service in Hawaii, without extensions, additional HHFDC resources, or other accommodations, by the Applicant. (HHFDC may elect to award points despite having granted an accommodation.) The number of LIHTC projects placed in service in which the Applicant’s consultant that had a contractual obligation with the Project Owner throughout the construction / rehabilitation period and continues to participate in the management of the project throughout the extended use period (as defined and required by IRC section 42(h)(6)(D)), may be included in the scoring of this Criterion, subject to the submission of supporting documentation.

Projects Placed in Service	Points
None	0
1 – 3	0.25
4+	0.5

4. Number of LIHTC projects managed by the Management Agent.

Projects Managed	Points
None	0
1 – 5	0.25
6+	0.5

5. Number of LIHTC projects located in the State of Hawaii managed by the Management Agent.

Projects Managed	Points
None	0
1 – 3	0.25
4+	0.5

Criteria 10. Reasonableness of Development Costs (0 to 2 points)

HHFDC will assess the reasonableness of project costs based on several factors, including (but not limited to): total development costs per unit, total costs per square foot, the ratio of hard to soft costs, site location, project size and type, target population, and cost feasibility relative to project scheduling assumptions.

HHFDC retains sole discretion to determine whether a Project’s total development costs are reasonable. However, if an Applicant’s development costs are deemed unreasonable, they will be given the opportunity to provide further documentation and analysis to substantiate their cost

assessments. Existing Building projects used for housing will receive 0 points.

Project costs are deemed Unreasonable, or Project is Existing Building currently used for housing: 0 Points

Project costs are deemed Reasonable: 2 Points

NOTICE for Awarded Projects: Once a project's costs have been deemed reasonable, any increase exceeding ten percent (10%) of the total development cost prior to the construction phase will render the initial cost projection unreasonable. As a result, the project will forfeit the points awarded for this criterion, which may lead to a revocation of the award.

Criterion 11. Available and Minimum Unit Sizes (0 to 3 points)

An Applicant will receive up to 2 points if it elects to provide affordable housing that provide larger units which are available to individuals with children or large families according to the following schedule:

20% or more of the total units are 1-bedrooms 0.5 point

20% to 39% of the total units are 2-bedrooms or larger 0.5 point

40% or more of the total units are 2-bedrooms or larger 1 point

The highest award possible is: 2 points

For all new construction applications, compliance with the minimum unit sizes below will result in 1 point. The measurements below will be only for square footage which is exclusively for the use of that unit and is fully enclosed, conditioned, and secured, measured interior finish face of wall to interior finish face of wall, and does not include exterior wall square footage. Unconditioned, unenclosed, or unsecured areas such as lanais, patios, decks, porches, stoops, or unattached storage rooms cannot be included. Existing Building projects used for housing will receive 0 points.

Studio 300 square feet

1 BR 360 square feet

2 BR 520 square feet

3 BR 720 square feet

4 BR 880 square feet

Criterion 12. Tenant Services and Amenities (0 to 2 points)

Projects may earn up to 1 point each for Tenant Services and Amenities, with a maximum of 2 points available. Points are awarded based on the amenities and services outlined in the Consolidated Application that will enhance the overall livability of the project.

Criterion 13. Energy Efficiency and Green Building (0 to 1 points)

Projects which promote smart growth, energy, and water conservation, operational savings and sustainable building practices in affordable housing design may be awarded up to 1 point as follows:

Points can only be scored in only one category. If an Applicant attempts to elect more than one category, the project shall not receive any points in this criterion.

Applicants must submit a certification from the architect confirming that the Project can meet the required building standards for the category selected below (refer to exhibit list of the Consolidated Application). For example, if an applicant selects LEED Gold, the architect must certify that the Project can meet the LEED Gold standard. If the certification is missing or if the architect’s certification does not reconcile with the applicant’s election, the Project shall not receive any points in this criterion.

EPA Energy Star v3	Enterprise Green Communities	USGBC LEED V4 for Homes / BD & C	National Green Building Standard (NAHB)	Points
X	Certified	Certified	Bronze	0.25
		Silver	Silver	0.50
		Gold	Gold	0.75
		Platinum	Emerald	1.00

[Energy Efficient New Homes | ENERGY STAR](#)

[Green Communities Criteria & Certification | The Standard for Sustainable Futures \(greencommunitiesonline.org\)](#)

[LEED rating system | U.S. Green Building Council \(usgbc.org\)](#)

[National Green Building Standard Certification - NAHB](#)

Upon completion of the project, owners must submit a certification from either the appropriate regulating entity or the Project architect confirming that the Project has met the standard selected. Failure to provide the certification may result in forfeiture of the good faith deposit.

Criterion 14. State Conveyance (0 to 1 point)

Applicants will earn 1 point for agreeing to offer to sell the project to a state agency for fair market value (as determined by a third-party appraisal), subject to commercially standard terms, no later than three years before the end of the Section 42 extended use period. The agreement will be reflected in the Declaration of Restrictive Covenants.

Criterion 15. Special Housing Needs (0 to 1 point)

Projects will provide housing for tenant populations with special housing needs, defined as persons receiving a disability source of income, a survivor of domestic violence, frail elders, and individuals experiencing homelessness.

Projects may receive up to 1 point for the criterion if it commits to provide services that will enhance the livability of the project for tenant populations with special housing needs. The point awarded is based on the quantity and quality of services provided as well as the status of commitment to such services. The maximum points will be awarded only to Applicants that have an executed commitment to serve this project by a third-party service provider or if Applicant or owner is an experienced provider of the proposed services.

All such services shall be optional to the tenant and shall be provided at no additional cost to the tenant.

Projects must demonstrate the feasibility of providing these services throughout the compliance period as part of its application. The owner shall certify the feasibility of the services provided in the application accompanied by supporting documentation during the compliance period.

The Market Study must include an analysis of market demand for tenants with special housing needs.

Projects that commit to providing housing for tenant populations with special housing needs will be required to have those units occupied by the special housing needs tenants. The Declaration of Restrictive Covenants for Low Income Housing Credits will restrict the occupancy of the specified units to special housing needs tenants for the duration of the committed affordability period. For example, if a project commits 10 of the 60 LIHTC units for special housing needs tenants, those units shall be occupied at all times by a special housing needs tenant. The unit shall remain vacant until a special housing needs tenant occupies the unit regardless of whether there is a waitlist for the project for the other remaining units.

RENTAL HOUSING REVOLVING FUND

Program Overview

Introduction

The following is an overview of the State of Hawaii’s Rental Housing Revolving Fund (RHRF) Program. The Program guidelines, policies, and procedures were developed by the Hawaii Housing Finance and Development Corporation (HHFDC).

Background

The Hawaii State Legislature passed Act 308, SLH 1992 creating the Rental Housing Trust Fund Program in response to the critical shortage of affordable rental housing throughout the state. Pursuant to Act 237, SLH 2015, the Rental Housing Trust Fund (RHTF) was reclassified as a Rental Housing Revolving Fund (RHRF), effective July 14, 2015. In addition to Legislative appropriations, the Program also receives yearly funding from the State’s Conveyance Tax. The Program is intended to act as a flexible financing vehicle, one that encourages the production of new affordable rental housing units as well as increases the capacity of organizations to meet future housing production needs.

The Program complements existing housing programs, at the federal, state, and local level. Program funds may be used in conjunction with other financing programs offered by the HHFDC. The Program seeks proposals that leverage new and existing resources - both human and financial - to address the need for creating more affordable housing.

RHRF Program Purpose

The RHRF Program provides loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. The primary goal is to assist lower income families and individuals, including homeless and special need groups, in obtaining rental housing. Priorities established include the need for new construction or substantial rehabilitation, projects which leverage funds to the greatest extent possible, projects which are maintained as affordable for more than 30 years, and projects which will repay the Program so that the monies may be invested for future rental housing projects.

Definitions

Listed below are the definitions of some of the key terms used in the Program. Additional definitions may be found in Chapter 15-311, Hawaii Administrative Rules (“HAR”), and the Procedural Manual. If you require further assistance or clarification, please contact HHFDC staff.

Administrative Expenses	Those expenses incurred in the administration of a Project including, but not limited to, salaries and employee benefits, utilities, supplies, accounting and audit fees, and telephone service.
Affordability	For Program purposes, affordability is generally achieved when a tenant’s contribution toward rent (including utilities) is approximately 30% or less of their monthly gross income, or the unit rent (including utilities) is less than or equal to the rent established by the Program.
Application	A submittal requesting funds from the Program.
Cash flow	Cash available after vacancy, operating expenses, reserves, and debt service payments have been deducted from gross income generated from the rental units.
Construction Management Costs	Costs directly related to managing the Project to the point of completion of construction.

Consultant Fee	Fees paid to a third-party developer or a consultant for costs/services associated with the implementation of a Project. This may include developer's fee and overhead.
Corporation	The Hawaii Housing Finance and Development Corporation as defined by Section 201H-1, Hawaii Revised Statutes. The Corporation is headed by the Board of Directors (the "Board").
Debt Coverage Ratio	The ratio of Net Operating Income to total annual Debt Service payments. For Projects requesting Program funds, this ratio shall not be less than 1.00 to 1.00.
Debt Service Reserve	Program contract language may require a Program recipient to deposit all or a portion of the Project's cash flow into a debt service reserve account to reduce the loan principal during or at the end of the loan term.
Develop/Development	The planning, financing, acquisition of real and personal property, demolition of existing structures, clearance of real property, construction, reconstruction, alteration, or repairing of approaches, streets, sidewalks, utilities, and services, or other site improvements, or construction, reconstruction, repair, remodeling, extension, equipment, or furnishing of buildings or other structures, or any combination of the foregoing, of any housing project. It also includes any and all undertakings necessary therefore, and the acquisition of any housing, in whole or in part.
Eligible Applicants	Eligible applicants include non-profit entities, private developers, government agencies, LLC's and Partnerships. One or more eligible entities that submit an Application to the Corporation requesting funds from the Program.
Equity Gap Financing	Additional funds required to make a Project financially feasible, usually cash or subordinated debt used to fill the "gap" between available financing, available subsidies, and total development cost.
Housing/Housing Project/ Project	A plan, design, or undertaking for the development of dwelling units, and includes all real and personal property, buildings and improvements, commercial space, lands for farming and gardening, community facilities acquired or constructed or to be acquired or constructed, and all tangible or intangible assets held or used in connection with the housing project.
Leverage Ratio	The ratio of total project dollars from other sources benefiting low- to moderate-income households to the total Fund dollars requested.
Loan	Funds lent to an Eligible Applicant for the purpose of financing a qualified housing project located within the State of Hawaii with the obligation to repay the funds according to specific terms and conditions as set by the Corporation.
Loan-to-Value (LTV) Ratio	The ratio of the total loan amount to the total appraised value. The maximum LTV ratio authorized by the Fund is 100 percent.
Nonprofit Organization	A corporation, association, or other duly chartered entity which is registered with the State, and which has received a written determination from the Internal Revenue Service that is exempt under either section 501(c)(3), section 501(c)(4), or so much of section 501(c)(2) as applies to

title holding corporations that turn over their income to organizations that are exempt under either section 501(c)(3) or 501(c)(4), of the Internal Revenue Code of 1986, as amended.

Regulatory Agreement/
Restrictive Covenants

The agreement between the Corporation and the Applicant receiving Program funds that prescribe the manner in which a Project is to be operated, the rental rates to be charged, and the conditions under which distributions may be made from the Project to the Applicant.

Relocation Expenses

Those costs paid to households when relocation is necessary.

Special Needs

Housing for Groups of people who require special housing-related services.

(Note: If an Applicant states that a special needs population will be served/targeted, the Corporation will expect to see appropriate services described as part of the Application and design.)

Minimum Affordability Criteria

Qualified Projects funded in whole or in part from the Rental Housing Revolving Fund will be ranked in the following order of priority:

1. Projects awarded tax credits or financing administered by HUD or USDA RD maintaining a minimum of:
 - 50% of the units for families or households earning 80% or less of the area median gross income, of which 5% of the units for families or households earning 30% or less of the area median gross income;
 - and the remainder of the units for families or households earning 100% or less of the area median gross income.
2. Mixed-income rental projects or units in a mixed-income rental project where all units are for persons and families with incomes below 140% area median gross income.

Median gross income figures are derived annually from figures issued by HUD. Additionally, Program funds must be used for affordable rental housing projects.

Eligible Activities

As set forth in Chapter 15-311, HAR, activities eligible for assistance include, but are not limited to, the following areas:

- Planning;
- Design;
- Land acquisition;
- Cost(s) of options;
- Agreement(s) of sale;
- Down payments;
- Equity financing, including the leveraging of moneys with the use of fund assets;
- New construction or rehabilitation;
- Acquisition of housing units for the purpose of preservation as lower cost housing;
- Participation in interim construction loans provided by private lenders or in loan programs administered by government agencies;
- Capacity building grants to **nonprofit** organizations;
- Pre-Development grants or loans to **nonprofit** organizations or governmental agencies;

- Other housing development services or activities as approved by the HHFDC on a case-by-case basis.

Project Administrative Expenses

As codified in Chapter 15-311, section 23, HAR, program funds **cannot** be used to finance the day-to-day administrative expenses of a project.

The Application

The Application requires detailed and comprehensive descriptions and justifications for the proposed activities. The key to a successful application is a clear description of the Local Housing Need; the Project and its Design; the Benefits and Impacts; the Management of Project; and the degree to which the applicant is able to leverage limited resources.

Evaluation

After reviewing staff’s findings, the HHFDC evaluates each project based on the five (5) elements that comprise the Rating Criteria. These broad criteria are based on statutory language contained in the enabling legislation and are translated into the specific rating criteria. The actual criteria and the corresponding point values are described below in the section labeled “Rating Criteria”. It is important to note that the form of assistance requested (i.e., deferred loan, amortized, interest-only, or grant) is not part of the rating criteria.

The evaluation process favors proposals that demonstrate the following characteristics:

- Projects that serve the target groups as specified in §201H-202(e)(1) and (2) of the Hawaii Revised statutes;
- Projects which provide at least five percent of the total number of units for persons and families at or below thirty percent of the median family income;
- Projects which the maximum number of units for families with income at or below eighty percent of the median family income;
- Projects which provide the maximum number of units for least amount of subsidy;
- Projects which are committed to serving the original target population over a longer period of time;
- Projects which increase the integration of income levels of the immediate community area;
- Projects which meet the geographic needs of the target population (e.g., proximity to employment centers and services);
- Projects being developed by applicants with a favorable past performance in developing, owning, managing, or maintaining affordable rental housing; and
- Other criteria established by HHFDC that is deemed necessary to carry out the intended purposes of the fund.

For all funding requests, in order to be considered by the HHFDC the applicant’s Project, **must** produce units in **at least one** of the following categories:

- Multi-family projects;
- Attached single-family units;
- Apartments;
- Townhouses;
- Housing units above commercial or industrial space;
- Single room occupancy units;
- Accessory apartment units;
- Employee housing;
- U.S. Department of Housing and Urban Development mixed finance development of public housing units; and
- Other types of units, as determined by the Corporation, meeting the eligibility criteria.

Staff or the HHFDC retains the right to contact local government officials, representatives of other funding

programs, or other individuals to verify or obtain additional information about applicant’s proposals.

Rating Criteria

Each application is evaluated and awarded points in accordance with the criteria listed below. The Corporation may accept a request, may deny a request, or may delay action on any request for project funds.

A minimum of 125 points (out of the 250 total points) must be scored in order to be placed on the Eligible Project List by the Corporation.

A more detailed listing of the scoring criteria is available from staff, upon written request for such information.

1.	Local Housing Need	
	a. Increase the integration of income levels of the immediate community area	0 - 10 points
	b. Supported by local county government as evidenced by a letter of support.	0 - 10 points
	c. Clearly describes the shortage and demand for low-income units in the proposed area.	0 - 10 points
	d. Project will add new low-income units to the State’s inventory (i.e., new construction or substantial rehabilitation)	0 - 25 points
		55 Points
2.	Project Description and Design	
	a. The project characteristics address the health and safety of tenants and provides amenities to enhance the project.	0 - 10 points
		10 Points
3.	Benefits and Impact	
	a. Services the original target group (i.e., at least 50% of units serving individuals earning 80% or less of HUD median income, of which at least 5% of units serving individuals earning 30% or less of HUD median income, and the remainder of units serving individuals earning 100% or less of HUD median) or mixed income project rentals where in all of the available units are for persons and families with incomes at or below 140% AMGI	0 - 10 points
	b. Committed to serving the original target population for a longer period of time.	0 - 35 points
	c. Provides units for special needs groups.	0 - 10 points
	d. Provide units with two-bedroom units or larger	0 - 10 points
	e. Project will charge rent for units that is less than the maximum allowed under the Program.	0 - 20 points
		85 Points

4.	Project Management	
a.	Applicant and/or project development team demonstrates the experience and the ability to successfully implement the proposed project in a timely and on-going manner.	0 - 10 points
b.	Applicant is a non-profit or affiliated with a non-profit entity.	0 - 10 points
c.	Project has low developer fees and overhead.	0 - 10 points
d.	Applicant presents a reasonable development budget, sources and uses statement, and operating pro forma for the project.	0 - 10 points
		40 Points
5.	Leverage	
a.	Provides maximum number of units for the least amount of Program subsidy	0 - 20 points
b.	Has secured commitments of other resources, including private funds, public funds, and recipient contributions.	0 - 10 points
c.	Project provides maximum amount of leverage (total state funds vs. other funds).	0 - 20 points
d.	Development schedule demonstrates a reasonable time frame.	0 - 10 points
		60 Points
	TOTAL POSSIBLE	250 Points

Loan Awards

Only those Applications that best meet the statutory intent and the criteria of the Program will be selected to receive Program funds.

The Corporation has the authority and the right to approve, disapprove or defer decisions regarding any application or project for funding awards, regardless of the ranking under the Rating Criteria. The Corporation or its designated representative has the authority to make such decisions if it is deemed to be in the best interest of meeting state housing needs. The Corporation reserves the right to make an award for less than the amount requested by the Applicant. The Corporation reserves the right to accept or reject any Application, to award loans to as many or as few Applicants as it may select, to award loans to entities other than Applicants. The Corporation reserves the right to cancel, suspend or terminate, in part or in whole, any funding round, if the Corporation, in its sole discretion, deems it to be in its best interest to do so. The Corporation reserves the right to reject any Application submitted and may exercise such right without notice and without liability to any Applicant or other parties for their expenses incurred in the preparation of an Application. Applications are prepared at the sole risk and expense of the Applicant. The completion, receipt, or acceptance of an Application does not commit the Corporation to pay any costs incurred in preparation of the Application. The Corporation shall not be responsible for any costs incurred by the Applicant due to the cancellation, suspension, or termination of such funding round, or the rejection of any Application.

The awarding of funds is subject to the availability of funds and approval by the Governor of the State of Hawaii.

Revolving Fund Contract

After an application is selected for funding by the Corporation, several legal documents will be negotiated and executed between the applicant and the Corporation. The type of documentation and the form of documentation will depend upon the form of financing (i.e., grant, loan, or combination) provided by the Corporation.

At a minimum all award recipients will be required to execute a Regulatory Agreement/Restrictive Covenant between the applicant and the Corporation. The Regulatory Agreement/Restrictive Covenant will set out the terms and conditions that will be the basis for the applicant to operate the project for the duration of the commitment. Included in the agreement will be items such as rental rates, increases in rental rates, and other related topics. The final form of the agreement is determined by the type of funding award and by the specific terms and conditions negotiated between the Corporation and the applicant.

Compliance Monitoring and Follow-up

Staff monitors the expenditures and the activities associated with each project receiving Program funds. Participants may be required, subject to the Corporation's determination, to report the status of their projects on a monthly, a quarterly, or an annual basis, depending upon the nature of the project.

Staff monitors each project to ensure that the project complies with the terms of the Program Contract and to ensure that Program monies are spent efficiently and for their intended purposes.

STATE OF HAWAII
Hawaii Housing Finance and Development Corporation

**2025 Consolidated Application
FEE SCHEDULE**

Program	Application Fees*	Loan / Origination Fee and Interest	Administrative Fee	Compliance Monitoring Fee
Low-Income Housing Tax Credit (LIHTC)	\$5,000 Initial Fee Any Extension or Modification Request subject to a \$5,000 Additional Fee	N/A	10% of first year's federal LIHTC reservation amount shall be made (good faith deposit) 80% of the good faith deposit shall be retained as an administrative fee (reference QAP for details)	\$25 per unit per year for all project units excluding the manager unit(s)
Hula Mae Multi-Family (HMMF)	\$5,000 Initial Fee Any Extension or Modification Request subject to a \$5,000 Additional Fee	N/A	0.5% of the loan amount (with a minimum of \$50,000 and maximum of \$100,000) payable at bond issuance (one-time fee) and 0.125% of the permanent multi-family loan amount (amount administrative fee)	\$35 per unit per year for all project units excluding the manager unit(s)
Rental Housing Revolving Fund (RHRF)	\$2,000 Initial Fee Any Extension or Modification Request subject to a \$1,000 Additional Fee	Origination Fee: 0.5% of loan amount Interest: Variable depending on project needs	N/A	\$35 per unit per year for all project units excluding the manager unit(s)
Dwelling Unit Revolving Fund (DURF)	\$2,000	Origination Fee: Minimum of 1% of loan amount Interest: Minimum of 3% per annum	Up to \$2,500 per unit (one-time fee)	N/A

STATE OF HAWAII
Hawaii Housing Finance and Development Corporation

**2025 Consolidated Application
SCHEDULE OF IMPORTANT EVENTS**

Program	Application Due Dates*	Award Dates*	Availability of Funds
LIHTC -- 9% (State's Annual Volume Cap)	February 14, 2025 2:00 PM (HST)	June/July 2025	Subject to the availability of the State's LIHTC volume cap
LIHTC -- 4% (Non-Volume Cap)	February 14, 2025 2:00 PM (HST)	July/August 2025	Subject to the issuance of tax-exempt private activity bonds
HMMF	February 14, 2025 2:00 PM (HST)	July/August 2025	Subject to the availability of the State's private activity bond cap
RHRF	February 14, 2025 2:00 PM (HST)	June/August 2025 <i>Note: RHRF program requires the HHFDC Board to adopt an approved and rejected list prior to award</i>	Upon Governor's approval and satisfactory completion of required documentation
DURF	Open, applications accepted throughout the year	Depends on the date an application is received	Upon Governor's approval and satisfactory completion of required documentation

**All dates are subject to change by HHFDC.*

STATE OF HAWAII
Hawaii Housing Finance and Development Corporation

Area Measurement Standards for Calculating Development Costs

The following standards are required to be used when completing the Building/Project Area table (the “table”) within the Application/Input worksheet tab of the Consolidated Application. Any deviation from these standards will result in significant delays in the review of your application and may impact scoring and ranking thereof.

General Instructions

1. All building areas must be reported in one of the following categories: Residential Area, Common Area, Commercial Area, Structured Parking Area, and Community Service Facility (as applicable). The sum of these areas must equal the total building area and no part of the structure should be omitted.
2. Unit counts reported in the table should be consistent with plans submitted with the application (Exhibit 28).
3. All areas reported in the table should be consistent with total Gross Square Footage (GSF).
4. Residential GSF should be supported by and be consistent with project drawings. Applicants may be required to justify any discrepancies in reported Residential GSF from graphical information reflected on the drawings. If there are unresolved discrepancies, then the drawings shall control over the amounts reported in the table.
5. Negligible discrepancies between amounts reported in the table and project drawings, such as those due to rounding, are acceptable. However, discrepancies based on “pending changes” are unacceptable.

Specific Instructions – Residential Area

1. The SF/Unit requested is GSF per unit. The GSF of residential units should be calculated to:
 - a. Exterior face of exterior walls. The measurement line should follow the actual exterior face of the wall, for example if there are any “bump-outs” or “notches”.
 - b. Outside face of corridor walls.
 - c. Centerline, taken face to face of the entire wall assembly (regardless of how many layers it has), of all demising walls, such as between a unit and a unit, between a unit and a stairwell, between a unit and structured parking, etc.
2. Do not “gross up” the residential unit areas to include circulation space. Circulation space should be reported as Common Area.
3. For multi-story units, vertical circulation which is internal to a unit (serves only that unit, e.g. stairs in a 2-story unit) must be included in the calculation for each floor plate (not only once).
4. For Single-Family Houses, enclosed garage space is not included and is reported instead as structured parking.
5. Unenclosed spaces like covered entries, unenclosed lanais, etc., are not included in unit GSF.

6. Closets accessed from outside the unit may be considered as part of the unit’s GSF if they are enclosed, attached, and exclusively for the use of that unit. This includes such spaces accessed from within a garage in a Single-Family House.
7. “Shared” water heater closets, which are accessed from a corridor and contain two water heaters for two separate units, may be counted as part of the unit’s GSF, split equally between the two units in question if they are adjacent to or reasonably close to the units in question. “Centralized” water heater rooms or boiler rooms may not be.
8. HHFDC recommends that the project’s architect prepare a drawing sheet with a GSF area table, showing the areas per unit type and the total areas, conforming to HHFDC’s measurement standards (this is not required but is recommended).

Specific Instructions – Common Area

1. Common area includes all building area which is part of the overall building GSF but is not Residential Unit GSF, Commercial GSF, Community Service Facility GSF, or Structured Parking GSF. This includes internal circulation space such as corridors and stairwells in high-rise buildings (typically garden-style buildings do not have internal circulation space but some may, the architect should determine this).

Specific Instructions – Parking Structured Area

1. If the project includes Structured Parking, then its GSF should be reported.

Specific Instructions – Parking Surface Area

1. Submission of Surface Parking GSF is appreciated but not required. The inclusion of this line item is necessary to reinforce that it is NOT to be included in the Structured Parking GSF line item.