

## LISTING OF MAJOR REVISIONS

### DRAFT 2026 QUALIFIED ALLOCATION PLAN

#### HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

The list below is of those which are substantive, although it does not include all differences from 2025 (typographical corrections excluded). Note the entire draft is preliminary and subject to further revision, including in response to input from interested parties. HHFDC will hold a public hearing and invite written comments.

##### **Minimum Thresholds** (page 5)

Specified that Minimum Threshold requirements may also be further defined in the Consolidated Application instructions.

##### **Design Expectations** (page 5)

HHFDC may require changes in a project's design as a condition of 1) award, 2) carryover allocation agreement or Section 42(m) letter, 3) loan closing, 4) Form 8609 issuance, or 5) any other step in the development process. This allows HHFDC staff flexibility to negotiate amenities and design changes to enhance tenant livability.

##### **Engineering or Capital Needs Assessment** (page 5-6)

Specified that preliminary engineering reports must be completed within one (1) year of the application date. This ensures the latest costs and considerations by engineer are tracked.

##### **Contractor's Profit Limitation** (page 7)

Contractor's profit includes payment & performance bond costs.

##### **Phase I Environmental Assessment** (page 9)

Added language to specify that the Environmental Questionnaire attached to the Consolidated Application must be completed along with the Phase I environmental Assessment.

##### **Developer Fee** (page 9)

9% new building submissions will include management units as part of their maximum total developer fee calculation.

**LIHTC Developer and Manager Experience** (page 10)

A new sub requirement is added to allow HHFDC staff to determine an Applicant and/or Management Agent to be ineligible for award due to poor performance on a recent award or existing project (i.e. failure to submit quarterly reports). Such a determination will mean the entity is not in good standing for at least the current application cycle.

**Prohibited Fees** (page 10)

A new minimum threshold is made to prohibit fees that are unrelated to the project budget (i.e. personal guarantee fees made by developers). This will prevent use of project funds toward unrelated costs.

**County Review Commitment** (page 11-12)

A new sub-criterion has been established to award more points for Counties that commit to approving building permits within a timeframe. A penalty shall be placed on the County that fails to adhere to its commitment to an awarded project. For the subsequent application cycle, all projects within the penalized County's borders shall be ineligible for points from this sub-criterion. This penalty will not be applied if the cause of delay is due to a factor outside of the respective County's control (i.e. State approvals, third party reviews, etc.).

**State or County Government Owned Land** (page 15)

This criterion was clarified to include State or County government owned land.

**Energy Efficiency and Green Building** (page 16)

Dead links were removed.

**Developer and Property Management Experience Criterion A** (page 16)

Removed language that limited HHFDC's consideration of applications submitted by developer within five (5) years. This would allow HHFDC to evaluate the performance applicants on their operating projects, instead of just applicant financial closing and construction.

**Developer and Property Management Experience Criterion C** (page 16)

Removed language on considering extensions, additional HHFDC resources, or other accommodations because these will be considered in Criterion A.

**Special Housing Needs (page 18)**

This scoring criterion was completely changed to incorporate a scoring that encourages 1) production of housing units for a larger number of special housing needs individuals, and 2) encourage integration and greater supportive services. The new scoring creates a floor of 10% of the units being pledged for special housing needs through referrals from a state-coordinated system. To receive the full two (2) points, applicants must pledge their proposed project and an existing project to this structure.

Our traditional scoring definition awarded points to projects if they had just one special housing needs unit (i.e. one homeless unit would be awarded a point). Having one unit does not encourage the supportive services required for that individual nor does it facilitate integration with the general population. However, having 10% of a development's population be this population will incentivize developers to provide greater service to these individuals.

**Involvement of a Qualified Non-Profit Organization (page 20)**

This criterion's points have been reduced by one (1) point from two (2) points to one (1) point. Nearly all applicants have a non-profit arm, and it would be more beneficial to allocate the points to a different criterion.