Senate Committee on Human Services & Housing and House Committee on Housing

Informational Briefing on statewide need for housing in Hawaii

Tuesday, January 27, 2015
1:15pm-2:45pm
State Capitol, Room 016
Presentation Materials

Can be found at www.Capitol.Hawaii.Gov by either

1. Clicking on the link on the hearing notice; or

2. Visiting Senator Chun Oakland’s member page. Under the “Documents and Links” section
Overview of the Statewide Housing Need

Ricky Cassiday
Summary of Findings

• Rents UP statewide 10%-12% since 2012;
• Affordable Rental Housing IS For Housing Local Families. One in 5 of us are Renters who make 60% of the median income, or 90,000 of the 474,000 households in Hawaii.
• Under 6,000 Public Housing Units Statewide Serve 90,000 Qualified Families (60% Median Income).
• Thus, 84,000 of our families struggle to house themselves. There’s going to be a future need for another 6,000 units by 2020.
Affordable Rental Housing Study 2014

• Three Parts:
  – Rental Supply (Listings & Rates)
  – Rental Demand (Families and their Incomes)
  – Considerations & Conclusions
RENTAL SUPPLY
What’s Rental Listings & Rates?

The Source? Craigslist
## SUPPLY: Multi-Family Listings Down, Rent Rates Up

<table>
<thead>
<tr>
<th>Yr</th>
<th>Listings</th>
<th>Rents</th>
<th>List Ch %</th>
<th>Rent Ch %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012.1Q</td>
<td>3,986</td>
<td>$1,558</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012.3Q</td>
<td>4,339</td>
<td>$1,560</td>
<td>8.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2012.4Q</td>
<td>2,883</td>
<td>$1,591</td>
<td>-33.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2013.3Q</td>
<td>3,382</td>
<td>$1,658</td>
<td>17.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2013.4Q</td>
<td>3,529</td>
<td>$1,715</td>
<td>4.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2014.1Q</td>
<td>2,823</td>
<td>$1,763</td>
<td>-20.0%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

**Change, 2012.1Q - 2014.1Q**

-29.2%  13.2%

**Summary Change, all periods**

-23.1%  12.6%

**Per period change**

-4.6%  2.5%

---

State, MF
No Average

Supply:
- Multi-Family Listings Down
- Rent Rates Up

By Ricky Cassiday (rcassiday@me.com)
## SUPPLY: Single Family Listings Down, Rent Rates Up

### State, SF

*No Average*

<table>
<thead>
<tr>
<th>Yr</th>
<th>Listings</th>
<th>Rents</th>
<th>List Ch %</th>
<th>Rent Ch %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012.1Q</td>
<td>1,968</td>
<td>$2,054</td>
<td>3.8%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>2012.3Q</td>
<td>2,043</td>
<td>$1,938</td>
<td>3.8%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>2012.4Q</td>
<td>1,366</td>
<td>$1,988</td>
<td>-33.1%</td>
<td>2.6%</td>
</tr>
<tr>
<td>2013.3Q</td>
<td>1,380</td>
<td>$2,131</td>
<td>1.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2013.4Q</td>
<td>1,265</td>
<td>$2,191</td>
<td>-8.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2014.1Q</td>
<td>941</td>
<td>$2,271</td>
<td>-25.6%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

**Change, 2012.1Q - 2014.1Q**

-52.2% 10.6%

**Summary Change, all periods**

-62.2% 10.6%

**Per period change**

-12.4% 2.1%
Falling Supply (Ads), Rising Rents
What’s the Demand?

• The Source?
• Demographic Data, 2010 Census
• Asked:
  – Are You a Renter, or Home Owner?
  – What’s Your Income?
  – How Persons Many in Your Household?
What did it say?

• 470,000 Households in the state

1. 63,000 Households Make 30% of AMI or lower? 13%
2. 59,000 Households Make 30%-50% of AMI? 12%
3. 38,000 Households Make 50%-60% of AMI? 8%
4. 58,000 Households Make 60%-80% of AMI? 12%

So 46% of Us Make 80% or Less of AMI. This is the Renter Category. Workforce Housing starts at 100% of AMI.
RENTER Households, Cumulative

- **Count**
- **Percent, All Hhlds**

- **30% & below**
- **50% & below**
- **60% & below**
- **80% & below**
- **100% & below**

1/27/15 By Ricky Cassiday (rcassiday@me.com)
The Take Away?

• Affordable Housing IS
• Local Housing
• (1 out of 3 makes 60% or less of Median Income)
That Was Today, Our Present Housing Need

What About Past & Future Housing Needs?
Housing Demand vs. Housing Supply

• More people, more houses needed
• Population Growth = Demand for Housing
• Housing Production = Supply of Housing
• Combine the two for Surplus or Deficit
• Accumulate overtime
## Housing Need vs Housing Built

**Statewide, 2000-2013**

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Population Growth</th>
<th>Families Formed</th>
<th>Housing Built</th>
<th>Newly Formed Minus Built</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1,225,948</td>
<td>12,429</td>
<td>4,300</td>
<td>3,262</td>
<td>(1,038)</td>
<td>(1,038)</td>
</tr>
<tr>
<td>2005</td>
<td>1,292,729</td>
<td>19,160</td>
<td>6,682</td>
<td>5,113</td>
<td>(1,570)</td>
<td>(7,251)</td>
</tr>
<tr>
<td>2009</td>
<td>1,346,717</td>
<td>14,504</td>
<td>5,024</td>
<td>2,681</td>
<td>(2,345)</td>
<td>(10,742)</td>
</tr>
<tr>
<td>2010</td>
<td>1,363,731</td>
<td>17,014</td>
<td>5,855</td>
<td>1,462</td>
<td>(4,395)</td>
<td>(15,136)</td>
</tr>
<tr>
<td>2011</td>
<td>1,376,897</td>
<td>13,166</td>
<td>4,545</td>
<td>1,046</td>
<td>(3,498)</td>
<td>(18,636)</td>
</tr>
<tr>
<td>2012</td>
<td>1,390,090</td>
<td>13,193</td>
<td>4,559</td>
<td>849</td>
<td>(3,710)</td>
<td>(22,346)</td>
</tr>
<tr>
<td>2013</td>
<td>1,404,054</td>
<td>13,964</td>
<td>4,858</td>
<td>1,350</td>
<td>(3,508)</td>
<td>(25,854)</td>
</tr>
</tbody>
</table>

1/27/15  
By Ricky Cassiday (rcassiday@me.com)
Future?

• Use DBEDT’s 2040 Population Forecast, then break that into the different Income Groups
• Potential Family Housing Need, 2013-2020 (Upcoming)
• Add the Future Need to Past Need (Unmet, or Backlog)
• Get Totals for Past & Future
• 17,000 Units Needed Statewide, 100% or Less
• 14,000 Units Needed Statewide, 80% or Less
Total Renter Housing Need Statewide Past & Future

<table>
<thead>
<tr>
<th></th>
<th>Backlog 2000-13</th>
<th>Upcoming 2013-2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>2,154</td>
<td>2,757</td>
<td>4,911</td>
</tr>
<tr>
<td>50%</td>
<td>1,846</td>
<td>2,282</td>
<td>4,128</td>
</tr>
<tr>
<td>60%</td>
<td>1,067</td>
<td>1,272</td>
<td>2,339</td>
</tr>
<tr>
<td>80%</td>
<td>1,522</td>
<td>1,753</td>
<td>3,275</td>
</tr>
<tr>
<td>100%</td>
<td>1,150</td>
<td>1,382</td>
<td>2,532</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>7,739</strong></td>
<td><strong>9,446</strong></td>
<td><strong>17,185</strong></td>
</tr>
</tbody>
</table>
HCDA’s 630 Cooke Street: 73 Units

20,000 One & Two Person Households Qualify for Paying $503/Mo., or 30% AMI
8,000 One & Two Person Households Qualify for Paying $1,006/Mo., or 60% AMI
The Ten Most Expensive Metros Areas for Renting, Fiscal Year 2013
(Income Needed to Rent)

<table>
<thead>
<tr>
<th>City</th>
<th>2 Bedroom</th>
<th>1 Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honolulu, HI</td>
<td>$73,320</td>
<td>$55,680</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>$71,800</td>
<td>$56,920</td>
</tr>
<tr>
<td>Santa Ana, CA</td>
<td>$64,840</td>
<td>$51,760</td>
</tr>
<tr>
<td>San Jose, CA</td>
<td>$64,400</td>
<td>$50,480</td>
</tr>
<tr>
<td>Santa Cruz, CA</td>
<td>$63,480</td>
<td>$46,920</td>
</tr>
<tr>
<td>Suffolk-Nassau, NY</td>
<td>$63,320</td>
<td>$51,400</td>
</tr>
<tr>
<td>Oxnard, CA</td>
<td>$59,960</td>
<td>$44,640</td>
</tr>
<tr>
<td>New York, NY</td>
<td>$58,960</td>
<td>$49,720</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>$57,760</td>
<td>$46,240</td>
</tr>
</tbody>
</table>
Maui County Rents

1 & 2 Bdrm Apartment

3 & 4 Bdrm Single Family
Rising Housing Prices = Rising Rents

• Housing Ladder in Reverse
• Rising Rents Push Families Out of Their Units
• And Into Doubling Up, Tripling Up
• $1,000/Month for a Room, $1,200/Month for a Room & Private Bathroom
• $600/Month for a Backyard
• $0/Month in Kakaako Makai
Oahu Condos: Median Prices vs Ave. Rents

Rents
Resale Prices

1/27/15
By Ricky Cassiday (rcassiday@me.com)
New Homes Share of Market

New Share State
Want To Lower Housing Prices?
Then Produce More Supply

New Homes Share of Market vs. Prices

<table>
<thead>
<tr>
<th>Price Index</th>
<th>New Share State</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>$150,000</td>
<td></td>
</tr>
<tr>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>$350,000</td>
<td></td>
</tr>
<tr>
<td>$400,000</td>
<td></td>
</tr>
<tr>
<td>$450,000</td>
<td></td>
</tr>
<tr>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>$550,000</td>
<td></td>
</tr>
</tbody>
</table>

Want To Lower Housing Prices?
Then Produce More Supply

1/27/15
By Ricky Cassiday (rcassiday@me.com)
History of Housing Supply

• Oahu Condos Production from 1960
• Statewide Private Residential Permits
• NOTE: The 2014 Units Will Complete in 2 Years
• NOTE: There’s Not Many
• NOTE: Most Are High Priced (Kakaako & Ala Moana)
• Conclusion: Housing Shortage Getting Worse
State's Housing Permits & Value/Permit

- All Permits
- Value/Permit

1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013

$0 $50,000 $100,000 $150,000 $200,000 $250,000 $300,000 $350,000 $400,000 $450,000 $500,000

1/27/15 By Ricky Cassiday (rcassiday@me.com) 29
What’s To Blame?

TOO MUCH DEMAND
TOO LITTLE SUPPLY
Higher Housing Demand Due to Jobs

Residential Sales & Job Growth

Total Closings
Total Jobs

1/27/15 By Ricky Cassiday (rcassiday@me.com)
Higher Housing Prices Due to Jobs

Job Creation and Housing Prices

Job Counts
Housing Price Index

1/27/15
By Ricky Cassiday (rcassiday@me.com)
But Wages Didn’t/Don’t Rise Much
Wages Growth < Housing Prices

• 5.0% = Compound Annual Appreciation of Homes over 35 Years
• 4.7% = Compound Annual Appreciation of Condos over 35 Years
• 4.2% = Compound Annual Appreciation of Wages over 35 Years
The Reality: Wages & Housing Prices Are Out of Synch

• Today: the Economy Booms, I get a job, but no mo house (Booming Economy = High Housing Prices)

• Tomorrow (and Yesterday): the Economy Busts, Housing Prices Fall, but No Mo’ Job.

• At the bottom of the last cycle, 1998, I lost my job at the largest homebuilder in the state. Their profit margins on the affordables were negative, because they couldn’t make enough on their market rate housing to cover my salary (ditto for construction, financing, real estate services, etc.).
SOLUTIONS

• Cut Jobs?
• Lower Wages?
• Cut Military Presence?
• Close Our Borders
• Increase the Affordable Requirement?
Military & Second Homes

• Military absorbs some 10%-15% of housing stock
• Second homes and/or investor units absorbs 10%-40% of housing, depending on island and housing type
• BUT, an empty unit on base, or near Kailua Beach, won’t be occupied by a local family making an income under 80% of median income
• AND, these units support local landlords, local businesses, who support the State and Counties
• The Mayor said the affordable housing bill would be… promoting social and economic equality on Maui, because it would ensure homes for local residents, who can’t compete for homes on the free market against millionaires.

• She had little patience for developers saying the policy wouldn’t work.

• It’s time for them to get real and get fair with us, and start providing housing for our people, she said. “If they can’t do it, fine. Aloha ‘oe. We don’t need them in Maui County.”

• They stopped building because they lost money. And prices rose even higher, due to lack of supply.
The Reality: Wages & Housing Prices Are Out of Synch

• Today: the Economy Booms, I get a job, but no house (Booming Economy = High Housing Prices)
• tomorrow (and yesterday): the Economy Busts, Housing Prices Fall, I can buy house, but No Mo’ Job.

• At the bottom of the last cycle, 1998, I lost my job at the largest homebuilder in the state. Their profit margins on the affordables were negative, and they couldn’t make enough on their market rate housing to cover my salary. Or everyone else working in construction, financing, real estate services, etc.

• BOTTOM LINE: Get Job, No Mo House. Get House, No Mo Job
“Public-Private Partnership Solutions to the Affordable Housing Crisis”

- **HOUSING INPUTS:** Land, Labor, Materials, Financing, Zoning, Drive (Management) (aka paranoia about interest rates)
- **The Public Sector has Land, Financing & Zoning and Can Get The Rest**
- **The Private Sector has Drive and Can Get The Rest**
Suggestions

• Public Private Partnership: The Public Partner Acts Like the Private Partner & vice versa.

• The Public Partner Has Everything The Private Partner Has, Plus Financing, Land and Ability to Clear High Regulatory Barriers with a Single Leap.

• The Private Partner Has Urgancy
What One Partner Looks Like Without The Other
Hawaii Public Housing Authority (HPHA)

Dawn Apuna
HPHA ACCOMPLISHMENTS SINCE 2011

- 1,114 units have been brought on line
- 4,071 units affected by modernization improvements = $153,063,078 in CIP Funds
- Statewide occupancy rates have improved from the low 80% range to 98%
- Turnover time of units has decreased from 3 digit days to 7 days
- Improved the security and safety of our residents at several HPHA properties through environmental design features
- Instituted a no-smoking ban at all of our properties
- Provided housing to over 3,000 homeless individuals
LANAKILA HOMES UPDATE

- Demolition of Phase IIIB & IV on hold due to high levels of arsenic in the soil.
- Soil remediation estimated at $2.55M
- All structures are still standing and the site has been completely fenced in
- Soil remediation will likely increase the new construction cost.
LANAKILA HOMES UPDATE

- Fair Housing Improvements at Lanakila Homes are estimated at $715,000
- Improvements include: an accessible route through the upper section of Lanakila Homes, curb ramps, crosswalks and additional parking stalls.
- Lanakila Community Center reroofing will begin April 2015.
<table>
<thead>
<tr>
<th>Project</th>
<th>Current</th>
<th>Proposed</th>
<th>Net Gain</th>
<th>Construction</th>
<th>Beginning Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makua Ali’i &amp; Paoakalani</td>
<td>362</td>
<td>700 to 1,000</td>
<td>340 to 640</td>
<td>End of 2017</td>
<td>End of 2020</td>
</tr>
<tr>
<td>Mayor Wright Homes &amp;</td>
<td>364</td>
<td>1,500</td>
<td>1140</td>
<td>End of 2015</td>
<td>2017</td>
</tr>
<tr>
<td>Kalanihiua</td>
<td>151</td>
<td>500</td>
<td>350</td>
<td>End of 2016</td>
<td>2018</td>
</tr>
<tr>
<td>HPHA Offices</td>
<td></td>
<td>600 to 1,000</td>
<td>600 to 1,000</td>
<td>End of 2016</td>
<td>End of 2017</td>
</tr>
<tr>
<td>Kuhio Park Terrace Phase 2</td>
<td>170</td>
<td>300 to 700</td>
<td>260 to 660</td>
<td>End of 2016</td>
<td>End of 2017</td>
</tr>
<tr>
<td>Kamehameha &amp; Kaahumanu</td>
<td>373</td>
<td>1,500 to 2,300</td>
<td>1,125 to 1925</td>
<td>End of 2017</td>
<td>End of 2019</td>
</tr>
<tr>
<td>Puuwai Momi</td>
<td>260</td>
<td>600 to 1,200</td>
<td>340 to 940</td>
<td>End of 2016</td>
<td>End of 2018</td>
</tr>
<tr>
<td>Hale Laulima</td>
<td>36</td>
<td>700 to 1,000</td>
<td>660 to 960</td>
<td>End of 2017</td>
<td>End of 2019</td>
</tr>
<tr>
<td>Waipahu I &amp; II, Hoolu’u &amp; Kamalu</td>
<td>260</td>
<td>700 to 1,000</td>
<td>440 to 740</td>
<td>End of 2016</td>
<td>End of 2018</td>
</tr>
<tr>
<td>State Parcel (UH West Oahu)</td>
<td></td>
<td>Up to 12,200</td>
<td>Up to 10,360</td>
<td>Pending</td>
<td>Pending</td>
</tr>
</tbody>
</table>

*Total: 1,976 to 12,200 to 10,360*
MAYOR WRIGHT HOMES
CURRENT USE

- Built in 1952
- 14.85 Acres
- 36 two-story buildings
- 364 Federal PH Units
- Serving Low-Income Families
PROPOSED USE

Increase the number of units from 364 to 1,200-1,500 total units. Include mixed-incomes and mixed-uses. Increase building heights and densities to maximize the greatest use of the parcel.
MAYOR WRIGHT HOMES
PROPOSED USE
TIMELINE

PRE-DEVELOPMENT
☑ ID Development Idea March 2014
☑ RFQ July 2014

SECURING THE DEAL
☑ Negotiations ongoing
☑ Secure Financing

DEVELOPMENT
☑ Approvals
☑ Groundbreaking End of 2015

BEGINNING OCCUPANCY
☑ 2017
Portion of 12.48 acres
13 administrative buildings
200 employees
PROPOSED USES

Redevelop the HPHA Offices to increase the number of low-income units to **600 to 1,000 units**.

Redevelop the HPHA offices into efficient workspace.

Include **innovative housing design**, e.g., micro-units to maximize space and number of units.

Include **mixed-incomes and mixed-uses**.
TIMELINE

HPHA OFFICES
PROPOSED USES

PREDEVELOPMENT
☑ ID Development
   Idea June 2014
☑ RFQ January 2015

SECURING THE DEAL
☐ Negotiations
   April 2015
☐ Secure Financing

DEVELOPMENT
☐ Approvals
☐ Groundbreaking
   End of 2016

BEGINNING OCCUPANCY
☐ End of 2017
KUHIO PARK TERRACE PHASE 2
CURRENT USES

- Built in 1965
- 11.62 Acres
- 174 Federal PH Units
- Serving Low-Income Families
PROPOSED USE

Increase the number of units from 40 to 300 to 1,000 total units.

Include Mixed-Incomes and Mixed-Uses.

Increase building heights and densities to maximize the greatest use of the parcels.
KUHIO PARK TERRACE PHASE 2
PROPOSED USES

TIMELINE

PREDEVELOPMENT
☑️ RFP Issued April 2009
☑️ Michaels Development Group Selected

SECURING THE DEAL
☐ Negotiations ongoing
☐ Secure Financing

DEVELOPMENT
☐ Approvals
☐ Groundbreaking End of 2016

BEGINNING OCCUPANCY
☐ End of 2017
HPHA REDEVELOPMENT PROJECTS
CRITICAL NEEDS

FROM THE STATE:
- Legislative Appropriations
- Relocation Space
- Programmatic EIS
- Subsidies of impact fees
- 0% Loan for Infrastructure
- Dedicated Bond Capacity for Housing
- Set-aside of Rental Housing Trust Fund
- Set-aside of Conveyance Tax
- Tax Abatement for Public Housing and affordable units
- Set-aside of Low Income Housing Tax Credits.

FROM THE CITY/COUNTY:
- Expedited Approvals
- Infrastructure
- Reduced parking requirements
- Density bonus
- Height variance
- BMX Zoning
- Subsidies or waivers of impact fees
Hawaii Housing Finance and Development Corporation (HHFDC)

Craig Hirai
Informational Briefing on the Statewide Need for Housing in Hawaii.

COMMITTEE ON HUMAN SERVICES AND HOUSING
Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

COMMITTEE ON HOUSING
Rep. Mark J. Hashem, Chair
Rep. Jo Jordan, Vice Chair

Tuesday 27, 2015 • 1:15pm
Fiscal Year 2013 – 2014 Accomplishments

Rental Housing Production

During the last two Fiscal Years, nine affordable rental projects totaling 1,415 units were completed using HHFDC financing and development assistance.

The following slide provides more detailed information about these completed rental projects.
## Fiscal Year 2013 – 2014 Accomplishments
### Rental Housing Production

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Address</th>
<th>City</th>
<th>County</th>
<th>Units</th>
<th>Completed</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towers at Kuhio Park</td>
<td>1475 Linapuni Street</td>
<td>Honolulu</td>
<td>Honolulu</td>
<td>556</td>
<td>2013</td>
<td>LIHTC; HMMF</td>
</tr>
<tr>
<td>Wilikina Apartments</td>
<td>730 Wahiawa Drive</td>
<td>Wahiawa</td>
<td>Honolulu</td>
<td>119</td>
<td>2013</td>
<td>LIHTC; HMMF</td>
</tr>
<tr>
<td>Hale Makana O Nanakuli</td>
<td>89-201 Lepaka Avenue</td>
<td>Waianae</td>
<td>Honolulu</td>
<td>48</td>
<td>2014</td>
<td>LIHTC; HMMF; RHTF</td>
</tr>
<tr>
<td>Hale Mohalu II Elderly</td>
<td>787 Kamehameha Hwy</td>
<td>Pearl City</td>
<td>Honolulu</td>
<td>164</td>
<td>2014</td>
<td>LIHTC; HMMF; RHTF</td>
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<tr>
<td>Halekauwila Place</td>
<td>665 Halekauwila Street</td>
<td>Kakaako</td>
<td>Honolulu</td>
<td>204</td>
<td>2014</td>
<td>LIHTC; HMMF</td>
</tr>
<tr>
<td>Imi Ikena Apartments</td>
<td>511 Imi Place</td>
<td>Wailuku</td>
<td>Maui</td>
<td>28</td>
<td>2014</td>
<td>LIHTC Loan</td>
</tr>
<tr>
<td>Mohouli Heights Sr. Res. I</td>
<td>Komohana &amp; Mohouli Sts.</td>
<td>Hilo</td>
<td>Hawaii</td>
<td>60</td>
<td>2014</td>
<td>LIHTC; RHTF</td>
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<tr>
<td>Senior Residence at Iwilei</td>
<td>888 Iwilei Road</td>
<td>Honolulu</td>
<td>Honolulu</td>
<td>160</td>
<td>2014</td>
<td>LIHTC; HMMF; DURF</td>
</tr>
<tr>
<td>Villages of Moa'e Ku II</td>
<td>91-1655 Pahika Street</td>
<td>Ewa Beach</td>
<td>Honolulu</td>
<td>76</td>
<td>2014</td>
<td>LIHTC; HMMF; RHTF</td>
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</table>

**TOTAL** 1415

<table>
<thead>
<tr>
<th>LIHTC:</th>
<th>Low-Income Housing Tax Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMMF:</td>
<td>Hula Mae Multifamily revenue bonds</td>
</tr>
<tr>
<td>RHTF:</td>
<td>Rental Housing Trust Fund</td>
</tr>
</tbody>
</table>
Fiscal Year 2013 – 2014 Accomplishments
For Sale Housing Production

During the last two Fiscal Years, five affordable for-sale projects totaling 409 units were completed using HHFDC financing and development assistance.

The following slide provides more detailed information about these completed for-sale projects.
# Fiscal Year 2013 – 2014 Accomplishments

For Sale Housing Production

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Address</th>
<th>City</th>
<th>County</th>
<th>Units</th>
<th>Completed</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holomua</td>
<td>1315 Kalakaua Avenue</td>
<td>Honolulu</td>
<td>Honolulu</td>
<td>176</td>
<td>2013</td>
<td>201H, DURF</td>
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<tr>
<td>Green Homes at Lualualei</td>
<td>87-1720 Farrington Hwy</td>
<td>Waianae</td>
<td>Honolulu</td>
<td>8</td>
<td>2014</td>
<td>201H</td>
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<tr>
<td>Ke Ola Pokai Bay self-help</td>
<td>Kili Drive</td>
<td>Waianae</td>
<td>Honolulu</td>
<td>70</td>
<td>2014</td>
<td>DURF</td>
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<tr>
<td>Maili III Self-Help Lots</td>
<td>Kimo, Palani &amp; Kulaupuni Sts.</td>
<td>Waianae</td>
<td>Honolulu</td>
<td>72</td>
<td>2014</td>
<td>DURF</td>
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<tr>
<td>VOK Nohona III</td>
<td>Village Center</td>
<td>Kapolei</td>
<td>Honolulu</td>
<td>83</td>
<td>2014</td>
<td>Land</td>
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**TOTAL** 409

<table>
<thead>
<tr>
<th>201H:</th>
<th>201H exemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>DURF:</td>
<td>Dwelling Unit Revolving Fund loan</td>
</tr>
<tr>
<td>Land:</td>
<td>HHFDC provided land for the development</td>
</tr>
</tbody>
</table>
Fiscal Year 2013 – 2014 Accomplishments
First Time Homebuyer Assistance

Mortgage Credit Certificate Program
The Mortgage Credit Certificate (MCC) Program provides eligible first-time homebuyers with a direct tax credit against their Federal income tax liability. It reduces their federal income tax liability, reduces their effective mortgage interest cost, increases take home pay, and increases homeownership affordability.

In order to implement the MCC Program, HHFDC, with the assistance of the Department of Budget and Finance, trades in Mortgage Revenue Bond authority for MCC authority. Mortgage Revenue Bond authority is authorization from the Federal government to issue tax exempt revenue bonds.

In FY 2013 and FY 2014, HHFDC assisted 542 first-time homebuyers by issuing them with Mortgage Credit Certificates.
Fiscal Years 2015 – 2020 Plans
Housing Production

GOALS FOR THE NEXT SIX YEARS

More Affordable Housing Units
HHFDC has approximately 6,628 units planned to be delivered in Fiscal Years 2015-2020.

HHFDC is also actively seeking additional projects to add to this pipeline, including mixed-use projects, and TOD projects.
Fiscal Years 2015 – 2020 Plans
Housing Production

GOALS FOR THE NEXT SIX YEARS

From FY 2015 through 2016, 1,697 units are scheduled for completion.

One of these planned projects is Riverside Apartments, a 74-unit affordable family rental project in Hilo, Hawaii, for families at or below 50% AMI.
Fiscal Years 2015 – 2020 Plans

Housing Production

GOALS FOR THE NEXT SIX YEARS

Two more of these planned projects are Kolopua and Rice Camp Senior Housing.

Kolopua is a 44-unit affordable family rental project in Princeville, Kauai, for families at or below 60 percent AMI.

Rice Camp Senior Housing is a 60-unit affordable senior rental project in Lihue, Kauai, for those at or below 60 percent AMI.
Fiscal Years 2015 – 2020 Plans
Housing Production

GOALS FOR THE NEXT SIX YEARS

From FY 2017 through 2018, 3,336 units are scheduled for completion.

One of these planned projects is Kapolei Lofts, which, when fully completed in FY 2019, will provide 499 total family rental units in Kapolei, Oahu. 375 units are anticipated to be completed by the end of FY 2018.

- 100 units will be affordable to families at or below 80 percent AMI
- 200 units will be at or below 140 percent AMI
- 199 units will be market rate units.
Fiscal Years 2015 – 2020 Plans
Housing Production

GOALS FOR THE NEXT SIX YEARS

From FY 2019 through 2020, 1,595 units are projected to be developed given our current resource levels and production history.

In addition, HHFDC intends to seek out development partners to add increased housing production to this projection, through

• Mixed Use developments on State lands.
• Housing that is affordable within walking distance of planned rail transit stations.

Alder Street is a potential model to be replicated elsewhere.

HHFDC and the Judiciary entered into an MOA to redevelop the former Detention Home site to a mixed-use workforce rental housing and juvenile services/shelter, including approximately 180 one-, two-, and three-bedroom rental housing units, 32,000 square feet of juvenile services/shelter space, and parking.

www.dbedt.hawaii.gov/hhfdc/
Hawaii Community Development Authority (HCDA)

Tony Ching
Hawaii Community Development Authority

History & Future For Housing Development in the Kakaako
Qualified Income Residential Unit Development

**HCDA Reserved Housing**
- Housing Set Aside by Developers on ≥20 K sf Parcel
  - For Sale – for Families at 100 to 140% AMI
  - For Rent – for Families ≤100% AMI
- No Government Subsidy

**State Subsidized Units**
- Government Subsidized Housing
  - Low Income Housing Tax Credit
  - HUD Backed Financing
  - Hula Mae Bond Financing
  - 201H Qualified Affordable Housing Project Exemptions
- Other State Subsidy/Financing
Realities of Housing Development

Subsidized Housing

• Revenue Income Itself Cannot Sustain Financing
• Gap Financing Needed
  • At least 1/3 of Capital Stack Must Be Subsidized
• Pre-Development & Construction Timeframe Can Be 4 Years or More
• Costs of Construction
  • Rival Costs of Market Housing
  • Requirements for 30% AMI Clientele Reduces Revenue
• Entitlements Require Time & Expense

Market Housing

• Market Housing Must Have a Sustainable Business Plan or It Will Not Be Built
• Increasing Requirement for Reserved Housing Can Be Problematic!
• Securing Entitlements Also Require Time & Expense – Makes Project Timeframe Unpredictable
• Pre-Sales Must Produce Enough Non-Refundable Deposits to Allow for Construction Loan to be Given
HCDA Priorities
*We Must All Be a Part of the Solution*

**Qualified Income Units**
- Development of Rental Units a Priority
- Construct Micro Units at Cooke Street to Demonstrate Viability for Development at Central Kakaako and Elsewhere
- Coordinate Rules & Policies with HHFDC
- Implement Transit Oriented Development (TOD) Rule Overlay

**Community Development**
- Administer the Rule of Law
  - Ensure Contested Case Hearing
  - Enhance Public Outreach & Dialogue
- Manage Community Park Facilities
  - Develop Other Public Gathering Programs & Facilities
  - Art Incubation
  - Beach Volleyball
  - Family Friendly Entertainment
- Steward Agency Assets
  - Kewalo Basin Harbor
  - Other Land Holdings
<table>
<thead>
<tr>
<th>Year Permitted</th>
<th>Completed Projects</th>
<th>Market</th>
<th>Reserved</th>
<th>AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>One Waterfront Towers</td>
<td>307</td>
<td>0</td>
<td>N/A</td>
<td>307</td>
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<tr>
<td>1984</td>
<td>Royal Capitol Plaza</td>
<td>297</td>
<td>28</td>
<td>64-140%</td>
<td>325</td>
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<tr>
<td>1984</td>
<td>Nauru Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1133 Waimanu</td>
<td>0</td>
<td>282</td>
<td>97-117%</td>
<td>282</td>
</tr>
<tr>
<td></td>
<td>Phase I: Nauru</td>
<td>304</td>
<td>OS</td>
<td>97-117%</td>
<td>304</td>
</tr>
<tr>
<td></td>
<td>Phase II: Hawaiki</td>
<td>417</td>
<td>OS</td>
<td>97-117%</td>
<td>417</td>
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<tr>
<td></td>
<td>Phase III: Ko’olani</td>
<td>370</td>
<td>OS</td>
<td>97-117%</td>
<td>370</td>
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<tr>
<td>1989</td>
<td>Imperial Plaza</td>
<td>221</td>
<td>0</td>
<td>N/A</td>
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<tr>
<td>1995</td>
<td>One Archer Lane</td>
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<td>N/A</td>
<td>331</td>
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<tr>
<td>2002</td>
<td>Hokua</td>
<td>248</td>
<td>0</td>
<td>N/A</td>
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<tr>
<td>2003</td>
<td>Moana Pacific</td>
<td>706</td>
<td>0</td>
<td>N/A</td>
<td>706</td>
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<tr>
<td>2005</td>
<td>909 Kapiolani</td>
<td>227</td>
<td>0</td>
<td>N/A</td>
<td>227</td>
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<tr>
<td>2005</td>
<td>Keola La’i</td>
<td>352</td>
<td>63</td>
<td>104-130%</td>
<td>415</td>
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<tr>
<td>2005</td>
<td>Pacifica Honolulu</td>
<td>489</td>
<td>124</td>
<td>100-140%</td>
<td>613</td>
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<tr>
<td>2011</td>
<td>680 Ala Moana</td>
<td>0</td>
<td>54</td>
<td>100%</td>
<td>54</td>
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<tr>
<td>2012</td>
<td>Rycroft Terrace</td>
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<td>162</td>
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<td>2008</td>
<td>Waihonua</td>
<td>341</td>
<td>OS</td>
<td>Pending</td>
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<td><strong>Total</strong></td>
<td></td>
<td><strong>4610</strong></td>
<td>713</td>
<td></td>
<td><strong>5323</strong></td>
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</table>
# Kakaako Qualified Income Housing

<table>
<thead>
<tr>
<th>State Developed Affordable Housing</th>
<th>For Sale</th>
<th>Rental</th>
<th>AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989 Kamakee Vista</td>
<td>0</td>
<td>225</td>
<td>80%</td>
<td>225</td>
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<tr>
<td>1989 Pohulani</td>
<td>0</td>
<td>262</td>
<td>80%</td>
<td>262</td>
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<tr>
<td>1991 Kauhale Kakaako</td>
<td>0</td>
<td>267</td>
<td>80%</td>
<td>267</td>
</tr>
<tr>
<td>1991 Na Lei Hulu Kupuna</td>
<td>0</td>
<td>76</td>
<td>60%</td>
<td>76</td>
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<tr>
<td>1993 Honuakaha</td>
<td>93</td>
<td>151</td>
<td>60%</td>
<td>244</td>
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<tr>
<td>2010 Halekauwila Place</td>
<td>0</td>
<td>204</td>
<td>60%</td>
<td>204</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>93</strong></td>
<td><strong>1185</strong></td>
<td><strong>60%</strong></td>
<td><strong>1278</strong></td>
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</table>
## Housing Developments Under Construction

<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Market</th>
<th>Reserved</th>
<th>AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>801 South St A</td>
<td>0</td>
<td>635</td>
<td>100-140%</td>
<td>635</td>
</tr>
<tr>
<td>2012</td>
<td>Symphony</td>
<td>288</td>
<td>100</td>
<td>108-140%</td>
<td>388</td>
</tr>
<tr>
<td>2013</td>
<td>Waiea</td>
<td>177</td>
<td>OS</td>
<td>90-140%</td>
<td>177</td>
</tr>
<tr>
<td>2013</td>
<td>The Collection</td>
<td>467</td>
<td>OS</td>
<td>Pending</td>
<td>467</td>
</tr>
<tr>
<td>2013</td>
<td>Anaha</td>
<td>318</td>
<td>OS</td>
<td>90-140%</td>
<td>318</td>
</tr>
<tr>
<td>2013</td>
<td>801 South St B</td>
<td>102</td>
<td>308</td>
<td>100-140%</td>
<td>410</td>
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</table>

Total | 1352 | 1043 | 2395
## Permitted Development

<table>
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<th>Year Permitted</th>
<th>Approved Projects</th>
<th>Market</th>
<th>Reserved</th>
<th>AMI</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2013</td>
<td>404 Ward</td>
<td>49</td>
<td>375</td>
<td>90-140%</td>
<td>424</td>
</tr>
<tr>
<td>2014</td>
<td>803 Waimanu</td>
<td>121</td>
<td>24</td>
<td>Pending</td>
<td>145</td>
</tr>
<tr>
<td>2014</td>
<td>Keauhou Lane</td>
<td>338</td>
<td>294</td>
<td>100-140%</td>
<td>632</td>
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<td>2014</td>
<td>KS Land Block B</td>
<td>75</td>
<td>108</td>
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<td>2013</td>
<td>Cloudbreak (Kalaeloa)</td>
<td>0</td>
<td>130</td>
<td>0-20%</td>
<td>130</td>
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<tr>
<td>2014</td>
<td>BOQ Building 77 (Kalaeloa)</td>
<td>0</td>
<td>100</td>
<td>100%</td>
<td>100</td>
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<tr>
<td>2014</td>
<td>Land Block 2, Project 2</td>
<td>236</td>
<td>OS</td>
<td></td>
<td>236</td>
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<tr>
<td>2014</td>
<td>Vida (KS Block I)</td>
<td>265</td>
<td>OS</td>
<td></td>
<td>265</td>
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<td></td>
<td>Total</td>
<td>1084</td>
<td>1031</td>
<td></td>
<td>2115</td>
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### HCDA Housing Project Totals

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>4 Sale</th>
<th>Rental</th>
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<tbody>
<tr>
<td>Qualified Income</td>
<td>1,605</td>
<td>1,639</td>
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<tr>
<td>Market</td>
<td>2,436</td>
<td>121</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>4,041</strong></td>
<td><strong>1,760</strong></td>
</tr>
</tbody>
</table>

**QI vs Market Totals**

- **QI Rental**: 28%
- **QI 4-Sale**: 28%
- **Market 4-Sale**: 42%
- **Market Rental**: 2%
Investigative Committee Recommendations
Mahalo
Department of Hawaiian Home Lands (DHHL)

Jobie Masagatani
INFORMATIONAL BRIEFING ON HOUSING:
DHHL ACCOMPLISHMENTS, GOALS & ACTION PLANS

Senate Committee on Human Services and Housing
House Committee on Housing
January 27, 2015
Our mission

To manage the Hawaiian Home Lands trust effectively and to develop and deliver lands to native Hawaiians.
2012-2014 Accomplishments

• Broke ground on 454 lots statewide
  • Includes 60+ lot “rent with option to purchase” in Kona
• Launched home replacement/repair program for <80% AMI families
• Developed a streamlined refinancing product
• Developed pilot for severely delinquent lessees in East Hawaii
2012-2014 Accomplishments

• Created new financing programs for <80%AMI

• Implemented packaged homes financing for existing lessees on vacant lots

• Offered deferred sales price program

• Revived financial literacy and homeownership readiness program -- HALE
### 2012-2014 Self-Help Lots

<table>
<thead>
<tr>
<th>Island</th>
<th>Total Lots</th>
<th>Loan in Processing</th>
<th>Loan Approved</th>
<th>Under Construction</th>
<th>Complete</th>
</tr>
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<tbody>
<tr>
<td>Hawaii</td>
<td>8</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molokai</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Oahu</td>
<td>11</td>
<td>3</td>
<td>1</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Kauai</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31</td>
<td>15</td>
<td>1</td>
<td>2</td>
<td>12</td>
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<tr>
<td>Island</td>
<td>Current Lot Inventory</td>
<td>Lots to be completed FY2015-2016</td>
<td>Lots to be completed FY2017+</td>
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<td></td>
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<tr>
<td>---------</td>
<td>-----------------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaii</td>
<td>139</td>
<td>214</td>
<td>431*</td>
<td></td>
<td></td>
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<tr>
<td>Maui</td>
<td>11</td>
<td></td>
<td>389*</td>
<td></td>
<td></td>
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<tr>
<td>Molokai</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Lanai</td>
<td>16</td>
<td></td>
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<tr>
<td>Oahu</td>
<td>11</td>
<td>248</td>
<td>288*</td>
<td></td>
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</tr>
<tr>
<td>Kauai</td>
<td>22</td>
<td>181</td>
<td></td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>208</strong></td>
<td><strong>643</strong></td>
<td><strong>1108</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Pending funding
2015-2016 Goals

• Pursue alternative housing options to increase density:
  • ‘Ohana Units/Accessory Dwelling Units
  • Rentals
  • Kupuna Housing
  • Mixed Use
  • Explore TOD opportunities
2015-2016 Goals

• Offer alternative homestead models & financing tools to increase affordability
  • “Rent with option to purchase”
  • Packaged homes
  • Support existing homeowners with HALE services
DHHL Needs

• Sufficient sums for operating and administrative costs
• Sunset repeal of Affordable Housing Credits
• Access to other resources
  • Rental Housing Trust Fund
  • LIHTC
City and County of Honolulu
Office of Housing
Jun Yang
City and County of Honolulu  
January 27, 2015

Joint Informational Briefing for Senate Committee on Human Services and Housing  
and House Committee on Housing

<table>
<thead>
<tr>
<th>Project</th>
<th>Non-Profit Developer</th>
<th>Completion Date</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completed Projects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Villages of Moae Ku Phase I</td>
<td>Hui Kauhale</td>
<td>Oct 2012</td>
<td>64</td>
</tr>
<tr>
<td>Hale Mohalu II - Senior</td>
<td>Coalition for Specialized Housing</td>
<td>May 2013</td>
<td>164</td>
</tr>
<tr>
<td>Kooloaula Phase I</td>
<td>Mutual Housing Association of Hawaii</td>
<td>June 2013</td>
<td>120</td>
</tr>
<tr>
<td>Villages of Moae Ku Phase II</td>
<td>Hui Kauhale</td>
<td>Dec 2013</td>
<td>76</td>
</tr>
<tr>
<td>Hale Makana O Nanakuli</td>
<td>Hawaiian Community Development Board</td>
<td>Dec 2013</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>472</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project</th>
<th>Non-Profit Developer</th>
<th>Completion Date</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Under Construction / Planned</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hale Mohalu II - Family</td>
<td>Coalition for Specialized Housing</td>
<td>4th Qtr 2015</td>
<td>168</td>
</tr>
<tr>
<td>Villages of Moae Ku Phase III</td>
<td>Hui Kauhale</td>
<td>3rd Qtr 2016</td>
<td>52</td>
</tr>
<tr>
<td>Kooloaula Phase II</td>
<td>Mutual Housing Association of Hawaii</td>
<td>1st Qtr 2017</td>
<td>188</td>
</tr>
<tr>
<td>Affordable Housing for Artists in Kakaako</td>
<td>ArtSpace</td>
<td>NA</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>488</strong></td>
</tr>
</tbody>
</table>

**Total Completed and Under Construction / Planned**  

960
Executive Summary

Oahu is experiencing a housing crisis. Our current housing policies, programs, and investments are fragmented and need updating to address escalating needs. The marketplace is not building enough affordable housing to keep up with demand. Many people live in overcrowded homes, spend more than 45% of their incomes on combined housing and transportation costs, or are homeless. Oahu will need more than 24,000 additional housing units to address pent-up demand combined with new household formation. Over 18,000 or 75% of the total projected demand is for households earning less than 80% of area median income (AMI), or $76,650. The demand is largely for rental units. In contrast, only 2,080 building permits per year on average have been issued over the last five years. Most of the homes constructed were for higher income households and for-sale units.

This Islandwide Housing Strategy will address these needs through new and revised policies, incentives, regulations, and investments, in partnership with developers, builders, and other stakeholders.

Implementing the Housing Strategy will add over 4,000 units to the affordable housing inventory over five years. If the State continues funding affordable housing projects at a rate similar to the projects currently in the pipeline, and capitalizes on TOD opportunities on state lands, the five-year total increase could be over 8,000 units. If these policies and investment strategies prove effective and are continued over a fifteen year period, the identified demand for 24,000 housing units will be met. Major new initiatives include:

- **Affordable Housing Requirement.** This will apply to all development over a certain threshold. Current regulations (applied only to rezoning) only require affordability to be maintained for ten years. The new requirement will prioritize more affordable rental housing for lower income households, require affordability for a much longer period of time, and have sufficient flexibility to meet developers’ needs.

<table>
<thead>
<tr>
<th>Current Unilateral Agreement Rules</th>
<th>Proposed Islandwide Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies to projects needing rezone at 10 units or more.</td>
<td>Applies to projects needing building permits for 10 units or more, with a different percentage for rental and for-sale.</td>
</tr>
<tr>
<td>Options:</td>
<td>Three options:</td>
</tr>
<tr>
<td>A minimum of 30% of total units must be affordable to those earning up to 140% AMI.</td>
<td>CONSTRUCTION ON-SITE:</td>
</tr>
<tr>
<td></td>
<td>Rental: 15% of the units at up to 80% of AMI</td>
</tr>
<tr>
<td></td>
<td>For-Sale: 30% of the units at up to 120% of AMI</td>
</tr>
<tr>
<td>Of this 30%, a minimum 20% of the total units must be affordable to those earning up to 120% AMI, of which 10% of the total units must be affordable to those earning up to 80% AMI.</td>
<td>CONSTRUCTION OFF-SITE:</td>
</tr>
<tr>
<td></td>
<td>Rental Only: 20% of the units at up to 80% of AMI</td>
</tr>
<tr>
<td></td>
<td>IN LIEU OF CONSTRUCTION FEE:</td>
</tr>
<tr>
<td></td>
<td>Fee equivalent to the cost of constructing a percentage of the total units as affordable (amount tbd).</td>
</tr>
<tr>
<td>Minimum required period of affordability 10 years.</td>
<td>Minimum required period of affordability 30 to 60 years.</td>
</tr>
</tbody>
</table>

*Note: HCDA Reserved Housing Rules for development in Kakaako require 20% of for-sale units (for 5 years) and 15% of rental units (for 15 years), both at up to 140% of AMI.*

Islandwide Housing Strategy – Draft For Review and Discussion 9/12/2014
• **Transit-Oriented Development.** Building the rail system is a new driver. A toolkit of financial and zoning incentives will encourage developers to build more affordable housing near the rail stations. City investments in catalytic projects and public-private partnerships will help lead the market. Applying similar “transit-ready development” principles islandwide will help make sure that growth on the rest of Oahu is also compact, connected and walkable.

• **Accessory Dwellings.** The supply of rental housing in existing neighborhoods will be increased by updating zoning codes to allow accessory dwelling units (ADUs) to be added on existing single-family lots. Like ohana units — but not limited to family members — small cottages, additions, or converted garages will provide well-located, well-managed housing choices plus additional income for owners, or more accessible units for elders to move into as they “age in place.” Between 17,000 and 22,000 rental units could be built under this program.

<table>
<thead>
<tr>
<th>Strategic Action Plan: Major Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase Workforce Housing Inventory</td>
</tr>
<tr>
<td>• Adopt new Islandwide Affordable Housing Requirements to require longer affordability period at lower income levels in more projects.</td>
</tr>
<tr>
<td>• Increase affordable housing production and adopt benchmarks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Increase Low-Income and Homeless Housing Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Acquire, develop, rehabilitate, and lease Housing First units.</td>
</tr>
<tr>
<td>• Leverage existing HUD funding to implement projects and to better coordinate and target homeless services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Invest in Better Neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Develop affordable and workforce housing in mixed-use, mixed-income catalytic TOD projects, using public-private partnerships.</td>
</tr>
<tr>
<td>• Adopt a housing finance toolkit with incentives to stimulate private investment.</td>
</tr>
<tr>
<td>• Rehabilitate existing housing and invest in neighborhood infrastructure.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Update Policies and Regulations to Promote Housing Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adopt Neighborhood TOD Plans and update ordinances, zoning and parking requirements to make it easier to build mixed-use projects near rail stations.</td>
</tr>
<tr>
<td>• Expand zoning for multi-family, ohana and accessory dwelling units (ADUs) for affordable rental housing.</td>
</tr>
<tr>
<td>• Revise housing construction standards and building codes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Coordinate Implementation and Measure Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish a strategic development office to fast-track implementation.</td>
</tr>
<tr>
<td>• Track production and inventory of affordable housing.</td>
</tr>
</tbody>
</table>

Acting together on this Strategy will help us emerge from our housing crisis and build a more diverse and affordable housing stock over time. The recommended next step, after initial discussion with Council, is to reconvene stakeholder groups for review, present the policy to other interested parties, and then refine the recommendations for submittal to City Council. Adoption of the key principles as a policy will affirm the City’s commitment to the production, preservation and maintenance of well-located affordable and workforce housing.

Download Housing Strategy at  [www.honoluluudpp.org/](http://www.honoluluudpp.org/)
Kauai County Housing Agency

Kamuela Cobb-Adams
KAUA’I’S AFFORDABLE HOUSING
KAUA’I’S HOUSING NEEDS 1,312 UNITS BY 2016
HAWAI’I HOUSING PLANNING STUDY, 2011

- < 50%: 36%
- 50% to 80%: 35%
- 80% to 120%: 13%
- 120% to 140%: 3%
- 140% to 180%: 5%
- > 180%: 8%
3,760 HOUSING UNIT NEEDED FROM 2010 TO 2020
KAUA‘I GENERAL PLAN UPDATE, FEBRUARY 2014

Housing Unit data includes approximately 16.4% seasonal, migrant, and housing units other than those for full time Kaua‘i residents.
AFFORDABLE HOUSING
DEVELOPMENT STRATEGY 2012-2017

Encourage, support and initiate the preservation and development of affordable housing to meet the needs of Kauai’s population.

- Identify and develop properties that are ideal for affordable housing.
- Leverage county resources to support and encourage development of affordable housing.
- Purchase and/or accept land/housing with off-site infrastructure suitable for the public/private development of affordable housing units through Ordinance 860 or other ordinances.
- Organize stakeholders’ common interest in order to partner & collaborate on efforts to leverage development resources.
- Actively support affordable housing projects through the organization of an Affordable Housing Task Force and by implementing “Fast Track Permitting” by the County of Kauai.
- Establish policies to “fast track” affordable housing development under Section 201H-38, HRS: exemption from statutes, ordinances, charter provisions, and rules.
- Track and participate in County, State, and Federal legislation.
- Amend Ordinance 860 to better support and promote affordable housing through developer exactions.
PA`ANAU VILLAGE PHASE 2

Assisted Kaua‘i Housing Development Corporation complete development of a 50-unit affordable rental housing project in Kōloa serving low-income households below 60% of AMI.
Site construction will be complete for ‘Ele‘ele Iluna Phase 2 by February 2015 with self-help home construction to follow. Infrastructure improvements for the first 48 lots is financed with $1.92 million in HUD HOME funds.
PHASE 1 - 60 rentals, construction complete March 2015
- COST $15M – LIHTC Equity ($11M), Kaua’i County ($1.4M), HUD HOME ($1.2), private ($1.4M)
KOLOPUA
PRINCEVILLE, KAUAI

44 rentals, construction complete August 2015

- COST $16.3M - LIHTC Equity ($11.3M), private ($11.3M), HUD HOME ($1M)
LĪHUʻE COURT TOWNHOMES REHABILITATION

- Awarded Mutual Housing Association of Hawaiʻi $711,000 in HOME funds in 2014 to carry out exterior rehabilitations for 9 residential buildings (73 rental units)
**PHASE 2** - 30 rentals, construction start March 2016

- COST $11M – LIHTC Equity ($8M), Kaua’i County ($1M), HUD HOME ($1), private ($1M)
• Kukuiula Zoning Exactions provides land and infrastructure to the County of Kauai for 130+ workforce housing units. (<140% AMI)

• Environmental and preliminary engineering to start in March 2015.

• Request for Proposals issued in later 2015.
LIMA OLA
`ELE`ELE, KAUA'I

A 75-acre master planned community that will integrate workforce housing into a built environment that promotes healthy and sustainable lifestyles.
Project Summary:

- 550 multi-family and single family homes (rental & fore-sale) for families at or below 140% of the area median income. *(140% AMI and below make up 87% of the homes needed on Kaua'i by 2016)*

2011 Hawai'i Housing Planning Study

- Sustainable design will incorporate energy saving/production, storm water mitigation, and other green building concepts.

- A “Built Environment” that provides recreational opportunity and linkages, greater economic vitality, civic energy and strengthen the region’s sense of community.
  - Multi-use paths will extend beyond the project borders to provide pedestrian/cycling options for transportation and recreation.
  - Public transit – new & improved bus stops accessible by multi-use path.
  - Connectivity via road and pedestrian improvements provide access to school, stores, & community resources.
  - Community center & park (gardens, exercise, and meeting)
• Kohea Loa (Lihue) – DR Horton

• Koloa Camp (Koloa) – Grove Farm

• Coco Palms Resort Workforce (Wailua) – Coco Palms

• Hanalei Plantation Resort (Princeville) – Ohana Real Estate Investors
Senate Committee on Human Services & Housing and House Committee on Housing

Informational Briefing on statewide need for housing in Hawaii

Tuesday, January 27, 2015
1:15pm-2:45pm
State Capitol, Room 016