HCDA Reserved Housing Committee Report

We Must Be A Part of the Solution (POTS)
Shelter for You & Yours
A Basic Need, But Not An Entitlement!

There is a Need for Housing of All Types!
“One of the key challenges for any growing city is to ensure adequate housing to meet resident demand. The redevelopment of Kakaako is helping to ease the housing shortage in Honolulu and meet the increasing demand for urban core living.” - Eugene Tian, Economic Research Administrator READ, DBEDT

"Decades of under-building have aggravated Honolulu housing shortages. Almost a new Ward Village is needed every year on Oahu, just for new household formation." - Paul Brewbaker, Economist

“This isn’t Honolulu’s first rodeo. 40 years ago, the city and the state recognized they had to make a plan for more housing, and do it in a place that would have more jobs... With political will and responsible landownership, Kakaako can grow such a community based on local values and traditions. Same as Campbell Estate did in Kapolei, thanks to 20-20 long-range vision.” – Rickey Cassiday, Economist
We’re Not Building Enough Housing for Our Population!

Each Year We Need 3,300 New Housing Units

There Were Only 400 New Housing Starts in 2013
There Are As Many Types of Housing As There Are People!

**Qualified Income Housing**
As Subsidized or Required By Government
- Homeless Shelter
- HCDA Reserved Affordable Housing
- Subsidized Rental Housing
- Public Rental Housing

**Market Housing**
Willing Buyer/Willing Seller
- Luxury Housing
- Market Rental Unit
- Market For-Sale Unit

We Need All Types of Housing!
Both Qualified Income & Market Housing
How Our Finances Affects Our Housing Status!

• The Housing Ladder Represents the Range of Our Housing Opportunities
  - From Homelessness
  - to Living in Public Housing
  - Getting Help w/Renting
  - to the Luxury of Owning your own place!

• We All Need A Place on the Housing Ladder

• As Our Financial & Personal Situation Changes Over Time, We Might Find Ourselves Moving Up or Down on the Ladder
Kakaako

Do YOU want to live in the city?  
Is there space for YOU and YOUR FAMILY to live?  
Are there jobs for YOU in Kakaako?
Population in the Kakaako area increased from 2,249 in 1990, to 6,239 in 2000 and to **10,673 in 2010**.

<table>
<thead>
<tr>
<th>Period</th>
<th>Change</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-2000</td>
<td>3,990</td>
<td>177.4%</td>
</tr>
<tr>
<td>2000-2010</td>
<td>4,434</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

**Kakaako Population in 2010**

- Total Residents: 10,673
- In Households: 10,034
- In Group living facilities: 639

*Based on 2010 census*
Who Lives & Works in Kakaako Now?

- 10,673 People Lived in the Kakaako in 2010 (71% Increase from 2000)
- More Adult-Oriented Community (fewer children)
- More “Living alone households” (42%)
- Smaller Households and Families
- More Small Businesses (76%)
Kakaako consists of 88 blocks, of which 37 blocks had a population at least one in 2010.
Kakaako Qualified Income Housing Summary

What is Being Done to Ensure that People Of Low & Moderate Income Can Live in Kakaako?
POTS Innovations & Initiatives

- Allow Developers to Construct More Units If Out of District
  - Rycroft Terrace 162 units for 100 unit credit
- Relax Parking Standards for TOD Units
  - Typically 1 stall/unit required
- FAR Density for Affordable Units Not Counted Towards Project Maximum
- Provide Flexibility in Zoning Requirements
  - Regarding Setbacks, Other Design Specifications
- Given Release From Public Facility Dedication Fees for Constructing Reserved Housing Units
- Zoning Builds Car Free Community, Active & Complete Streets, Jobs & Place
Current Qualified Income Projects

No Government Subsidy
- Reserved For-Sale Housing 100-140% AMI
  - 20% of all units
- Reserved Rental Housing ≤ 100% AMI
  - 20% of all units

No Government Subsidy
- Workforce Housing 100-140% AMI
  - 75% of all units

Government Provides Land, Tax Credit, Gap $$
- Low Income Rental ≤ 60% AMI
- Public Housing ≤ 30% AMI
Faces of the Area Median Income

60% AMI

Secretary

60% of the area median income for a single person is $40,300

60% for a family of 4 is $57,500

100% AMI

Police Officer

Teacher

100% of the area median income for a family of 4 is $82,600

and 2 kids

140% AMI

Nurse

Cashier

140% of the area median income for a family of 2 is $92,500

140% for a family of 4 is $115,650

“80% of the total households on Oahu make 140% AMI or less.”
- State Research and Economic Analysis Division
<table>
<thead>
<tr>
<th>Occupation</th>
<th>AMI Level</th>
<th>Median Wage</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Prep Workers</td>
<td>30%</td>
<td>$8.97</td>
<td>$20,220</td>
</tr>
<tr>
<td>Waiter</td>
<td>40%</td>
<td>$10.81</td>
<td>$28,930</td>
</tr>
<tr>
<td>Maids and Housekeepers</td>
<td>50%</td>
<td>$15.63</td>
<td>$31,740</td>
</tr>
<tr>
<td>Secretaries and Assistants</td>
<td>60%</td>
<td>$17.64</td>
<td>$37,480</td>
</tr>
<tr>
<td>Maintenance Workers</td>
<td>70%</td>
<td>$19.96</td>
<td>$42,730</td>
</tr>
<tr>
<td>Police Officer (Rookie)</td>
<td>80%</td>
<td>$25.00</td>
<td>$52,000</td>
</tr>
<tr>
<td>Teacher (Experienced)</td>
<td>100%</td>
<td>$27.88</td>
<td>$58,000</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>140%</td>
<td>$41.32</td>
<td>$85,380</td>
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</tbody>
</table>
### 2014 Reserved Housing Income Limits - Honolulu County

<table>
<thead>
<tr>
<th>Income Category</th>
<th>1 person</th>
<th>2 person</th>
<th>3 person</th>
<th>4 person</th>
<th>5 person</th>
<th>6 person</th>
<th>7 person</th>
<th>8 person</th>
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</thead>
<tbody>
<tr>
<td><strong>Extremely Low Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30%</td>
<td>20,150</td>
<td>23,000</td>
<td>25,900</td>
<td>28,750</td>
<td>31,050</td>
<td>33,350</td>
<td>35,650</td>
<td>37,950</td>
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<tr>
<td>40%</td>
<td>26,850</td>
<td>30,700</td>
<td>34,550</td>
<td>38,350</td>
<td>41,400</td>
<td>44,500</td>
<td>47,550</td>
<td>50,600</td>
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<tr>
<td><strong>Very Low Income</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50%</td>
<td>33,550</td>
<td>38,350</td>
<td>43,150</td>
<td>47,900</td>
<td>51,750</td>
<td>55,600</td>
<td>59,400</td>
<td>63,250</td>
</tr>
<tr>
<td>60%</td>
<td>40,300</td>
<td>46,050</td>
<td>51,800</td>
<td>57,500</td>
<td>62,100</td>
<td>66,750</td>
<td>71,300</td>
<td>75,900</td>
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<tr>
<td>75%</td>
<td>45,700</td>
<td>52,250</td>
<td>58,750</td>
<td>65,250</td>
<td>70,500</td>
<td>75,700</td>
<td>80,900</td>
<td>86,150</td>
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<tr>
<td><strong>Low Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80%</td>
<td>53,700</td>
<td>61,350</td>
<td>69,000</td>
<td>76,650</td>
<td>82,800</td>
<td>88,950</td>
<td>95,050</td>
<td>101,200</td>
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<tr>
<td><strong>Area Median Income</strong></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>100%</td>
<td>57,800</td>
<td>66,100</td>
<td>74,350</td>
<td>82,600</td>
<td>89,200</td>
<td>95,800</td>
<td>102,400</td>
<td>109,050</td>
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<tr>
<td>110%</td>
<td>63,600</td>
<td>72,700</td>
<td>81,750</td>
<td>90,850</td>
<td>98,100</td>
<td>105,400</td>
<td>112,650</td>
<td>119,900</td>
</tr>
<tr>
<td>120%</td>
<td>69,350</td>
<td>79,300</td>
<td>89,200</td>
<td>99,100</td>
<td>107,050</td>
<td>114,950</td>
<td>122,900</td>
<td>130,800</td>
</tr>
<tr>
<td>130%</td>
<td>75,200</td>
<td>85,900</td>
<td>96,650</td>
<td>107,400</td>
<td>116,000</td>
<td>124,600</td>
<td>133,200</td>
<td>141,750</td>
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<tr>
<td>140%</td>
<td>80,950</td>
<td>92,500</td>
<td>104,100</td>
<td>115,650</td>
<td>124,900</td>
<td>134,150</td>
<td>143,400</td>
<td>152,650</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Gap Income</th>
<th>Studio</th>
<th>One Bedroom</th>
<th>Two Bedroom</th>
<th>Three Bedroom</th>
<th>Four Bedroom</th>
<th>Five Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>110%</td>
<td>63,600</td>
<td>72,700</td>
<td>81,750</td>
<td>90,850</td>
<td>98,100</td>
<td>105,400</td>
</tr>
<tr>
<td>120%</td>
<td>69,350</td>
<td>79,300</td>
<td>89,200</td>
<td>99,100</td>
<td>107,050</td>
<td>114,950</td>
</tr>
<tr>
<td>130%</td>
<td>75,200</td>
<td>85,900</td>
<td>96,650</td>
<td>107,400</td>
<td>116,000</td>
<td>124,600</td>
</tr>
<tr>
<td>140%</td>
<td>80,950</td>
<td>92,500</td>
<td>104,100</td>
<td>115,650</td>
<td>124,900</td>
<td>134,150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustment for Unit Type</th>
<th>Studio</th>
<th>One Bedroom</th>
<th>Two Bedroom</th>
<th>Three Bedroom</th>
<th>Four Bedroom</th>
<th>Five Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment</td>
<td>70%</td>
<td>80%</td>
<td>Base</td>
<td>108%</td>
<td>116%</td>
<td>124%</td>
</tr>
</tbody>
</table>

*For each person in excess of eight, the four-person income limit should be multiplied by an additional 8 percent.
(For example, the nine-person limit equals 140 percent \([132 + 8]\) of the relevant four-person income limit.)

*Income limits are rounded to the nearest $50.

*HUD base figures were interpolated by HCDA. This chart is provided as a guide only.
## HCDA Reserved Housing

<table>
<thead>
<tr>
<th>Completed Projects</th>
<th># of Units</th>
<th>AMI</th>
<th>Rental/Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal Capitol Plaza</td>
<td>28</td>
<td>64-140%</td>
<td>Sale</td>
</tr>
<tr>
<td>1133 Waimanu</td>
<td>282</td>
<td>97-117%</td>
<td>Sale</td>
</tr>
<tr>
<td>Keola Lai</td>
<td>63</td>
<td>104-130%</td>
<td>Sale</td>
</tr>
<tr>
<td>Pacifica</td>
<td>124</td>
<td>100-140%</td>
<td>Sale</td>
</tr>
<tr>
<td>680 Ala Moana</td>
<td>54</td>
<td>100%</td>
<td>Rental</td>
</tr>
<tr>
<td>Na Lei Hulu Kupuna</td>
<td>76</td>
<td>60%</td>
<td>Rental</td>
</tr>
<tr>
<td>Honuakaha</td>
<td>244</td>
<td>60%</td>
<td>Rental/Sale</td>
</tr>
<tr>
<td>Pohulani</td>
<td>262</td>
<td>80%</td>
<td>Rental</td>
</tr>
<tr>
<td>Kauhale Kakaako</td>
<td>267</td>
<td>80%</td>
<td>Rental</td>
</tr>
<tr>
<td>Kamakee Vista</td>
<td>225</td>
<td>80%</td>
<td>Rental</td>
</tr>
<tr>
<td>Ryccroft Terrace</td>
<td>162</td>
<td>30-130%</td>
<td>Sale</td>
</tr>
<tr>
<td>Halekauwila Place</td>
<td>204</td>
<td>60%</td>
<td>Rental</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td><strong>1991</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Project Summary

<table>
<thead>
<tr>
<th>Projects Under Construction</th>
<th>Market</th>
<th>Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waihonua</td>
<td>341</td>
<td>Off Site</td>
<td>341</td>
</tr>
<tr>
<td>801 South Street A</td>
<td>-</td>
<td>635</td>
<td>635</td>
</tr>
<tr>
<td>Symphony</td>
<td>288</td>
<td>100</td>
<td>388</td>
</tr>
<tr>
<td>The Collection</td>
<td>467</td>
<td>Off Site</td>
<td>467</td>
</tr>
<tr>
<td>Waiea</td>
<td>177</td>
<td>Off Site</td>
<td>177</td>
</tr>
<tr>
<td>Anaha</td>
<td>318</td>
<td>Off Site</td>
<td>318</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td>1,591</td>
<td>735</td>
<td>2,326</td>
</tr>
</tbody>
</table>
## Project Summary

<table>
<thead>
<tr>
<th>Permitted Projects</th>
<th>Market</th>
<th>Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waihonua 2</td>
<td>-</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>988 Halekauwila</td>
<td>49</td>
<td>375</td>
<td>424</td>
</tr>
<tr>
<td>Keauhou Lane</td>
<td>338</td>
<td>294</td>
<td>632</td>
</tr>
<tr>
<td>KS Land Block B</td>
<td>75</td>
<td>108</td>
<td>183</td>
</tr>
<tr>
<td>801 South Street B</td>
<td>49</td>
<td>361</td>
<td>410</td>
</tr>
<tr>
<td>803 Waimanu</td>
<td>24</td>
<td>121</td>
<td>145</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td>712</td>
<td>1,331</td>
<td>2,043</td>
</tr>
</tbody>
</table>
HCDA Approved Housing Since 1976

Qualified Income vs Market Unit Percentage

- Market: 65%
- LIHTC Rental: 12%
- Reserve Housing: 13%
- Workforce: 10%
What More Can We Do?

HCDA Committee on Reserved Housing
What Should the HCDA Do?

- Build More Low Income Rental Units!
- Build More Moderate Income Rental Units!
- Preserve the Qualified Income Units that We Have Now!
- Support the Construction of Market Housing Too!

While We Need to Focus on Those Who Need Our Help, We Cannot Forget that Housing is Needed by All in Our Community Each Year, More than 5,200 New Households are Formed!
Halekauwila Place Project Cost
$64,618,250 Total Building Cost

LIHTC
Low Income Housing Tax Credit
$26,118,250

GAP Financing
17 Million from HCDA
3 Million from HRFDC
$20,000,000

Mortgage Rental Revenue
First Mortgage
$18,500,000
Halekauwila Place Unit Cost
$316,756 Total Cost Per Unit

LIHTC
$128,031

GAP Financing
$98,039

Mortgage Rental Revenue
$90,686

40%
31%
29%
Build More Low Income Rental Housing
Similar to the Halekauwila Place Project

Technique
Lobby Congress to Increase Our Allocation of the Low Income Housing Tax Credit (LIHTC)

Technique
Identify a Pool of Corporations with an Appetite for the Federal & State LIHTC Tax Credits

Technique
Issue State Tax Exempt Bonds to Bridge Gap in Financing for Low Income Rental Projects
Build More Low Income Rental Housing
Similar to the Halekauwila Place Project

**Technique**

Have State ERS Cover Gap in Costs for Low Income Projects that Meet Return Requirements

**Technique**

Work w/C&C of Honolulu to Establish Project Specific TIF to Finance Gap in Costs

**Technique**

Require Commercial Projects Employing 60% AMI Staff to Provide Units or Cash-in-Lieu
50% of the conveyance tax
Rental Housing Trust Fund

GAP Financing

= $50M
$100K per unit

= 500 units
Build More Moderate Income Rental/For-Sale Housing  
Similar to the 680 Ala Moana (Little Georges) Project

**Technique**

Allow Developers of Reserved Housing Units to Build Either Rental or For-Sale Units

**Technique**

For-Sale Reserved Housing to be Priced for 80-120% AMI

**Technique**

Reserved Housing Rules to Apply When Developer Builds 10+ Residential Units
Preserved Existing Qualified Income Housing
Such as Na Lei Hulu Kupuna

**Technique**

Buy-Back Period for For-Sale Reserved Housing Units Extended to 15 Years

**Technique**

Extend Regulated Period of Reserved Housing Rental Units to 30 Years

**Technique**

Ensure that Residents Qualify for Reserved Housing on an Annual Basis
Support the Construction of Market Housing Too!
Such as 801 South, Symphony, the Collection & Waihonua

**Technique**

Administer Development Permitting Efficiently & In Accordance w/the Law

**Technique**

Promote Existing Rules for Form Based Code & Active Streetscapes

**Technique**

Support the Execution of New TOD Rules & Construct Complete Streets