



HCD A 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**



The Need for Shelter is Universal!

- Buy or Rent?
 - Subject to Individual Credit History, Lending Rules and Availability of Money
 - Lack of \$ For Housing Can Lead to Homelessness!
- Where Might We Live?
 - Town or Country?
 - Single Family Detached/Multi-Family/Condo?
 - Shared Housing? With Family?
 - Homeless Shelter, the Streets, Other
- Does the Cost of Housing Affect Our Quality of Life?
 - Money Spent on Housing Takes Away From Other Spending
 - Required Costs = Food, Free & Appropriate Public Education (FAPE), Healthcare, Transportation, Taxes
 - Discretionary/But Important Costs= Clothing, Savings/Investment, Post High School Education, Other Expenses

There Are As Many Types of Housing As There Are People!

Qualified Income Housing

As Subsidized or Required By Government



Market Housing

Willing Buyer/Willing Seller



***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

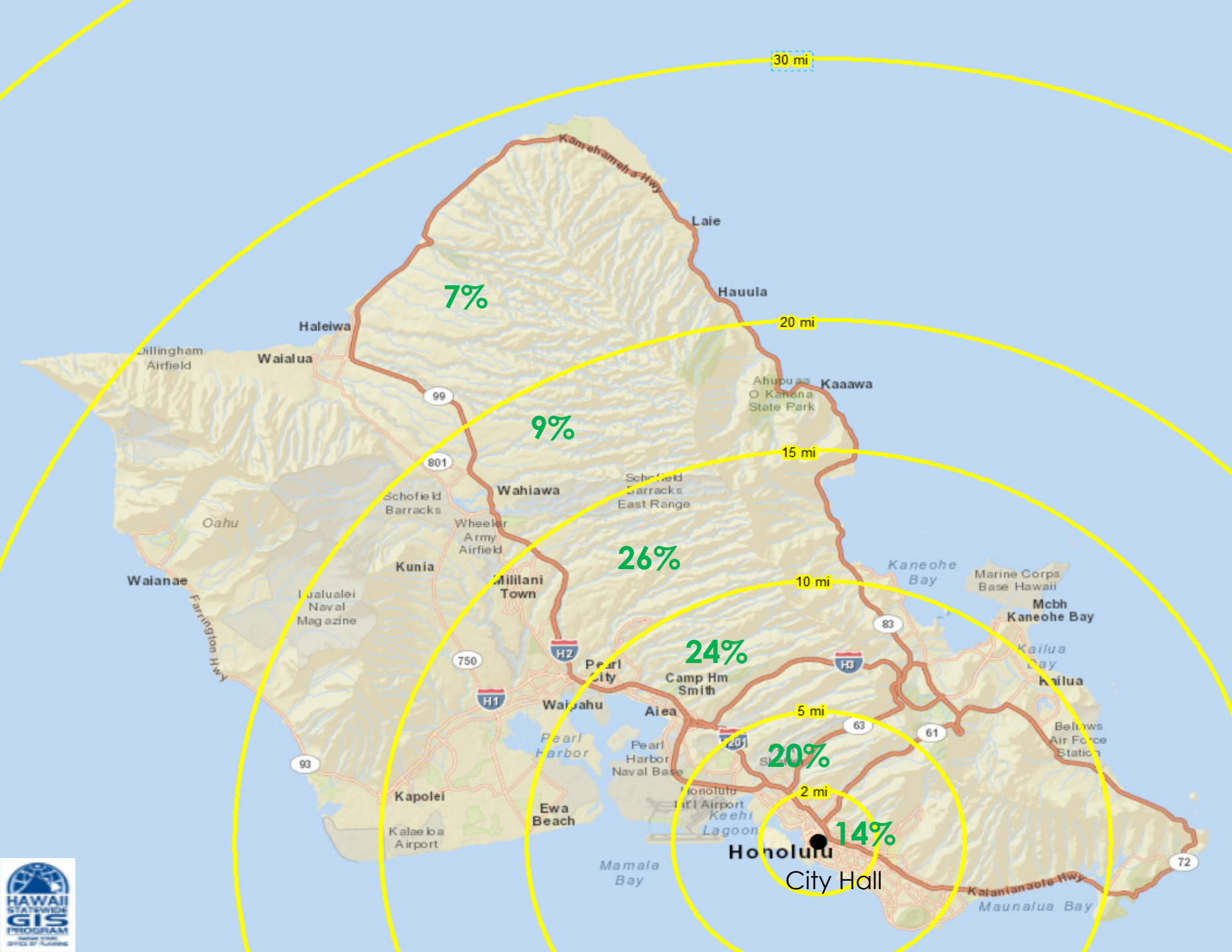


*Do YOU want to live in the city?
Is there space for YOU and YOUR FAMILY to live?
Are there jobs for YOU in Kakaako?*

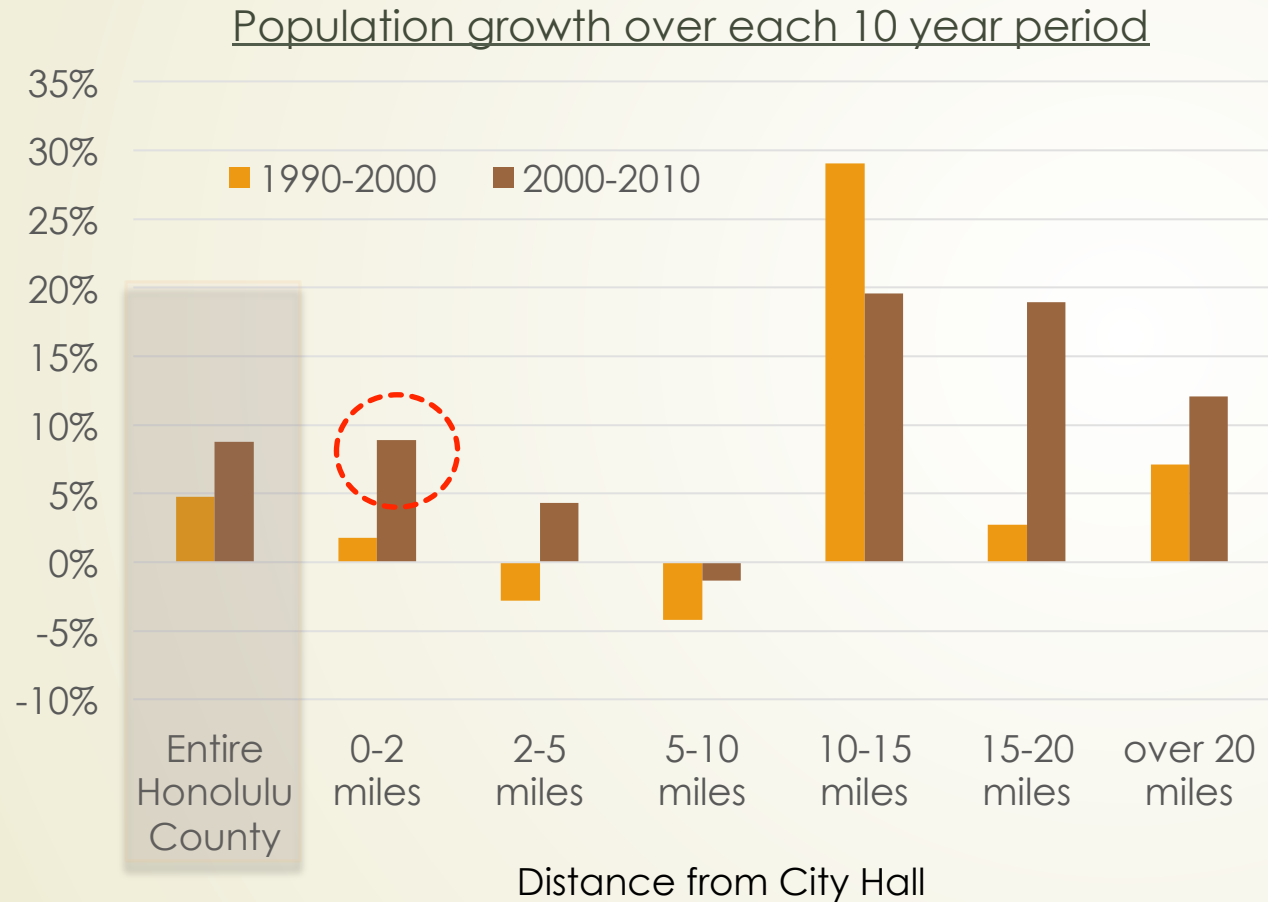
Where People Live in Honolulu? (2010)

Distance from City Hall*	Population share
0-2 mi	14%
2-5 mi	20%
5-10 mi	24%
10-15 mi	26%
15-20 mi	9%
Over 20 mi	7%

34% lived within 5 miles from the city hall



Population Shift on Oahu-- Moving Back to Town?



1990-2000 Period

- Most population growth took place in the suburbs (10-15 miles from Honolulu)

2000-2010 Period

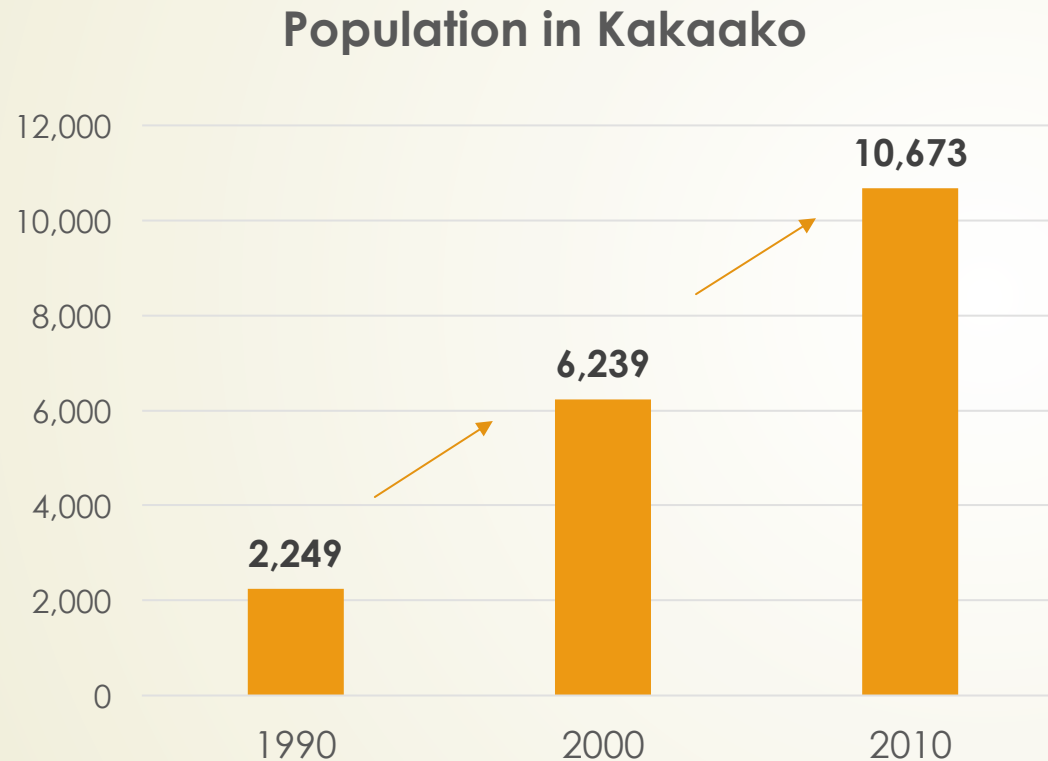
- Over 10,000 people moved into the urban core area (0-2 miles from city hall)



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%)**

Population Change in Kakaako



*Based on 2010 census

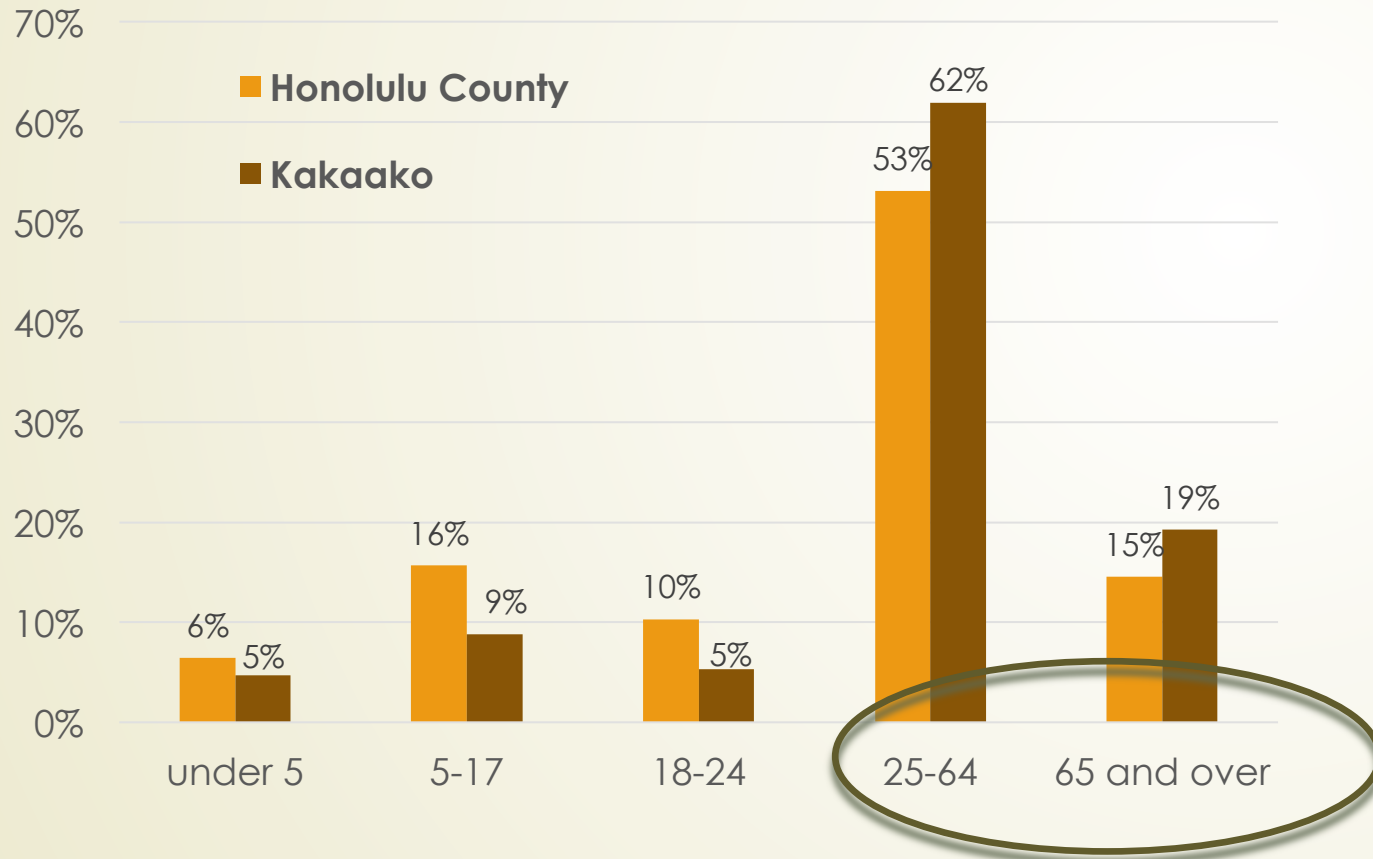
Population in the Kakaako area increased from 2,249 in 1990, to 6,239 in 2000 and to **10,673 in 2010.**

Period	Change	Change in %
1990-2000	3,990	177.4%
2000-2010	4,434	71.1%

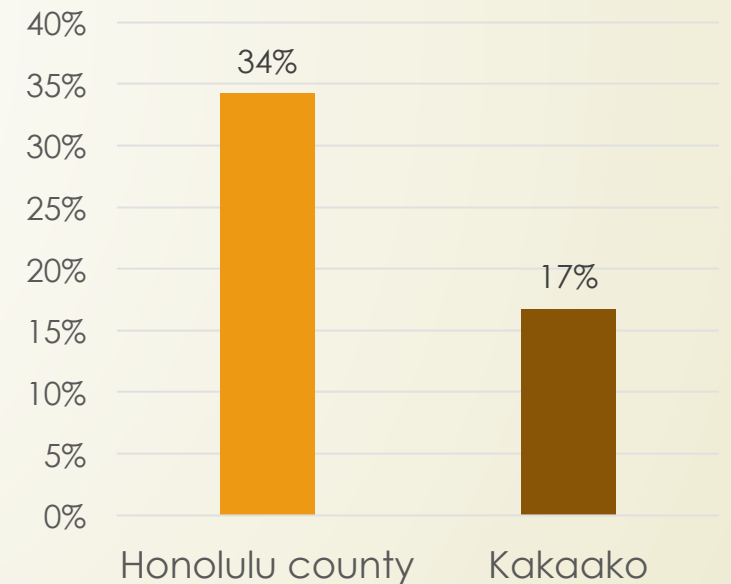
Kakaako Population in 2010	
Total Residents	10,673
In Households	10,034
In Group living facilities	639

More Adult-Oriented Community

Age Distribution

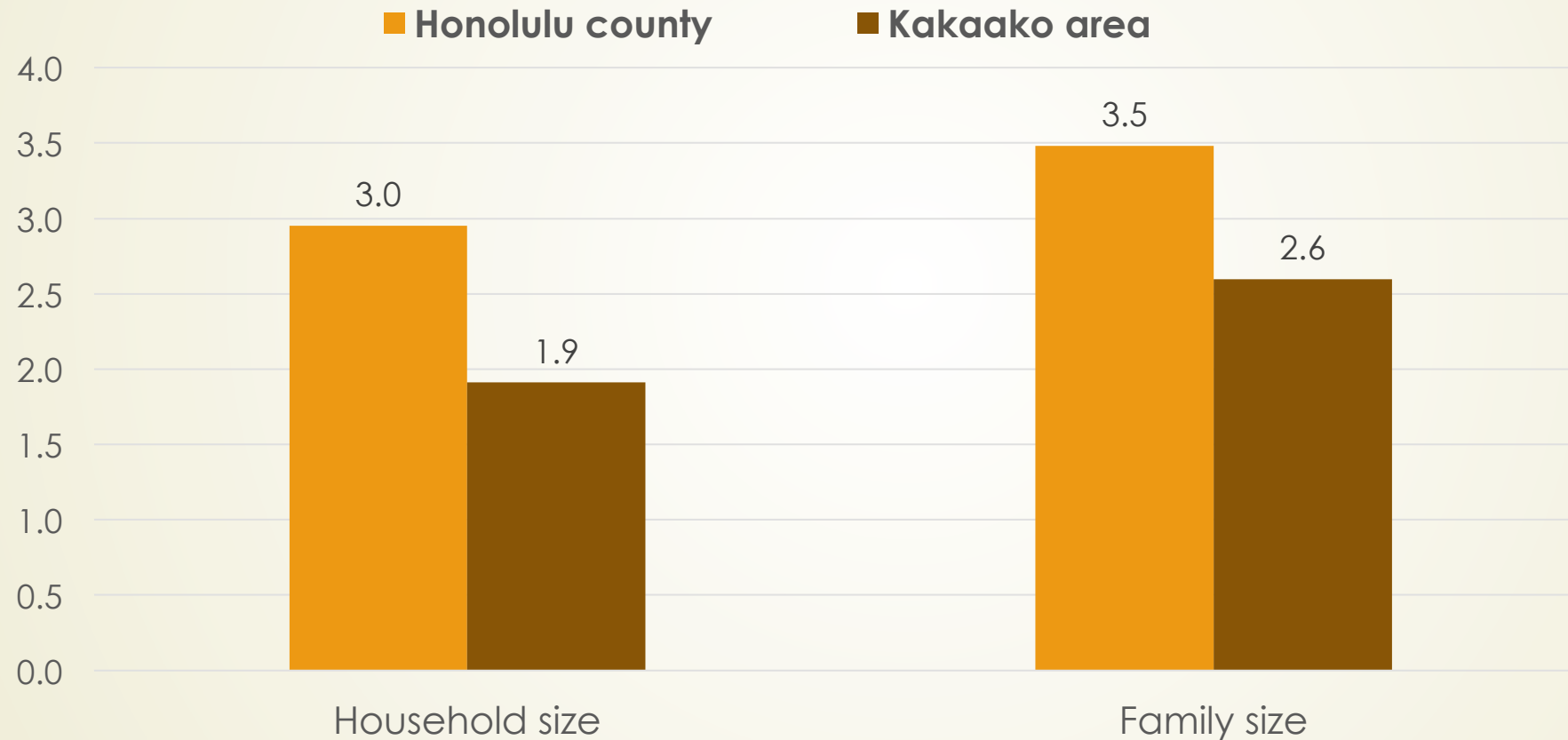


Households with at least one child (under 18)



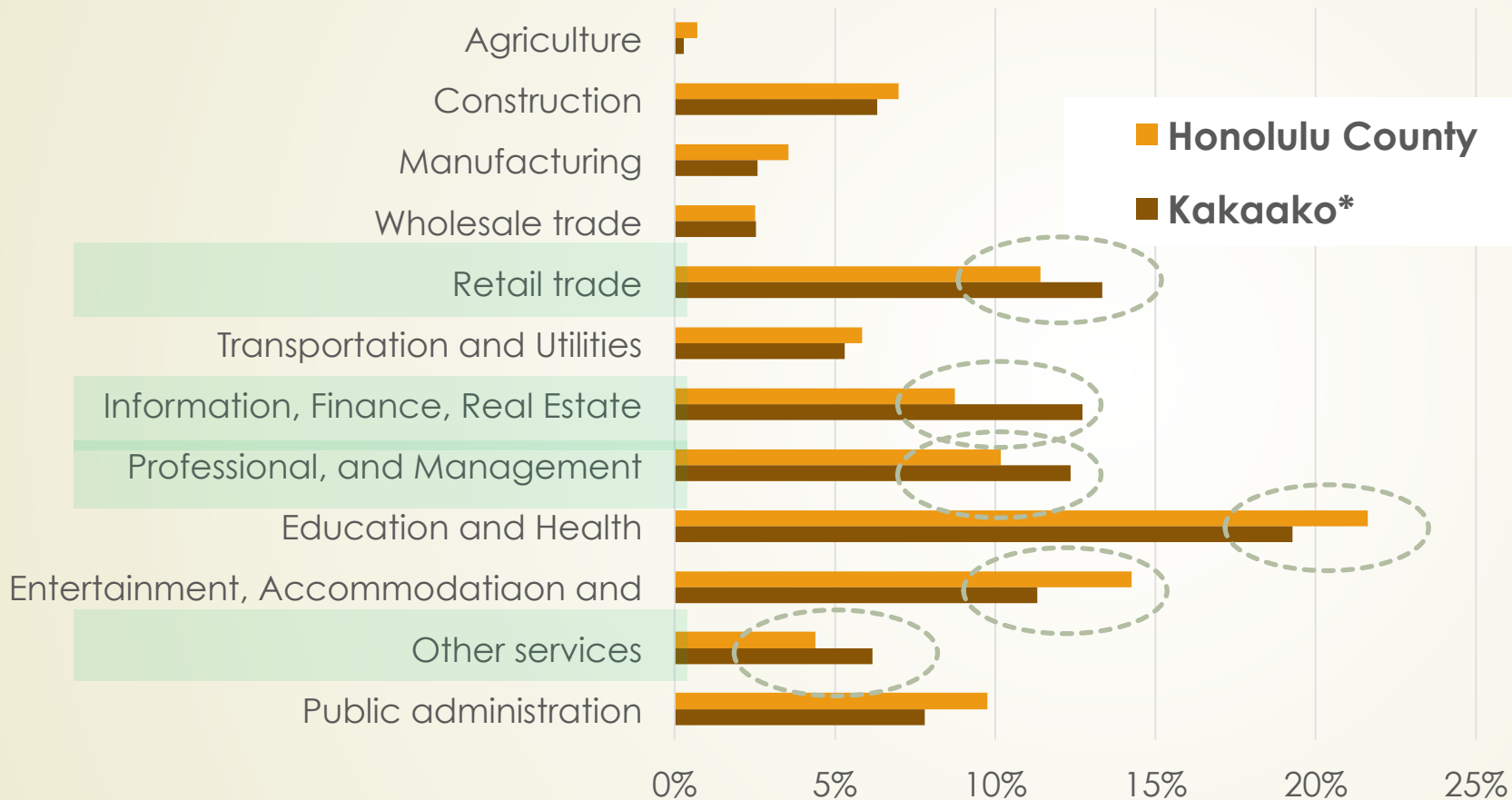
*Based on 2010 census

Average Household and Family Size are *Much Smaller*



*Based on 2010 census

Where Do Kakaako Residents Work?



People Who Live in Kakaako* Tend to Work more in

- **Education & Health**
- **Entertainment & Accommodation**
- **Retail Trade**
- **Information/Finance**
- **Professional and**
- **Other Service sectors.**

* Based on 2008-2012 American Community Survey (sample data)

* This statistics are for an extended Kakaako area including the Ala Moana area.

Is There Both Large & Small Businesses In Kakaako?

Businesses in Kakaako (by employee size)

By employee size	Businesses in 2012	
0-1 employee	457	36.3%
2-4	333	26.4%
5-9	173	13.7%
10-49	232	18.4%
50-99	31	2.5%
100 or more	34	2.7%
Total	1,260	100%

- More than three quarters are small businesses with less than 10 employees.
- There were 34 large companies with more than 100 employees.
- Majority of the large companies (100 or more employees) were based in Kakaako, with many of their employees working in areas other than Kakaako.

What Types of Businesses Are In Kakaako?

Industry	# of Business (2012)	
Other services	254	20.2%
Professional/technical services	171	13.6%
Retail trade	134	10.6%
Accommodation and Food	108	8.6%
Wholesale trade	100	7.9%
Health care and Social assistance	94	7.5%
Finance and Insurance	71	5.6%
Construction	62	4.9%
Real estate, rental and leasing	56	4.4%
All other industries	210	16.7%
Total	1,260	100%



Kakaako Qualified Income Housing Summary

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





Current Qualified Income Projects

Different Types of Affordable Units

- **Reserved Housing For-Sale Units** (*built w/no government subsidy*)
 - Require Housing Developers on Lots >20,000 sf to Provide 20% of Their Floor Area for such Units at Their Cost to People Earning Between 100-140% AMI
 - **Workforce Housing** - In Exchange for Regulatory Relief & Bonus FAR Density Housing Priced Between 100-140% Can Be Built
- **Reserved Housing Rental Units** (*built w/no government subsidy*)
 - 15 Year Regulated Period
- **Government Subsidized & Developed Rental Units**
 - Low Income Housing Tax Credit Used
 - Requires 10% Units \leq (Public Housing) 30% AMI
 - Remainder of Units \leq 60% AMI

Faces of the Area Median Income

60% AMI

Secretary



60% of the area median income
for a single person is
\$34,692

60% for a family of 4 is
\$49,560

100% AMI

Police Officer



Teacher



and 2 kids



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

140% AMI

Nurse



Cashier



140% of the area median income
for a family of 2 is
\$92,512

140% for a family of 4 is
\$115,640

*"80% of the total households on Oahu make 140% AMI or less."
-State Research and Economic Analysis Division*

Occupation	Employment	Median Wage	Annual Salary
Retail Salesperson	24,370	\$10.92	\$25,610
Cashier	14,380	\$10.41	\$23,240
Waiter	13,800	\$10.81	\$28,930
General Managers	10,440	\$39.47	\$97,630
Registered Nurse	10,300	\$41.32	\$85,380
Hotel Maid	12,420	\$15.63	\$31,740
Secretaries	9,230	\$17.64	\$37,480
Retail Managers	7,340	\$19.87	\$47,300
Maintenance Workers	7,160	\$19.96	\$42,730
Laborers and Freight	7,110	\$13.26	\$30,700



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**

HCDA Reserved Housing

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



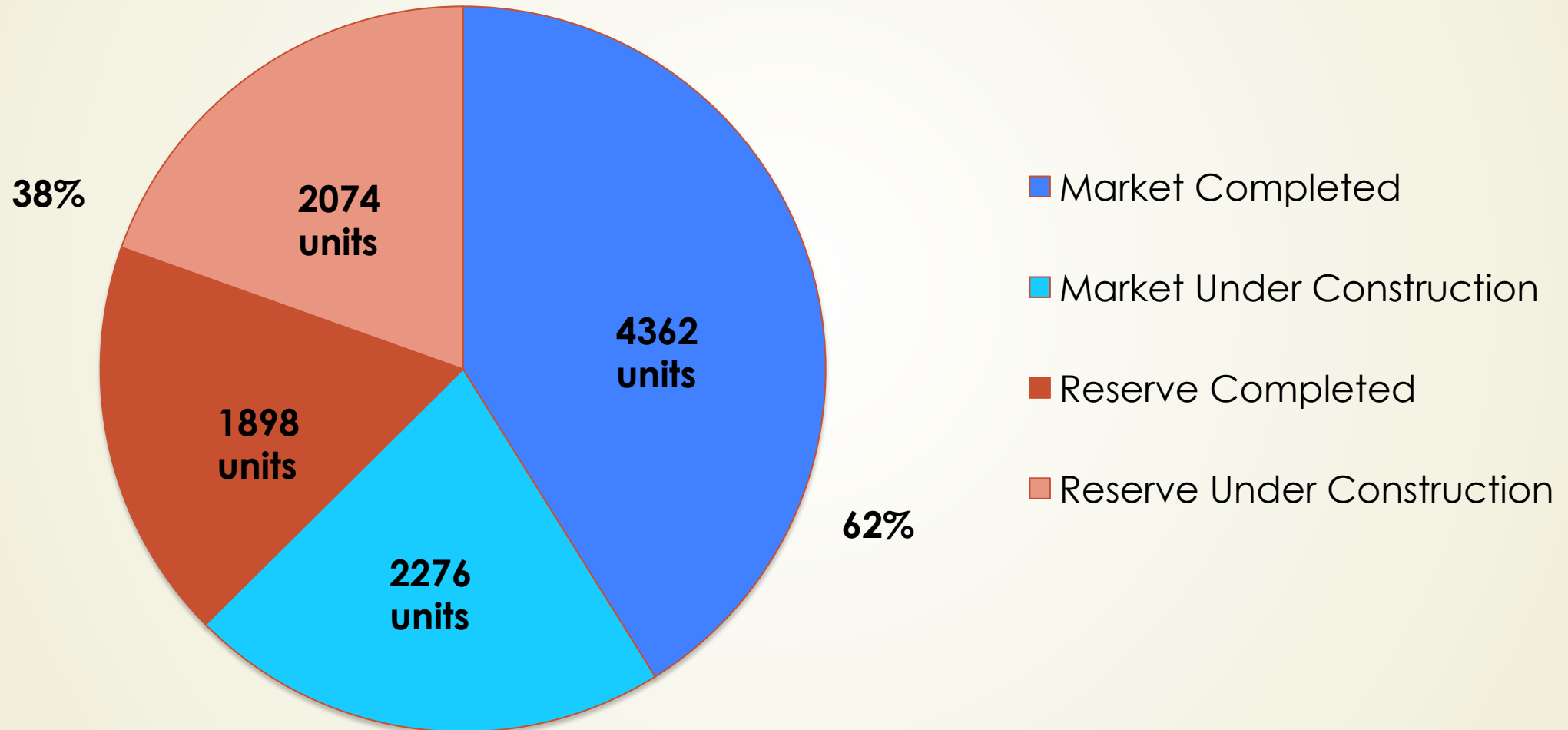
Project Summary

Projects Under Construction	Market	Reserve	Total
Waihonua	341	-	341
801 South Street A	-	635	635
Symphony	288	100	388
The Collection	467	-	467
Waiea	318	-	318
Total Units	1414	735	2149

Project Summary

Permitted Projects	Market	Reserve	Total
Waihonua 2	-	72	72
988 Halekauwila	49	375	424
Anaha	177	-	177
Keauhou Lane	338	294	632
KS Land Block B	75	108	183
801 South Street B	49	361	410
803 Waimanu	24	121	145
<i>Total Units</i>	712	1331	2043

HCDA Approved Housing in Kakaako Since 1976





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!***

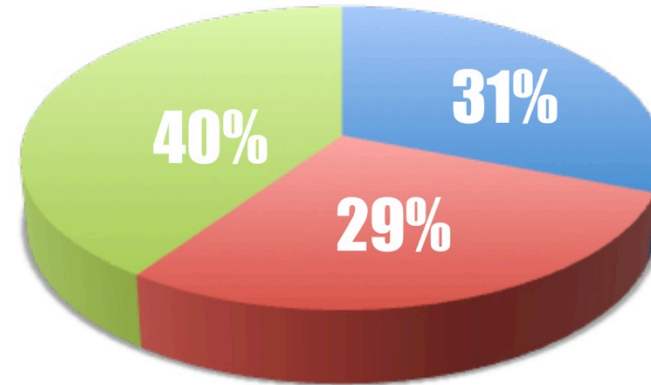


Halekauwila Place Project Cost

\$64,618,250 Total Building Cost

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

GAP Financing
17 Million from HCDA
3 Million from HHFDC
\$20,000,000



**Mortgage Rental
Revenue**
First Mortgage
\$18,500,000

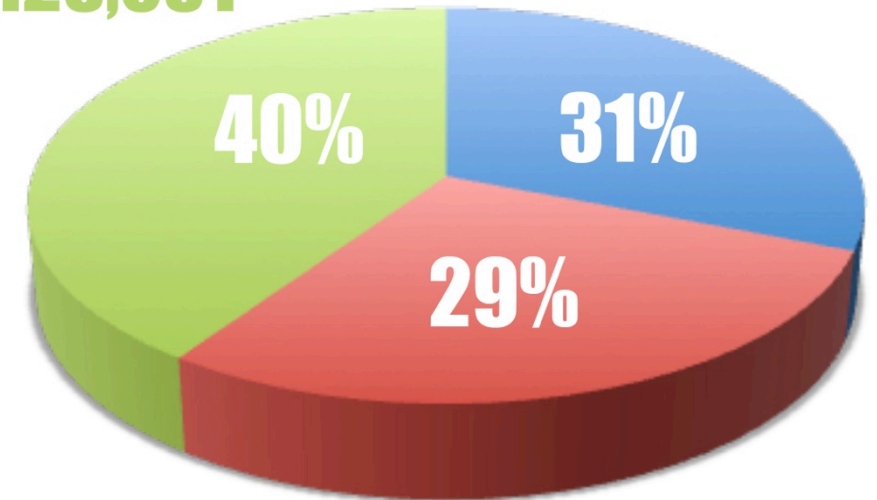


Halekauwila Place Unit Cost

\$316,756 Total Cost Per Unit

LIHTC
\$128,031

GAP Financing
\$98,039



**Mortgage Rental
Revenue**
\$90,686



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 w/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**

$$= \frac{\$50\text{M}}{\$100\text{K per unit}} = 500 \text{ units}$$

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**

