



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!

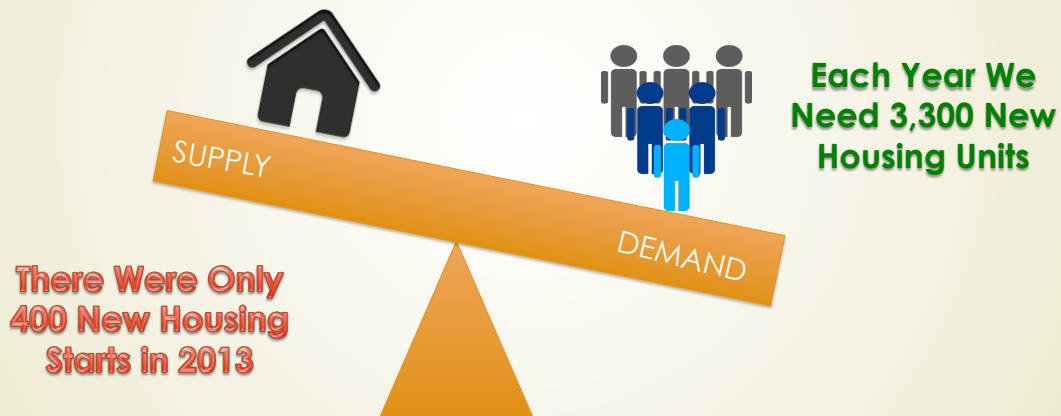
There is a Need for Housing of All Types!

"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 Cassidy, Economist

We're Not Building Enough Housing for Our Population!



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



2014 Reserved Housing Income Limits - Honolulu County

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

Adjustment for Unit Type

Unit Type	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom
Adjustment	70%	80%	Base	108%	116%	124%

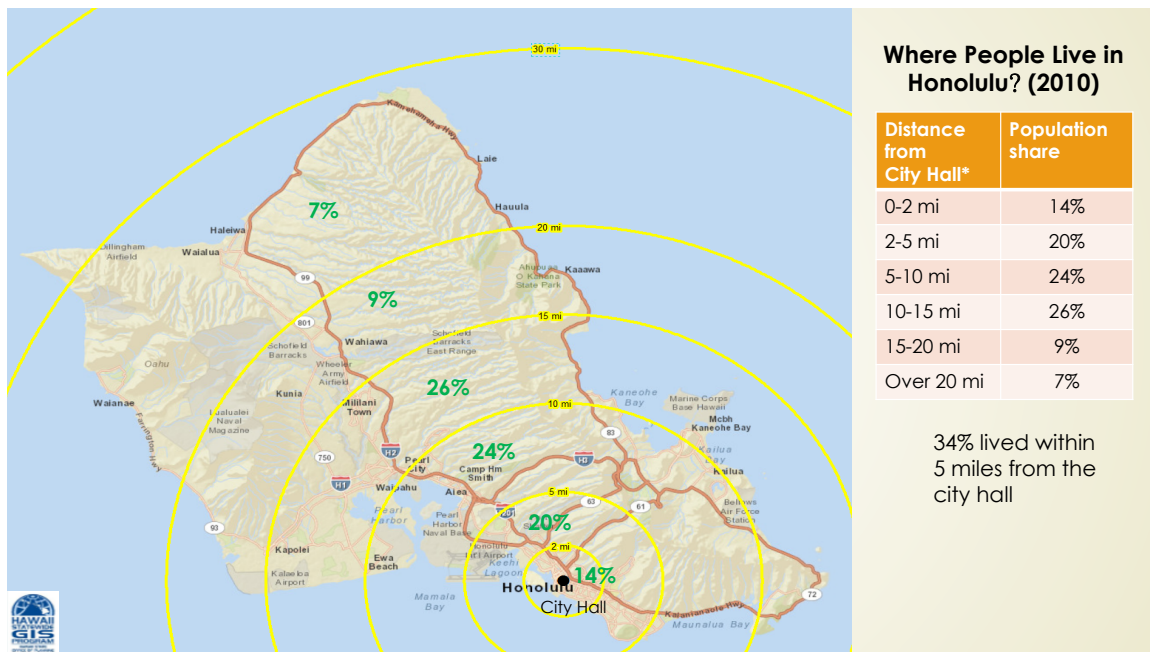
*For each person in excess of eight, the four-person income limit should be multiplied by an additional 8 percent.
(For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit.)

*Income limits are rounded to the nearest \$50.

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

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 Shift on Oahu-- Moving Back to Town?



1990-2000 Period

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

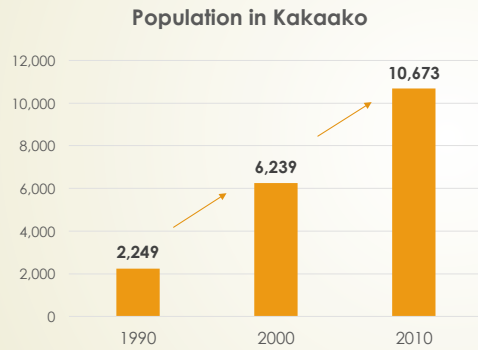
2000-2010 Period

- 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.**

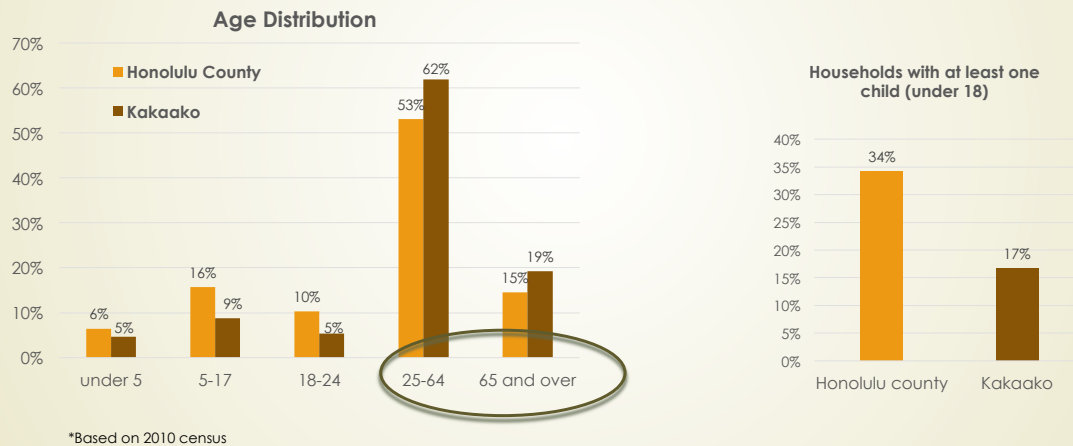
Period	Change	Change in %
1990-2000	3,990	177.4%
2000-2010	4,434	71.1%

Kakaako Population in 2010

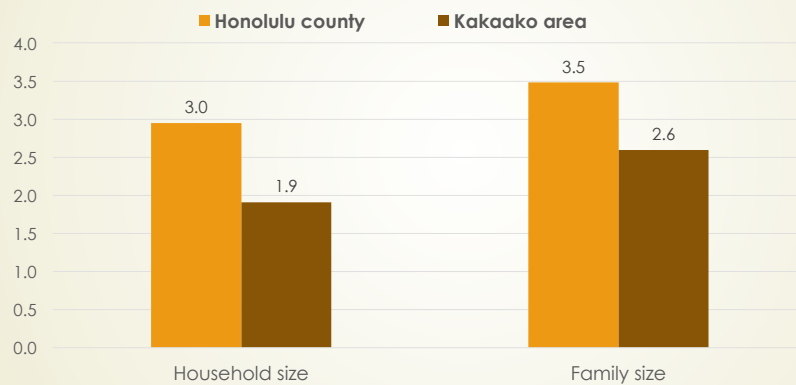
Total Residents	10,673
In Households	10,034
In Group living facilities	639



More Adult-Oriented Community

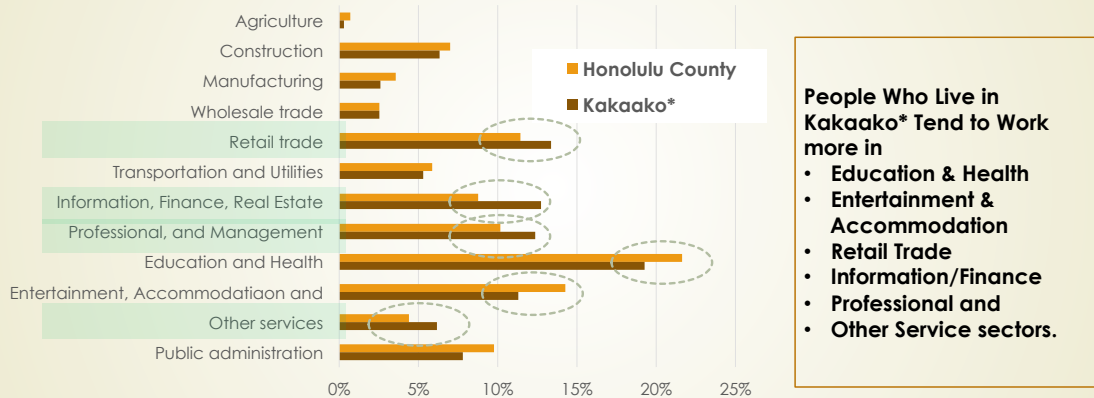


Average Household and Family Size are Much *Smaller*



*Based on 2010 census

Where Do Kakaako Residents Work?



* 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 ≤ (Public Housing) 30% AMI
 - Remainder of Units ≤ 60% AMI

Faces of the Area Median Income

60% AMI



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

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

100% AMI



and 2 kids



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

140% AMI



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*

Occupation	AMI Level	Median Wage	Annual Salary
Food Prep Workers	30%	\$8.97	\$20,220
Waiter	40%	\$10.81	\$28,930
Maids and Housekeepers	50%	\$15.63	\$31,740
Secretaries and Assistants	60%	\$17.64	\$37,480
Maintenance Workers	70%	\$19.96	\$42,730
Police Officer (Rookie)	80%	\$25.00	\$52,000
Teacher (Experienced)	100%	\$27.88	\$58,000
Registered Nurses	140%	\$41.32	\$85,380

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		

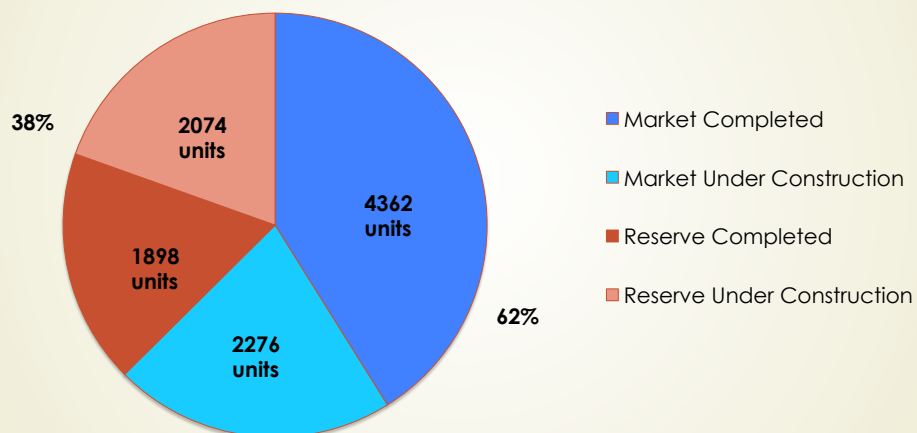
Project Summary

Projects Under Construction	Market	Reserve	Total
Waihonua	341	Off Site	341
801 South Street A	-	635	635
Symphony	288	100	388
The Collection	467	Off Site	467
Waiea	177	Off Site	177
Anaha	318	Off Site	318
Total Units	1,591	735	2,326

Project Summary

Permitted Projects	Market	Reserve	Total
Waihonua 2	-	72	72
988 Halekauwila	49	375	424
Keauhou Lane	338	294	632
KS Land Block B	75	108	183
801 South Street B	49	361	410
803 Waimanu	24	121	145
Total Units	712	1,331	2,043

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!*

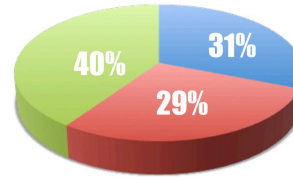


Halekauwila Place Project Cost

\$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

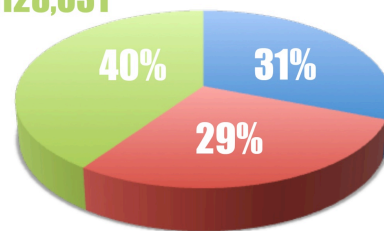


Halekauwila Place Unit Cost

\$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**

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

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