Kakaako Community Development District Reserved Housing Rules Proposed Draft Amendments

September 7, 2016

Reserved Housing Taskforce Recommendations

- Expand Source of Reserved Housing
 - Require multi-family residential project with 10 or more units to provide RH
 - 20% of the units to be RH
- Preserve Reserved Housing Stock
 - Continuous Buy Back provision for 'for-sale' RH
 - RH sale price indexed to AMI or CPI
 - Shared Equity provision if HCDA waives buy back
 - Rental RH unit regulated for 30 years
- Reach Deeper Affordability
 - Rental RH target 80% or less of AMI
 - 'For-Sale' RH target AMI of 120% or less
 - 'For-Sale' RH Schedule: Establish a schedule for providing RH at various affordability level with a targeted weighted average AMI
 - Provide flexibility with parking
- Create Consistency
 - City & County Affordable Housing Rules
 - HHFDC Rules

- Provide Incentive for Larger Units
 - Establish a scale factor such as used by the City & County, based on the size of the unit, to give incentive to developers to provide larger units
- Shared Equity
 - Calculate as a % of market price
- Cash-in-lieu Provision
 - Land dedication or cash payment calculated as a % of gross revenue
- Create Mobility
 - Provide for a RH owner to purchase another larger RH unit based on changes in family size
- Provide Certain Asset Exemptions
 - Exempt gift for down payment from asset limit
 - Exempt retirement accounts from asset limit

Workforce Housing

- Provide 'for-sale' as well as rental workforce housing
- Sales price indexed to AMI of 120% or less
- Qualifying household income of 120% or less
- Continuous Buy Back provision
- Buy Back price indexed to AMI or CPI
- Floor Area Bonus
- No exemptions from provisions of the Mauka Area Rules

Proposed Draft Amendments

General Provisions/RH Requirements

§15-218-1

Amended to provide more clarity

§15-218-5: Definitions

- Area Median Income
- Fair Market Value
- Gross Revenue
- Household
- Household Income
- Low Income Household
- Moderate Income Household
- Workforce Housing Project

§15-218-17

- Amends Reserved Housing (RH) Requirements
 - Current Requirement
 - 20% of floor area required to be RH
 - Applicable to residential projects on lot size of greater than 20,000 square feet
 - Proposed Requirement
 - 20% of total numbers of units in a multifamily residential development of 10 or more units
- Added Cash-in-lieu provision
- Other revisions for clarity

§ 15-218-18

- Amends parking requirements
- Provides flexibility for RH parking

Unit Type Factor/Household Size/Qualification

§15-218-19

Adds new section for RH unit type factor

§15-218-20

Adds new section on unit type and permissible household

§15-218-21

Adds new section on RH schedule

§15-218-30

- Adds new qualification: sufficient gross income to qualify for loan
- Provides for purchase of a larger RH unit by a current RH unit owner subject to certain conditions

§15-218-30

- Creates separate provisions for for- sale and rental units
- Qualified priority given to applicants displaced within KCDD as a result of redevelopment

§ 15-218-32

- Amends maximum qualifying household income to 120% of AMI
- Provides for exemption of retirement account and gift for down payment from counting towards asset

RH Sale Price Calculation

§15-218-33

Deletes existing provisions that are not applicable anymore

§15-218-34

- Establishes factors for RH sale price determination
 - Down payment (10% of sale price)
 - Applicable AMI
 (Monthly housing payment: mortgage payment, MIP, AOAO dues)
 - 30 year mortgage interest rate published by Freddie Mac (6 month average)
 - Not to exceed 33% of gross household income
 - Unit type factor
- ED to establish and publish RH sale price formula every year

Calculation of Reserved Housing N	Aaximum Afford	able Price Points -	FOR SALE						
Current Median Income (2016)			\$87,900	Adjustment for	Monthly	Reserves***	Assn Dues	MIP Pricing	WORKSH
Inflation Factor			1	Unit Type	Unit Type	Total	/RPT/MIP	Assumptions	ASSUMPT
Future Median Income			\$87,900	0.68	OBR/1BA	\$550	AD/RPT/MIP		
Annual Mortgage Rate			3.67%	0.81	1BR/1BA	\$600	AD/RPT/MIP		Input Inflation
				0.92	2BR/1BA	\$650			
				1	2BR/1.5BA	\$700			
Mortgage Term (years)			30	1.08	2BR/2BA	\$750	AD/RPT/MIP		%/Year
				1.16	3BR/1.5BA	\$800			
Downpayment (% of MAP)			10.0%	1.28	3BR/2BA	\$850	AD/RPT/MIP		# of Years
Housing Expense (% of Income)			33.0%	1.44	4BR/2BA	\$900	AD/RPT/MIP		
									Input Mortgag
**** Monthly Reserves: RPT: Rea				remium (UPDATE)					07/14-012/14
***** Source (Chapter 218):	http://www.freddie	emac.com/pmms/pmn	s30.htm						Month 1
									Month 2
Percent of Median Income	80%	90%	100%	105%	110%	115%	120%		Month 3
A									Month 4
Maximum Affordable Price (MAP)									Month 5
OBR/1BA	\$228,084	\$267,927	\$307,769	\$327,690	\$347,611	\$367,532	\$387,453		Month 6
1BR/1BA	\$261,872	\$309,331	\$356,790	\$380,520	\$404,249	\$427,979	\$451,708		Average
2BR/1BA	\$286,285	\$340,189	\$394,093	\$421,045	\$447,997	\$474,950	\$501,902		
2BR/1.5BA	\$299,060	\$357,651	\$416,243	\$445,539	\$474,834	\$504,130	\$533,426		
2BR/2BA	\$309,896	\$373,174	\$436,453	\$468,093	\$499,732	\$531,371	\$563,011		
3BR/1.5BA	\$318,792	\$386,758	\$454,724	\$488,708	\$522,691	\$556,674	\$590,657		
3BR/2BA 4BR/2BA	\$336,258 \$360.838	\$411,255 \$445,210	\$486,252 \$529,582	\$523,751 \$571.767	\$561,249 \$613.953	\$598,748 \$656,139	\$636,246 \$698,325		
Calculation of Reserved Housing N Current Median Income (2016)	Aaximum Afford	able Price Points -							
			\$87,900 30.0%	Adjustment for					
Housing Expense (% of Income)*			30.0%	Unit Type	Unit Type	4			
				0.68	0BR/1BA	┨			
				0.81	1BR/1BA	╂			
				1	2BR/1BA 2BR/1.5BA	4			
						-			
				1.08	2BR/2BA				
				1.08 1.16	2BR/2BA 3BR/1.5BA				
				1.08 1.16 1.28	2BR/2BA 3BR/1.5BA 3BR/2BA				
* For Chapter 210				1.08 1.16	2BR/2BA 3BR/1.5BA				
* For Chapter 218	and building o	porating costs ave	luding telephone/s	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
* For Chapter 218 ** Gross rent to include all utilitie	s and building o	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
	s and building o	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income		perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP)	80%	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA	80% \$1,195	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA	80% \$1,195 \$1,424	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA 2BR/1BA	80% \$1,195 \$1,424 \$1,617	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 08R/1BA 18R/1BA 28R/1SBA	80% \$1,195 \$1,424 \$1,617 \$1,758	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA 2BR/1BA 2BR/1BA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP). DBR/IBA 1BR/IBA 2BR/ISA 2BR/ISA 3BR/ISA 3BR/ISA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 088/18A 188/1.5A 288/15BA 288/15BA 288/15BA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039 \$2,250	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP). DBR/IBA 1BR/IBA 2BR/ISA 2BR/ISA 3BR/ISA 3BR/ISA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				
** Gross rent to include all utilitie Percent of Median Income Maximum Affordable Price (MAP) 088/18A 188/1.5A 288/15BA 288/15BA 288/15BA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039 \$2,250	perating costs, exc	luding telephone/ca	1.08 1.16 1.28 1.44	2BR/2BA 3BR/1.5BA 3BR/2BA 4BR/2BA				

RH Sales Price Calculation Formula

1st Option to Purchase

§15-218-35

- Establishes 1st option to purchase the RH by the Authority
- Establishes formula for buy back purchase price
- Limits purchase of additional common elements (parking, storage)
- Regulates any subsequent mortgage placed on the RH Unit

§15-218-36

Deletes section: No longer necessary

§15-218-37

• Deletes section: No longer necessary

§15-218-38

• Corrects section references

§ 15-218-39

• Corrects section references

§ 15-218-40

Corrects section references

Equity Sharing

§15-218-41

- Amends equity sharing requirements
- Amends equity sharing formula
- Makes allowance for cost of Owner's improvements
- Deletes provisions for the developer to buy out equity sharing

Proposed Equity Sharing Formula

 $Resale\ fair\ market\ value\ \times \frac{\textit{Original}\ fair\ market\ value-\textit{Original}\ RH\ sales\ price}{\textit{Original}\ fair\ market\ value}$

Example:

Resale fair market value = \$700,000Original fair market value = \$500,000Original RH sale price = \$400,000

HCDA's Equity Share

$$= \$700,000 \times \frac{\$500,000 - \$400,000}{\$500,000} = \$140,000$$

Current Equity Sharing Formula

Higher of

Original fair market price — Original RH price

Or

 $Net \ appreciation \ \times \frac{\textit{Original fair market price} - \textit{original RH sale price}}{\textit{Original fair market price}}$

Example:

Resale fair market price = \$700,000Original fair market price = \$500,000Original RH sale price = \$400,000Net appreciation = \$700,000 - \$500,000 = \$200,000

Equity Sharing, higher of:

$$$500,000 - $400,000 = $100,000$$
Or
 $$200,000 \times \frac{$500,000 - $400,000}{$500,000} = $40,000$

• No equity sharing requirement if the Authority's share of equity sharing in less than 0.5% or if the resale fair market value is less than original RH value

RH for Rent/Deferral of 1st Option to Purchase

§15-218-42

 Adds conditions to deferral of first option to purchase and equity sharing

§15-218-43

- Establishes terms of RH for rent
 - 80% of AMI
 - Regulated for 30 years

§15-218-44

- Establishes factors for RH rents
 - Rent = 30% of Applicable AMI
 - Includes all utilities
 - Exempts parking, telephone, television & Internet
- ED to establish and publish formula

Infiliation Factor	Calculation of Reserved Housing N	Naximum Afforda	able Price Points -		_			_		
Future Median Income Annual Mortgage Rate Annual Rate Rate Rate Annual Rate Rate Rate Rate Ra	Current Median Income (2016)			\$87,900	Adjustment for			Assn Dues	MIP Pricing	WORKSH
Annual Mortgage Rate 3.67% 0.81 188/18A 5500 AD/RET/MIP									Assumptions	ASSUMPTI
0.92 286/18A 5500 1 286/15BA 5700 286/28A 5										
Mortgage Term (years)	Annual Mortgage Rate			3.67%				AD/RPT/MIP		Input Inflation
Mortgage Term (years)										
1.16 388/1.59A 5800 AD/RET/MEP 10.0% 1.28 388/28A 5800 AD/RET/MEP 8 of Years 1.44 488/28A 5800 AD/RET/MEP 10.01 1.44 488/28A 5800 AD/RET/MEP 5800 A										
Downsyment (% of MAP)	Mortgage Term (years)			30				AD/RPT/MIP		%/Year
Nousing Expense (% of Income) 33.0% 1.44 48R/2BA 5900 AD/REPT/MIP Imput Mortga Imput Mortga Imput Mortga O7/14-012/15 Imput Mortga O										
****** Monthly Reserves: RPT: Real property Taxes (UPDATE), MIP; Morgage insurance Permium (UPDATE)										# of Years
****** Morth (Pacerve: RPT: Real property Taxes (UPDATE), MP. Mortgage Insurance Premium (UPDATE) Percent of Median Insome 80% 90% 100% 100% 110% 110% 115% 120% Month 1 Month 2 Real Maximum Affordable Price (MAP) 528,084 525,097 5307,799 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,691 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,690 5317,691 5317,690 5317,691 5317,690 5317,691 5317,690 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 5317,691 531	Housing Expense (% of Income)			33.0%	1.44	4BR/2BA	\$900	AD/RPT/MIP		
******* Source (Chapter 218): ****** ****** ****** ****** ******	**** ** DDT: D	l	(UDDATE) AND A	I B	on and one (LIDD ATE)					
Month 2					emium (OPDATE)					
Percent of Median Income	Source (Chapter 218):	http://www.freddie	mac.com/pmms/pmm	830.htm	_					
Maximum Affordable Price (MAP) 088/18A	Decree of Mandian Income	000/	000/	1000/	4050/	4400/	4450/	4200/		
Maximum Affordable Price (MAP) 808/18A	Percent of Median Income	80%	90%	100%	105%	110%	115%	120%		
088/18A \$228,084 \$277,927 \$307,769 \$327,690 \$327,690 \$327,591 \$387,532 \$387,433 \$380,780 \$380,250 \$340,249 \$277,995 \$317,788 \$387,832 \$380,130 \$380,250 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$340,249 \$	santon or afferdable Date (sand				_					
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288/18A										
289/158A \$299,000 \$517,651 \$416,243 \$485,539 \$47,845 \$904,130 \$333,426 \$ 289/158A \$339,965 \$737,174 \$486,853 \$485,539 \$497,724 \$333,211 \$536,011 \$ 289/158A \$318,792 \$386,758 \$411,255 \$486,725 \$521,751 \$513,953 \$556,674 \$900,657 \$ 288/158A \$338,780 \$545,210 \$575,582 \$527,767 \$613,953 \$556,674 \$900,657 \$ 288/158A \$336,788 \$451,255 \$486,725 \$521,757 \$513,953 \$556,674 \$900,657 \$ 288/158A \$360,088 \$545,210 \$575,582 \$527,767 \$613,953 \$556,674 \$900,657 \$ 288/158A \$360,088 \$545,210 \$575,582 \$527,767 \$613,953 \$556,674 \$900,657 \$ 288/158A \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,089 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,088 \$1,089 \$1,088 \$1,088 \$1,089 \$1,089 \$1,088 \$1,089 \$1,089 \$1,088 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089 \$1,089										Average
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Maximum Affordable Price (MAP) 088/18A	** Gross rent to include all utilitie	s and building o	perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
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1807/18A	Percent of Median Income		perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
288/15A	Percent of Median Income Maximum Affordable Price (MAP)	80%	perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
286/1.58A 51,758 286/28A 51,899 386/1.58A 52,209 386/1.58A 52,209	Percent of Median Income Maximum Affordable Price (MAP) OBR/1BA	80% \$1,195	perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
288/2EA 51,899 389/158A 52,039 380/2EA 52,250	Percent of Median Income Maximum Affordable Price (MAP) OBR/1BA 1BR/1BA	80% \$1,195 \$1,424	perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
3BR/1.5BA	Percent of Median Income Maximum Affordable Price (MAP) 08R/18A 18R/18A 28R/18A	80% \$1,195 \$1,424 \$1,617	perating costs, exc	luding telephone/ca	ble/internet/parki	ng				
3BR/2BA \$2,250	Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA 2BR/15A 2BR/1.5BA	\$1,195 \$1,424 \$1,617 \$1,758	perating costs, exc	luding telephone/ca	ble/internet/parkii	ng				
	Percent of Median Income Maximum Affordable Price (MAP) 08R/1BA 18R/1BA 28R/1.SBA 28R/2.BA	\$1,195 \$1,424 \$1,617 \$1,758 \$1,899	perating costs, exc	luding telephone/ca	ble/internet/parkii	ng				
468//28A \$2,332	Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA 2BR/1BA 2BR/15BA 2BR/15BA 3BR/1.5BA	\$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039	perating costs, exc	luding telephone/ca	ble/internet/parkii	ng				
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	Percent of Median Income Maximum Affordable Price (MAP) 0BR/1BA 1BR/1BA 2BR/1BA 2BR/15BA 2BR/15BA 3BR/1.5BA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039 \$2,250	perating costs, exc	luding telephone/ca	ble/internet/parkir	ng				
	Percent of Median Income Maximum Affordable Price (MAP) 0887,IBA 1887,IBA 2887,ISBA 2887,ISBA 3887,ISBA 3887,ISBA	80% \$1,195 \$1,424 \$1,617 \$1,758 \$1,899 \$2,039 \$2,250	perating costs, exc	luding telephone/ca	ble/internet/parkii	ng .				
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RH Rent Calculation Formula

Cash in Lieu Payment

§15-218-45

 Section added to address rental of a RH Unit by the owner of a RH Unit

§15-218-46

- Establishes formula for calculating cash in lieu
- Higher of:
 - (1) 7% of Gross revenue, or
 - (2) difference of average fair market value and average RH sales price multiplied by the number of RH

Example:

244 unit project RH requirement = 49 unit

Gross revenue of the project = \$197,640,000 Cash in lieu = 0.07 X \$197,640,000 = \$13,834,800

Average fair market value of unit = \$810,000 Average RH unit sale price = \$500,000 Difference = \$810,000-\$500,000 = \$310,000 Cash in lieu = \$310,000 X 49 = \$15,190,000

Workforce Housing

§15-218-55

- Amends AMI to 120%
- Provides for rental workforce housing
- Deletes unit size limit
- Deletes modification from Mauka Area Rules provision
- Makes workforce housing subject to provisions of Kakaako RH Rules
- Exempts Workforce Housing from equity sharing requirement

§15-218-56

Establishes factors for workforce housing sale price determination

§15-218-57

 Provides for and regulates buy back of workforce housing units

§15-218-58

• Establishes terms of rental workforce housing units including sale of unit

§ 15-218-59

 Establishes factors for determining rent for workforce housing unit

§ 15-218-60

 Provides for and regulates rental of workforce housing unit by workforce housing owner

§ 15-218-61

 Provides for deferral of first option to purchase workforce housing units under certain circumstances

§ 15-218-62

Provides for deed restriction of workforce housing units

Next Steps

- Presentation to Small Business Regulatory Board
- Public Hearings on Draft RH Rule Amendment
- Adoption of RH Rules by the Authority
- Approval of RH Rules by the Governor