HCDA Reserved Housing Task Force

Update on Kakaako Reserved Housing Rules Amendment
On September 7, 2016 the Reserved Housing (“RH”) Taskforce Presented a set of recommendations to the Authority for amending the Kakaako Reserved Housing Rules (“Kakaako RH Rules”)

On September 21, 2016 HCDA staff presented the amendments to Kakaako RH Rules to Small Business Regulatory Review Board (“SBRRB”)

The SBRRB unanimously agreed that the proposed amendment could proceed to public hearing

On October 12, 2016 HCDA staff requested approval from the Governor to proceed to public hearing

Proposed Kakaako RH Rules Amendment is available for public review on HCDA website (www.hcdaweb.org)

The RH Taskforce Members and HCDA staff also met with several Stakeholders to solicit comments and feedback and to address concerns regarding the Proposed Kakaako RH Rules Amendments
Reserved Housing Taskforce Revised Recommendations

The RH Taskforce Members have taken into consideration further comments and feedback from Stakeholders and suggest the following revisions (original presentation text in black; proposed changes text in green) to November 7, 2016 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 resale price indexed to Honolulu Board of Realtor’s Median Annual Percent Price Change for Condominiums.
  • Rental RH unit regulated for 30 years

• **Encourage Housing Development-For Sale + Rental**
  • Rental RH Schedule: Establish a schedule of rental RH at various affordability level with a targeted weighted average rent at 120% of AMI and a maximum allowable rent at 140% of AMI
  • ‘For-Sale’ RH Schedule: Establish a schedule for providing RH at various affordability level with a targeted weighted average sales price at 120% of AMI and maximum allowable sales price at 140% of AMI
  • Qualifying household income of 140% or less
  • 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
Encourage Workforce Housing Development

• Provide ‘for-sale’ as well as rental workforce housing
• Weighted average sales price or rent at 120% of AMI with maximum allowable sales price or rent at 140% of AMI.
• Qualifying household income of 140% or less
• Continuous Buy Back provision
• Buy Back price indexed to Honolulu Board of Realtor’s Median Annual Percent Price Change for Condominiums
• Floor Area Bonus
• No exemptions from provisions of the Mauka Area Rules
Next Steps

• Incorporate revised recommendation in the Proposed RH Rule Amendment
• Public Hearings on Draft RH Rule Amendment
  • 1\textsuperscript{st} public hearing planned for February 2017
  • 2\textsuperscript{nd} public hearing planned for March 2017
• Adoption of RH Rules by the Authority planned for April 2017
• Approval of RH Rules by the Governor