

# **HCDA Reserved Housing Task Force**

## **Update on Kakaako Reserved Housing Rules Amendment**

# 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](http://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<sup>st</sup> public hearing planned for February 2017
  - 2<sup>nd</sup> public hearing planned for March 2017
- Adoption of RH Rules by the Authority planned for April 2017
- Approval of RH Rules by the Governor