

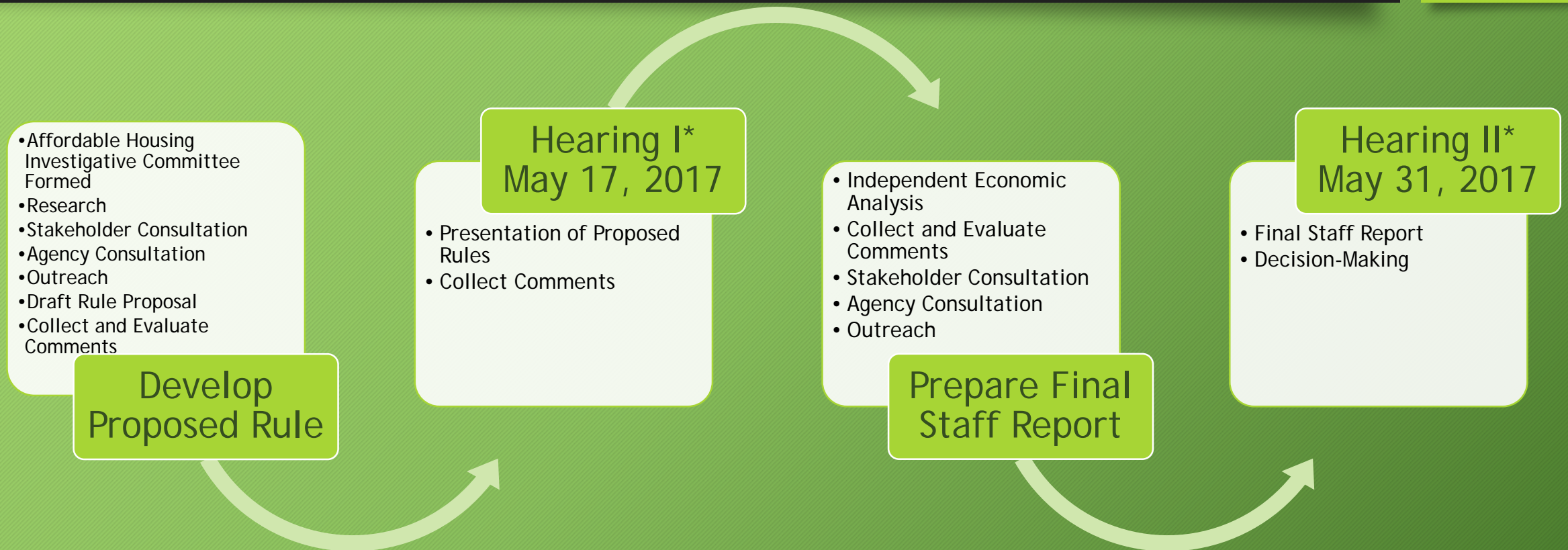
Kakaako Community Development District
Reserved Housing Rules
Proposed Draft Amendments



Hawaii
Community
Development
Authority

Public Hearing
May 31, 2017

Process Overview & Required Hearings



* HRS § 206E-5.6, requires the Authority to render its decision at a public hearing separate from the hearing that the proposal is presented.

Timeline

MAY 7, 2014	AUG. 6, 2014	MAR. 1, 2015	MAY 6, 2015	SEPT. 2, 2015	FEB. 3, 2016	JULY 6, 2016	SEPT. 7, 2016	OCT. 5, 2016	JAN 4, 2017	MAR. 1, 2017	MAR. 28, 2017	MAY 3, 2017	MAY 17, 2017	MAY 31, 2017
Authority began process	Reserved Housing Investigative Committee appointed	Reserved Housing Investigative Committee presentation	Reserved Housing Investigative Committee Report presented	Amendment of Kaka'ako Reserved Housing Rules presented	Appointment of Affordable Housing Investigative Committee	Reserved Housing Investigative Committee Update	Reserved Housing Rules Proposed Draft Amendments	Approved hire of a Hearings Officer	Reserved Housing Rules Proposed Amendments Update	Presentation of the Proposed Amendments	Public Hearing with Hearings Officer	Public Hearing	Public Hearing	Pending Public Hearing



10 Public Meetings



4 Public Hearings

Proposed Kakaako Reserved Housing Rules

- Primary Objectives
 - Expand affordability
 - Preserve the inventory of affordable housing units



Public Hearing - May 31, 2017

1. Staff Report
2. Public Testimony
3. Possible Executive Session to consult with attorneys
4. Discussion
5. Decision Making

Different Housing for Different People

Above 140% AMI



Market rate housing

80% to 140% AMI



Low to moderate
income housing

Below 80% AMI



Low income housing

Low Income Projects

For Families
Making
Less Than
80% AMI

\$83,700
and below
for a
family of
four

HCDA

Contributed \$23 million

1,189

Rentals were added since 1989

HCDA

Partners with HHFDC

3

More projects planned adding 317 units.

Examples of HCDA Low Income Projects



Halekauwila Place

204 rental units.
60% or less of AMI.
HCDA contributed \$17 million.



Artspace Lofts

84 rental units.
60% or less of AMI.
HCDA contributed land.



Nohona Hale (Micro Units)

105 rental units.
60% or less of AMI.
10% of units set-aside at 30% of AMI.
HCDA contributed land.

Workforce Housing & Reserved Housing Programs

For low to moderate income families
80-140% AMI

Family of Four
\$83,700 to \$121,250

High School Teacher (\$56,730)
+ Accountant (\$60,440)

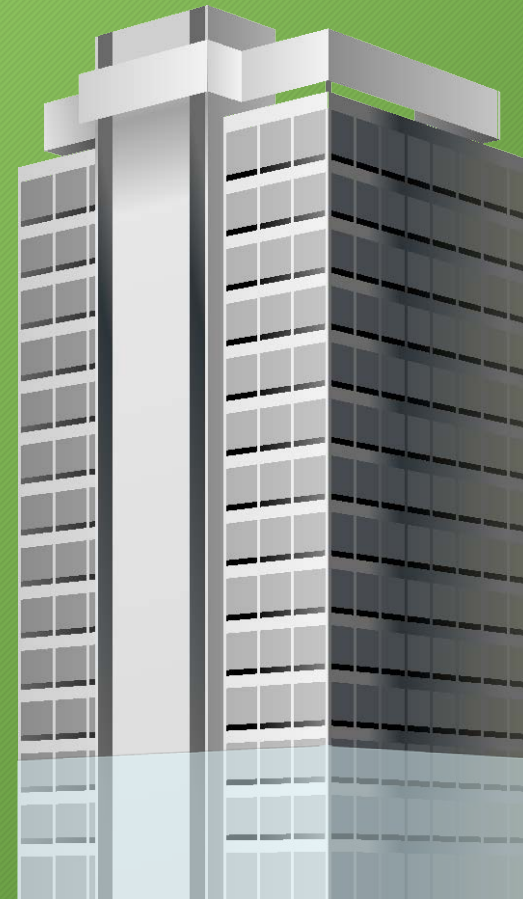
Housekeeper (\$35,630) +
Administrative Assistant (\$52,420)

Childcare worker (19,980) + Crane Operator (\$76,830)

Reserved Housing Program

Mandatory Program

- ★ **20%** of units in new projects are at or below 140% AMI
- **Buyback** and shared equity provisions



Reserved Housing Program Incentives

- ★ Bonus FAR **20%**, which means 20% more floor space
- **No** Public Facilities Dedication requirement for Reserved Housing



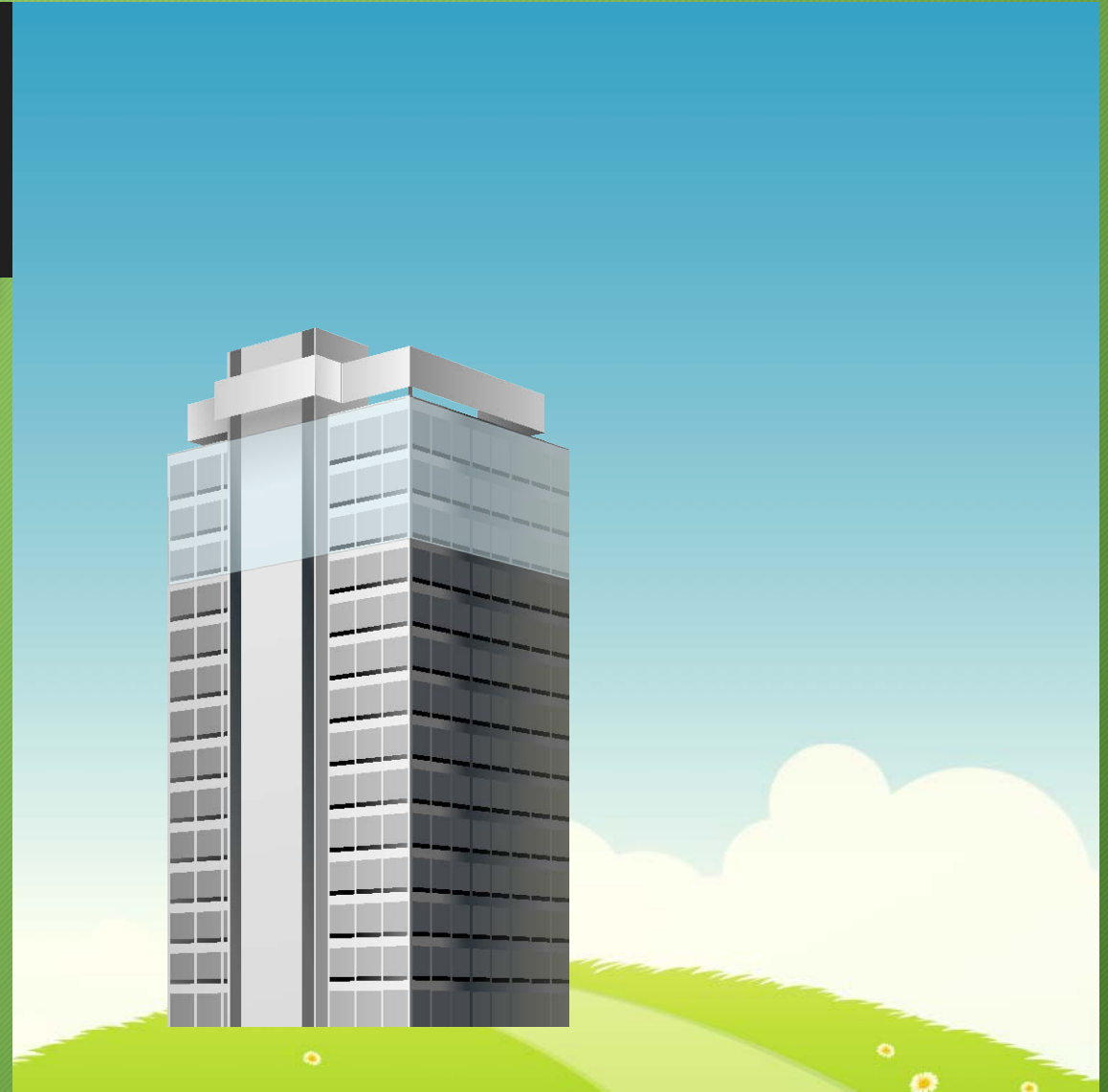
Workforce Housing Program

Voluntary Program

No buyback or shared equity provisions

75% of units in new projects between 100% and 140% AMI

★ 25% can be sold at market rate



Workforce Housing Program Incentives

- ★ Bonus FAR **100%**
- **No** Public Facilities
Dedication requirement for
Reserved Housing Bonus FAR



Proposed Reserved Housing Rules Amendment

Who does it affect?

The proposed amendments do not affect current home owners or developers with permits.

It will only affect future projects in Kakaako that do not have permits yet, and the future home owners in those projects.



Testimony

We have received over a hundred pieces of testimony.



Major Themes

- Continuous Buyback for Reserved Housing and Workforce Housing
- Shared Equity for Workforce Housing
- AMI: Higher or Lower?



Buyback Provision Applies to Workforce Housing and Reserved Housing Programs

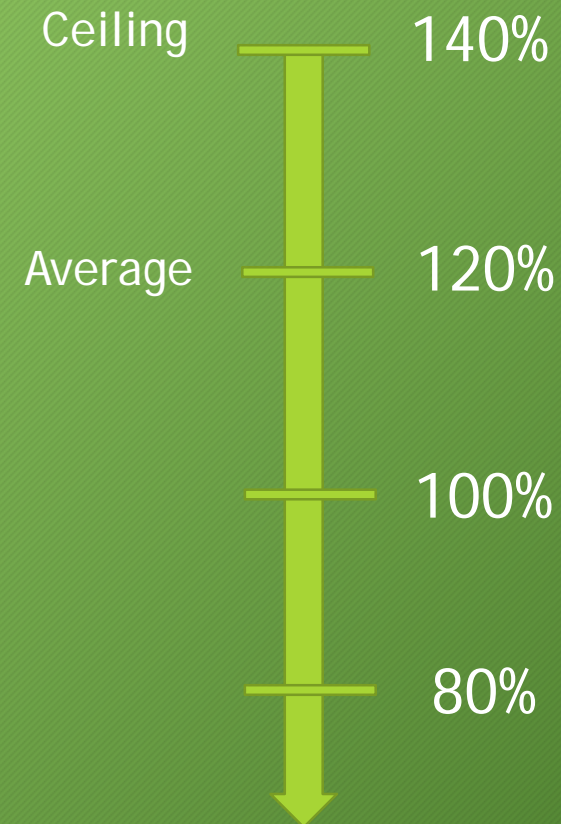
- Preserves affordable housing inventory
- If the owner sells, HCDA has the first option to purchase
- 60-days to waive, purchase, or designate buyer
- No less than the original sales price

Shared Equity for Workforce Housing

- Shared equity already applies to Reserved Housing Program
- Percentage of the FMV resale
- No shared equity if below original sales price or if equity is less than ½ percent

Proposed AMI Clarification

- Current Rule
 - Ceiling of 140% AMI
- Proposed Rule
 - Ceiling of 140% AMI with average of 120% AMI



Staff Report

Mahalo

