Process Overview & Required Hearings

Develop Proposed Rule
- Affordable Housing Investigative Committee Formed
- Research
- Stakeholder Consultation
- Agency Consultation
- Outreach
- Draft Rule Proposal
- Collect and Evaluate Comments

Hearing I* May 17, 2017
- Presentation of Proposed Rules
- Collect Comments

Prepare Final Staff Report
- Independent Economic Analysis
- Collect and Evaluate Comments
- Stakeholder Consultation
- Agency Consultation
- Outreach

Hearing II* May 31, 2017
- Final Staff Report
- Decision-Making

* 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>MAY 7, 2014</td>
<td>Authority began process</td>
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<tr>
<td>AUG. 6, 2014</td>
<td>Reserved Housing Investigative Committee appointed</td>
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<td>MAR. 1, 2015</td>
<td>Reserved Housing Investigative Committee presentation</td>
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<tr>
<td>MAY 6, 2015</td>
<td>Reserved Housing Investigative Committee Report presented</td>
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<tr>
<td>SEPT. 2, 2015</td>
<td>Amendment of Kaka’ako Reserved Housing Rules presented</td>
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<tr>
<td>FEB. 3, 2016</td>
<td>Appointment of Affordable Housing Investigative Committee</td>
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<tr>
<td>JULY 6, 2016</td>
<td>Reserved Housing Investigative Committee Update</td>
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<td>SEPT. 7, 2016</td>
<td>Reserved Housing Rules Proposed Draft Amendments</td>
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<td>OCT. 5, 2016</td>
<td>Approved hire of a Hearings Officer</td>
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<td>JAN 4, 2017</td>
<td>Reserved Housing Rules Proposed Amendments Update</td>
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<td>MAR. 1, 2017</td>
<td>Presentation of the Proposed Amendments</td>
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<td>MAR. 28, 2017</td>
<td>Public Hearing with Hearings Officer</td>
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<td>MAY 3, 2017</td>
<td>Public Hearing</td>
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<tr>
<td>MAY 17, 2017</td>
<td>Public Hearing</td>
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<tr>
<td>MAY 31, 2017</td>
<td>Pending Public Hearing</td>
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**10 Public Meetings**  
**4 Public Hearings**
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.

2017 HCDA AMI
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)

2017 HCDA AMI
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.
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 $\frac{1}{2}$ percent
Proposed AMI Clarification

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