



## EXISTING VS PROPOSED RESERVED HOUSING RULES

HOUSING TYPE	CATEGORY	EXISTING RULES	PROPOSED RULES	NOTE
1 Reserved Housing	General Requirement	20,000+ square feet lot size shall construct at least 20% of the residential floor area as reserved housing or 15% if rental.	Developments of 10 residential units or more shall provide 20% of the total number of units as reserved housing units.	<b>Increases affordable housing:</b> Increases the amount of Reserved Housing available, while allowing smaller projects to take advantage of floor area incentives to provide more reserved units.
2 Reserved Housing	General Requirement	1 to 1 factor to determine reserved housing units required for a development.	A 'Reserved Housing Unit Type and Corresponding Factor Table' is being proposed to determine reserved housing units requirement for a development.	<b>Provides housing for working families:</b> The proposal provides incentives for larger units, which are better for our working families. Studios and one-bedroom units are still permitted and will be available.
3 Reserved Housing	General Requirement	No provision for a family who owns a reserved housing unit to purchase another larger reserved housing unit if the family size increases.	Includes the provision for a family who owns a reserved housing unit to purchase a larger reserved housing unit if the family size increases.	<b>Allows families to grow:</b> Families will be able to remain in Kaka'ako as their families grow.
4 Reserved and Workforce Housing	Occupancy	No occupancy guidelines.	Occupancy guidelines.	<b>Rightsizes units:</b> Families will be able to purchase a reserved housing unit based on their family size. This is easily modified by the board, if necessary.
5 Reserved Housing	Income limit (qualifying buyer)	140% of Area Median Income (AMI).	140% of AMI.	No change.
6 Workforce Housing	Income limit (qualifying buyer)	140% of AMI.	140% of AMI.	No change.
7 Reserved Housing	Asset Limit (qualifying buyer)	135% of maximum qualifying income based on family size.	135% of maximum qualifying income based on family size.	No change.
8 Workforce Housing	Asset limit (qualifying buyer)	No asset limit.	135% of maximum qualifying income based on family size.	<b>Provides Affordable housing for families:</b> Makes affordable housing available to families that need it the most. Closes a loophole that could allow investors to speculate on affordable housing units.
9 Reserved and Workforce Housing	Maximum allowable sales price for units (setting unit price)	Based on a household income of 140% of AMI.	Based on a household income of 140% of AMI. Requires the average sales price of all reserved housing units in a project to be based on no more than 120% of AMI.	<b>Creates diversified affordable housing options:</b> Creates opportunities for families with a range of household incomes including up to an income of 140% of AMI to be home owners. The rule provides clarity on the average AMI in a project. 801 South Street and Aalii already have a weighted average of 120% AMI.
10 Reserved Housing	Buyback (HCDA first option to purchase)	5 year buyback option.	HCDA has the option to buy back the reserved housing unit when the owner wishes to sell.	<b>Keeps affordable housing affordable:</b> The buyback provision is designed to keep affordable housing in the affordable range.

11 Reserved Housing	Equity sharing	Equity sharing when the reserved housing is sold.	Equity sharing when the reserved housing is sold.	No change.
12 Workforce Housing	Buyback (HCDA first option to purchase)	No buyback provision.	HCDA has the option to buy back the reserved housing unit when the owner wishes to sell..	<b>Keeps affordable housing affordable:</b> The buyback provision is designed to keep affordable housing in the affordable range.
13 Workforce Housing	Equity sharing	No equity sharing provision.	Equity sharing when the workforce housing is sold.	<b>Provides a fair rate of return:</b> Ensures a fair rate of return to original buyer while returning equity subsidy so that it can be used to keep units affordable and building pool of funds to develop additions subsidized low income units.
14 Reserved Housing	Buyback purchase price	Indexed to AMI or Consumer Price Index (CPI) whichever is lower	Indexed to Honolulu Board of Realtors (HBR) annual median sales price percent change. Minimum buyback price cannot be lower than the original sales price of the reserved housing unit.	<b>Provides a fair rate of return on a sale:</b> Buyback price is based on the median increase in price as determined by the Honolulu Board of Realtors. This provides a fair rate of return for the homeowner. It also protects the owner from loss of equity if the housing market crashes or family circumstances forces involuntary sale. No real estate agent is necessary for the transaction saving on fees.
15 Workforce Housing	Buyback purchase price	No provision.	Indexed to Honolulu Board of Realtors (HBR) annual median sales price percent change. Minimum buyback price cannot be lower than the original sales price of the workforce housing unit.	<b>Provides a fair rate of return on a sale:</b> Buyback price is based on the median increase in price as determined by the Honolulu Board of Realtors. This provides a fair rate of return for the homeowner. It also protects the owner from loss of equity if the housing market crashes or family circumstances forces involuntary sale. No real estate agent is necessary for the transaction saving on fees.
16 Reserved Housing	General Qualification	Cannot have owned majority interest in a residence within a period of 3 years of application for purchase of a reserved housing unit	Cannot have owned majority interest in a residence within a period of 3 years of application for purchase of a reserved housing unit	No change.
17 Workforce Housing	General Qualification	No prior ownership requirements	Cannot have owned majority interest in a residence within a period of 3 years of application for purchase of a workforce housing unit	<b>Housing for first time homebuyers:</b> Makes affordable housing available to families that need it the most. Closes a loophole that could allow investors to speculate on affordable units.
18 Reserved Housing	Subsequent Mortgages	Any subsequent mortgage placed by the owner shall not exceed 80% of the original purchase price and requires approval by the executive director.	Any subsequent mortgage placed by the owner shall not exceed 80% of the original purchase price and requires approval by the executive director.	No change.
19 Reserved Housing	Foreclosure	Preserves lender's and owner's interest in the unit.	Preserves lender's and owner's interest in the unit.	No change
20 Workforce Housing	Foreclosure	No provision	Preserves lender's and owner's interest in the unit.	Preserves lender's and owner's interest in the unit.