

## Moses, Kuulei N

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**From:** SharonMoriwaki <sharonymoriwaki@gmail.com>  
**Sent:** Tuesday, July 04, 2017 8:13 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission

### Name

Sharon Moriwaki

### Address

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### Do you support or oppose?

Oppose

### Comment

I oppose the proposed definition of "moderate income" household at Section 15-218-5, as it does not follow all other jurisdictions, which use a standard of "120% AMI" NOT 140% AMI; and the requirement for reserved and workforce housing (15-218-21) that uses an "weighted average of 120%AMI." Justification for using this standard is that it will allow for more low-income housing but by not requiring it or providing a formula to ensure it, this is just a pipe dream. Better to use a maximum which is easily enforceable and assures that intended beneficiaries will benefit. See attached Lincoln Institute policy study of inclusionary housing policies which 500 other jurisdictions follow to assist PEOPLE who want and need affordable housing.

### File Upload

- [testimony-sm.pdf](#)

TO: Chair John Whalen, Vice-chair Steve Scott and HCDA Members

FROM: Sharon Moriwaki

DATE: July 4, 2017

RE: Proposed amendments to the Reserved Housing Rules: In opposition to definition of "moderate income housing," section 15-218-5, and reserved and workforce housing requirements, section 15-218-21, which should be held to a maximum of 120% AMI for moderate income housing.

I am Sharon Moriwaki, a resident owner at One Waterfront Towers condo in Kaka'ako. I have watched the construction of one luxury apartment building after another with precious few truly moderate income housing units for our Kaka'ako community as envisioned by the legislature when it created HCDA and the Kaka'ako Community Development District. I have submitted testimony on behalf of those of us living in Kaka'ako who support affordable housing for Honolulu's residents. Those who work in the Downtown and Waikiki areas should be able to live in Kaka'ako in contrast to outsiders who are investing for profit.

I have submitted previously information on the need for low and moderate income housing; and reiterate the study commissioned by the city that clearly stated that 140% AMI, which is what the proposed rules are using as the definition of "moderate income," is NOT affordable nor moderate; and is too high for those who need and want affordable housing.

On behalf of those who should be beneficiaries of the HCDA reserved housing policies, please align with the City's proposed standard and lower the definition to truly reflect moderate income for Hawaii's residents. HCDA should boldly stand for meeting the housing needs of Honolulu's residents.

Please reconsider your current proposal and lower the DEFINITION of "moderate income housing to be a" maximum of 120% " as do all other jurisdictions. The Lincoln Institute of Land Policy 2015 policy study of 500 communities at p. 25 states "Income targets (for identifying beneficiaries) should be based on a clear analysis of local needs and demand for housing at different price points. Inclusionary housing programs tend to serve *low- and moderate-income households (those that earn between 60 and 120 percent of the local median income)*[italics added]." See link for the study: [https://www.lincolninst.edu/sites/default/files/pubfiles/inclusionary-housing-full\\_0.pdf](https://www.lincolninst.edu/sites/default/files/pubfiles/inclusionary-housing-full_0.pdf). So why should HCDA be the ONLY jurisdiction that fails to stand firm for Honolulu's residents earning less than 20% above the median income?

I support other revisions that help Hawaii's residents to buy or rent units in Kaka'ako, including the alignment of workforce housing rules with those followed for reserved housing. This will enable more consistent application of the rules and keep more units in the affordable pool. But there should be included a mechanism for monitoring the for sale and rental units as provided in the Lincoln Institute study (see pp 49-54).

Mahalo for the opportunity to once again ask for your consideration of the affordable housing needs of our residents.

## Moses, Kuulei N

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**From:** SharonMoriwaki <sharonymoriwaki@gmail.com>  
**Sent:** Tuesday, July 04, 2017 10:03 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

### Name

Sharon Moriwaki

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### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

Oppose the proposed definition of "moderate income housing in HAR 15-218-5; should be "no more than 120% of AMI" not 140% of AMI to ensure that intended beneficiaries benefit in obtaining needed affordable housing in the Kaka'ako District; and, accordingly, oppose the requirements in HAR 15-218-21 that uses standard of "weighted average of 120% AMI" rather than "maximum of 120%AMI" as provided in the attached testimony .

### File Upload

- [testimony-sm1.pdf](#)

TO: Chair John Whalen, Vice-chair Steve Scott and HCDA Members

FROM: Sharon Moriwaki

DATE: July 4, 2017

RE: Proposed amendments to the Reserved Housing Rules: In opposition to definition of "moderate income housing," section 15-218-5, and reserved and workforce housing requirements, section 15-218-21, which should be held to a maximum of 120% AMI for moderate income housing.

I am Sharon Moriwaki, a resident owner at One Waterfront Towers condo in Kaka'ako. I have watched the construction of one luxury apartment building after another with precious few truly moderate income housing units for our Kaka'ako community as envisioned by the legislature when it created HCDA and the Kaka'ako Community Development District. I have submitted testimony on behalf of those of us living in Kaka'ako who support affordable housing for Honolulu's residents. Those who work in the Downtown and Waikiki areas should be able to live in Kaka'ako in contrast to outsiders who are investing for profit.

I have submitted previously information on the need for low and moderate income housing; and reiterate the study commissioned by the city that clearly stated that 140% AMI, which is what the proposed rules are using as the definition of "moderate income," is NOT affordable nor moderate; and is too high for those who need and want affordable housing.

On behalf of those who should be beneficiaries of the HCDA reserved housing policies, please align with the City's proposed standard and lower the definition to truly reflect moderate income for Hawaii's residents. HCDA should boldly stand for meeting the housing needs of Honolulu's residents.

Please reconsider your current proposal and lower the DEFINITION of "moderate income housing to be a" maximum of 120% " as do all other jurisdictions. The Lincoln Institute of Land Policy 2015 policy study of 500 communities at p. 25 states "Income targets (for identifying beneficiaries) should be based on a clear analysis of local needs and demand for housing at different price points. Inclusionary housing programs tend to serve *low- and moderate-income households (those that earn between 60 and 120 percent of the local median income)*[italics added]." See link for the study: [https://www.lincolnst.edu/sites/default/files/pubfiles/inclusionary-housing-full\\_0.pdf](https://www.lincolnst.edu/sites/default/files/pubfiles/inclusionary-housing-full_0.pdf). So why should HCDA be the ONLY jurisdiction that fails to stand firm for Honolulu's residents earning less than 20% above the median income?

I support other revisions that help Hawaii's residents to buy or rent units in Kaka'ako, including the alignment of workforce housing rules with those followed for reserved housing. This will enable more consistent application of the rules and keep more units in the affordable pool. But there should be included a mechanism for monitoring the for sale and rental units as provided in the Lincoln Institute study (see pp 49-54).

Mahalo for the opportunity to once again ask for your consideration of the affordable housing needs of our residents.

## Moses, Kuulei N

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**From:** GalenFox <galenwfox@gmail.com>  
**Sent:** Tuesday, July 04, 2017 10:54 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

### Name

Galen Fox

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Kaka'ako United

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### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

In reviewing the new version of the proposed rules, we find it retains a definition of "moderate income housing" as 140% of AMI. It seems "Staff Comments" play a noteworthy role in guiding your actions. If that is the case, how do we rebut seeming errors in "Staff Comments"?

Sharon Moriwaki and myself, on behalf of the 23% of testifiers who prior to May 17 called for defining "moderate income housing" as no more than 120% of AMI, submitted a five-page point-by-point response to "Staff Comments" on May 30 (memo attached).

We hope the Board will give serious attention to the attached memo's points before making its final decision. We are open to continuing the dialog in any possible way. We welcome having errors corrected so that the Board's reserved/workforce housing policy for Kaka'ako helps those who need affordable housing.

One final point. It is highly unrealistic to maintain that should the Board set the maximum limit for reserved/workforce housing at 120% of AMI, developers would simply price all their reserved or workforce units at 120% of AMI. How in the world would any developer sell a reserved/workforce studio or 2-bedroom unit on the 4th floor at the same price as one on the 38th floor? Those lower-floor units priced below 120% of AMI will become exactly the affordable units Hawaii needs.

### File Upload

- [FINAL-MEMO-to-HCDA-5\\_31\\_17-Word-2.pdf](#)

May 30, 2017

MEMORANDUM

TO: HCDA Board of Directors

FM: Sharon Moriwaki and Galen Fox

RE: Additional Testimony on HCDA Reserved Housing Rules; and Response to Staff Summary of and Comments on Testimonies

**IMPORTANT:** PLEASE DO NOT TREAT THIS MEMO AS "SAME COMMENTS AS MARCH 28 PUBLIC HEARING."

HCDA staff's recent "SUMMARY OF WRITTEN AND ORAL TESTIMONIES RECEIVED AT PUBLIC HEARING" covers the period through the May 17 hearing. During that time HCDA received 111 comments that offered more than just an "oppose." The leading testimony subject was opposition to changing workforce housing rules. In second place, at 23%, were testimonies calling for lowering the maximum affordability limit from 140% to 120% of the area median income (AMI) (one favored a maximum of 80% AMI).

"HCDA Staff Comments" collectively dismissed these 25 testimonies with the statement:

Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a household whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI.

Let's unpack "HCDA's Staff Comments" above:

- **"Given the high cost of living in Honolulu a household income of up to 140% can be considered . . . moderate"**

New York City has the highest living costs. Honolulu ranks fourth (see below).

- **"consistent with HUD guidelines":**

Previously, we noted that no other jurisdiction surveyed by the University of Hawaii's Economic Research Organization uses government help (such as "reserved housing") to assist households making more than 120% of AMI. If one googles "80% to 140% AMI," the initial page has 18 entries (see attached PDF of the Google page). Of the 18, 14 refer to Honolulu or Hawaii. That's because the rest of the country doesn't use "140% of AMI." Highest-priced New York City, for example, defines "Moderate Income" housing as 80% to 120% AMI. The New York City definition is especially relevant,

because HCDA's law *requires* "reserved housing" to be "moderate-income housing" — yet 140% of AMI is beyond even pricey New York City's "moderate".

HUD does allow moderate income housing up to 140% of AMI, as HCDA states, even though no jurisdiction besides Hawaii considers such a high ceiling worthy of subsidizing. HUD, however, expresses discomfort with having such a high ceiling. It has placed a memorandum on its website which states:

certain statements. . . can be misunderstood concerning the definitions of low income and moderate income persons. . . a statement that moderate income is "generally defined" as cash-income of 140% of AMI, with low income being 80% of AMI . . . do[es] not agree with how these categories are used under the CDBG program.

This from HUD itself!

- **"The Hawaii Housing Finance and Development Corporation (HHFDC) also defines moderate income to be . . . up to 140% of AMI."**

HHFDC, which works closely with HUD, does refer to the HUD range. HHFDC's programs, however, concentrate on low income housing, and are not involved in subsidizing homes costing anywhere near \$722,000 (from HHFDC's own chart, the price a developer can charge for a "reserved housing" unit purchased by a family of four earning 140% of AMI).

- **"The City and County of Honolulu affordable housing rules for unilateral agreements . . . define "moderate income household" as a household whose income is greater than 80% but which does not exceed 140% of the area median income."**

*Except that:*

"Reserved housing" is for 20% of total residential units in Kaka'ako just as the City requires that the least expensive 20% of units built under its unilateral agreements go to households earning up to 120% of AMI. That means the City's *current* limit for qualifying the bottom 20% of households is 120% of AMI, not HCDA's 140% of AMI. It's disingenuous to suggest otherwise. Furthermore, the City is not restricted by law to keeping its affordable housing in the "low- or moderate-income" range, as HCDA's "reserved housing" by law must be.

*And except that:*

The City is proposing — even as HCDA seeks to amend its rules — an affordable housing requirement that 20% of all units constructed in the Ala Moana, Downtown, and Chinatown rail transit station area top out at 120% of AMI, with a further requirement that half the units go to households earning less than 100% of AMI.

From the HCDA 3/24/17 testimony of Kathy Sokugawa, City Department of Planning and Permitting Acting Director: "Like your proposed amendments [*sic*], we are proposing to reduce the top tier of affordability from 140% AMI to 120% AMI and lower."

And from the HCDA 5/17/17 testimony of Councilmember Carol Fukunaga, who represents Kaka'ako,:

I encourage HCDA to align its rule change for reserved housing with the City's proposal for its affordable housing requirement ordinance to reduce the top tier of affordability from 140% of AMI to 120% of AMI, with one-half of the affordable units priced at 100% of AMI.

The City's rule changes suggest developers have come to terms with 120% of AMI, evidence that 120% is a workable ceiling for Kaka'ako as well.

HCDA should take advantage of the City's current effort to revise its rules by, as Councilmember Fukunaga suggests, aligning both sets of affordable housing rules as much as possible:

— the City favors a minimum period of affordability of 30 years, nearly matching the period which HCDA is considering, and matching provides consistency between the city and Kaka'ako in its building developments.

— matching HCDA rules to the City's will discourage developers from "forum shopping" for the best deal rather than following the same rules whether it is Ala Moana or Kaka'ako.

— Kaka'ako is almost entirely within the transit-oriented development area of two stations; the City controls the other 19 stations, making cooperation and consistency in standards for affordability relating to income limits and sales price guidelines even more vital.

— With so much in common, HCDA is positioned to ask the City for the same breaks on property taxes and infrastructure the City will provide developments in its areas, conforming to Acting DPP Director Sokugawa's words, "collaborating with HCDA . . . to better align . . . with our respective affordable housing policies."

- **"amendments . . . require at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI"**

On the one hand, recognizing that 120% of AMI is an acceptable average reinforces the evidence elsewhere that reserved housing subsidies should not go to households earning more than 120% AMI. Allowing developers to average reserved housing at 120% AMI in theory gains no more profit than allowing sales of units capped at 120% of AMI.

On the other hand, allowing workforce housing in particular to sell for more than 120% of AMI distorts a program originally designed for

"essential workers" in a community i.e. police officers, firemen, teachers, nurses, medical personnel. . . service workers, as in the case of resort communities where one finds high real estate costs and a high number of low-paying service jobs essential to the local economy. Workforce housing may be targeted more generally at certain income levels regardless of type of employment, with definitions ranging from 50% to 120% of Area Median Income (AMI).

Workforce housing is not meant for young urban professionals.

HCDA seems adamant about preserving the 140% of AMI ceiling for "moderate income" households, even as it compromises down to an average of 120% of AMI. According to HUD figures, the total number of households affected by lowering the ceiling to 120% of AMI is 2,000. If HCDA holds to its



current draft, each of 2,000 more-needy families that should have access to a unit it can afford will watch that unit go to a household less worthy of government support.

**ACTION PROPOSED ON RESERVED HOUSING RULES:**

Based on the foregoing, particularly to meet the ever increasing need for housing affordable to those with low and moderate incomes, and to be consistent with the City's standards, it is strongly recommended that the **§15-218-5 Definitions** be amended as follows:

"Moderate-income household" means a household whose household income is greater than eighty percent but does not exceed one hundred ~~forty~~ twenty per cent of the area median income.

Thank you for your consideration of our concerns on behalf of those residents who seek affordable housing in Kaka'ako.

Attachment:

Screenshot of Google Search, "80% to 140% AMI," demonstrating that virtually the only jurisdiction concerned with such an incorrect definition of "moderate income housing" is Hawaii/Honolulu.



About 80,900 results (0.58 seconds)

**PDF HCDA AMI 2014 - DBEDI**

dbedi.hawaii.gov/hoda/files/2014/04/HCDA-AMI-2014.pdf ▾  
 AMI, by HUD, 2014. 82,600 \$. Fam Size 1 PERSON ... 80% \$48,266 \$62,864 \$68,472 \$68,680.  
 \$71,366 \$76,653 \$81,038 \$87,228 90% \$52,038 ... 140% \$80,948 \$92,512 \$104,076 \$116,840.  
 \$124,691 \$134,142 \$143,394 \$152,646.

**PDF Reserved Housing Report (POTS) - DBEDI**

dbedi.hawaii.gov/hoda/files/2014/10/POTS-Report-022416.pdf ▾  
 Mar 1, 2016 - HUD classifies "low income" as those making 80% AMI or less, or a single ... group of  
 individuals making between 80 and 140% AMI, the HCDA ...

**PDF HOUSING OAHU: Affordable Housing Strategy - Honolulu**

https://www.honolulu.gov/rep/site/ohou/ohou.../Housing\_Strategy\_Draft\_9-8-15.pdf ▾  
 Sep 8, 2015 - those earning up to 140% AMI. CONSTRUCTION ON-SITE: If Rental: 15% of the units at  
 up to 80% of AMI. If For-Sale: 30% of the units at up to ...

**Kapolei Lofts affordable apartments in Kapolei, HI found at ...**

www.affordablesearch.com/apartments/Listing.aspx?id=13990 ▾  
 Kapolei Lofts proudly offer two moderate-income affordable housing programs for qualified households  
 at 80% Median Income (AMI) and 140% AMI.

**PDF AREA MEDIAN INCOME (AMI) - NYC.gov**

https://www1.nyc.gov/assets/hpd/downloads/pdf/NSP-tenant-lease-guidelines.pdf ▾  
 How to Determine your Tenant's Household AMI and Maximum Rent for Initial Lease ... 80% AMI on  
 the chart below to determine the Maximum Rent for the ...

**PDF April 29, 2014 MEMORANDUM TO - HousingHawaii.org**

www.housinghawaii.org/.../2014-2379-1%20memo%3B%20housing%20and%20ho... ▾  
 Apr 29, 2014 - area median income. For households between 80 and 140 percent of the area median  
 income, the projected number of needed units is more ...

**Income, Asset, and Price Limits | Boston Planning & Development ...**

www.bostonplans.org/housing/income,-asset,-and-price-limits ▾  
 HH Size, 110% AMI, 115% AMI, 120% AMI, 130% AMI, 140% AMI, 150% AMI ... Bedrooms, 70% AMI,  
 75% AMI, 80% AMI, 90% AMI, 100% AMI, 110% AMI ...

**PDF AB 1193: Stabilizing Affordable Housing Finances - California ...**

https://cappa.memberclicks.net/.../ab%201193%20property%20tax%20exemption%2... ▾  
 Apr 30, 2017 - until until the tenant's income reaches 140% AMI. In California ... tenant can own  
 between 80% and 140% AMI and, while the owner loses the ...

**City of Chicago :: Area Median Income (AMI) chart**

https://www.cityofchicago.org/city/en/depts/dcd/.../area\_median\_incomeamichart.html ▾  
 Household Size. Area Median Income Limits 2017 (Effective April 14, 2017). 60%. 60%. 60%. 100%.  
 120%. 140%. 1. \$27,650. \$33,160. \$44,260. \$65,300.

**Searches related to 80% to 140% AMI**

hawaii affordable housing program

honolulu median income 2016

honolulu affordable housing guidelines

city and county of honolulu affordable housing

affordable housing kakaako

hawaii affordable housing list

affordable housing kapolei

kapolei lofts



## Moses, Kuulei N

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**From:** BernardNunies <bknunies@gmail.com>  
**Sent:** Tuesday, July 04, 2017 11:23 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

### Name

Bernard Nunies

### Email

[bknunies@gmail.com](mailto:bknunies@gmail.com)

### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

In opposition to definition of "moderate income housing," section 15-218-5, and reserved and workforce housing requirements, section 15-218-21, which should be held to a maximum of 120% AMI for moderate income housing.

As a Kakaako resident for the last 10 years, I am writing to ask the Board to reduce the definition of moderate income housing in Kaka'ako to be at 120% of the AMI, not 140%. 120% of the AMI is the standard that the City & County follows throughout the island and allows regular folks the opportunity to live in the urban core. By maintaining the higher definition, you severely restrict Hawaii residents from purchasing units in Kaka'ako and make the neighborhood a slave to investors and "flippers" from the mainland and Asia.

I support the other revisions proposed in this amendment but do ask for consideration in lowering the definition of moderate income housing to the 120% of the AMI.

## Moses, Kuulei N

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**From:** douglasvalenta <douglasvalenta@gmail.com>  
**Sent:** Wednesday, July 05, 2017 6:12 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

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### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

Please allow for the provision of equal housing for 80-120% AMI. Restricting housing requirement incomes is discrimination. Kaka'ako should be a truly diversified community reflective of the spectrum of people that make up this State. Developers will always cry how this will reduce their desire to build affordable housing: This is absurd in a market that still generates buyers of multi million dollar condos. Left to their own desire, developers would build up to the shore lines, crowd and obscure the nature landmarks of Diamond Head and Punchbowl Crater, and obliterate any aspect of open park spaces.

HCDA should promote communities of working classes, retired people as well as underprivileged families.

I do support other provisions of the affordable housing rules such as the resale option for the HCDA

Please do not allow for the development of Kaka'ako to be for only the privileged

## Moses, Kuulei N

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**From:** MarilynKhan <leimomikhan@gmail.com>  
**Sent:** Wednesday, July 05, 2017 7:16 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

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### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

We continue to oppose the definition of "moderate income housing," section 15-218-5, and reserved and workforce housing requirements, section 15-218-21, which should be held to a maximum of 120% AMI for moderate income housing. Please align with the City's proposed standard and lower the definition to truly reflect moderate income for Hawaii's residents. HCDA should boldly stand for meeting the housing needs of Honolulu's residents.

## Moses, Kuulei N

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**From:** lailaspina <drlspina@gmail.com>  
**Sent:** Wednesday, July 05, 2017 9:37 AM  
**To:** DBEDT HCDA Contact  
**Subject:** Public Testimony Website Submission Kakaako Reserved Housing rules

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### Project Name

Kakaako Reserved Housing rules

### Do you support or oppose?

Oppose

### Comment

Please allow for a broader AMI requirement fro affordable housing. The Kaka'aka community should be reflective of the diversity of the population of the State. Disallowing individuals making less than 140% AMI is discrimination