



2015 ANNUAL REPORT

Hawaii Housing Finance and Development Corporation



The mission of the Hawaii Housing Finance and Development Corporation is to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development.

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The Hawaii Housing Finance and Development Corporation (HHFDC) is administratively attached to the Department of Business, Economic Development and Tourism and is the primary agency charged with overseeing affordable housing finance and development in Hawaii by working with the State's residents, housing developers and financiers.

THE HONORABLE DAVID Y. IGE, GOVERNOR, STATE OF HAWAII

Dear Governor Ige,

In Fiscal Year 2015, the HHFDC added 379 workforce/affordable housing units while managing assets in excess of \$1 billion.

Since 2006, the HHFDC has facilitated the development of 6,807 affordable rental and for-sale units statewide and has a production plan in place to add over 5,801 more units by fiscal year 2020.

Over the next three years, the HHFDC is focusing on leveraging state funds and reducing regulatory barriers within the state's control in order to increase the inventory of affordable housing. HHFDC is also helping to identify state lands near rail transit stations to participate in mixed-use transit-oriented development.

HHFDC is committed to exploring new ways to work more strategically and efficiently with the resources entrusted to us. A 2015 Housing Planning Study is collecting statewide data to help plan what and where we build in the future to build homes that people can afford and create new jobs, which in turn will generate economic development.

As we move forward, the HHFDC remains focused on our mission of increasing housing opportunities and to our vision of seeking long-term sustainable solutions to benefit future generations in Hawaii.



A handwritten signature in black ink, appearing to read "Craig K. Hirai". The signature is stylized and written in cursive.

CRAIG K. HIRAI
Executive Director

LEGISLATIVE HISTORY

The Hawaii Housing Finance and Development Corporation (HHFDC) was created to focus on the financing and development of affordable housing.

In 1997, the Legislature established the Housing and Community Development Corporation of Hawaii (HCDCH) by consolidating the Hawaii Housing Authority, the Housing Finance and Development Corporation and Rental Housing Trust Fund Commission. The HCDCH administered the state's public housing, homeless assistance, housing finance, and housing development programs.

In 2005, the Legislature found that "the burden of administering the public housing projects in the State has overshadowed the ability of the corporation to pay sufficient attention to the financing and development of affordable housing." Therefore, Act 196 of 2005, as amended by Act 180 of 2006, separated the housing financing and development functions from the HCDCH to create the HHFDC.

ORGANIZATIONAL STRUCTURE

The HHFDC is administratively attached to the Department of Business, Economic Development and Tourism. It is governed by a nine-member Board of Directors which establishes policies and executive direction for the Corporation.

Six members are appointed by the Governor from each of the counties of Honolulu, Hawaii, Maui, and Kauai. At least four members must have knowledge and expertise in public or private financing and development of affordable housing, and one member must represent community advocates for low-income housing. The three ex-officio members are the Director of Business, Economic Development and Tourism, the Director of Finance, and a representative of the Governor's office.

FIVE-YEAR PRODUCTION PLAN

The HHFDC has a production plan in place to assist in the finance and development of approximately 5,801 workforce/affordable units over the next five years.

Fiscal Years	Rental	For Sale	Total
2016	943	0	943
2017	815	270	1,085
2018	896	738	1,634
2019	758	485	1,243
2020	612	284	896
Total	4,024	1,777	5,801

Kapolei Lofts Forest City Hawaii



A groundbreaking ceremony was held for the 499-unit Kapolei Lofts, a public-private collaboration between the HHFDC, the City and County of Honolulu and Forest City Hawaii.

Kapolei Lofts will be a new rental housing project in 14, three-story residential buildings, a stand-alone community center, and a retail building on approximately 17.4 acres of vacant land in Kapolei. It is designed to be a walkable, bikable, mixed use community targeting Hawaii's workforce of professionals and families. The location is a short walk from downtown Kapolei, City Hall, and numerous restaurants and entertainment venues. A pedestrian mall will bifurcate and connect the project with commercial areas to create a live, work, and play environment.

The Lofts will be located within one mile of at least four community and retail facilities and one half mile of a mass or public transit station, rail station, or bus stop with pedestrian and bicycle access.

The HHFDC provided a Dwelling Unit Revolving Fund loan and General Excise Tax Exemptions for the project.



Self Help Housing Ma`ili III Self Help Housing Corporation of Hawaii



A groundbreaking ceremony was held for the Ma`ili Self-Help Housing Team 5 Project, the result of a public-private partnership between the HHFDC, The City and County of Honolulu Department of Community Services, U.S.D.A. Rural Development, and Self-Help Housing Corporation of Hawaii (SHHCH).

Under the Self-Help Housing Program, low-income families will help each other build their own houses. SHHCH is developing the project as a 201H project with special exemptions through the City and County of Honolulu, and with loans from the HHFDC, Rural Community Assistance Corporation, Housing Assistance Council, and a grant from U.S. Department of Housing and Urban Development, the SHHCH is able to offer fee simple house and lot packages from \$256,000-\$276,000.

Each family contributes 32 hours/week of labor to help each other build the houses. The homeowners provided 65% of the labor themselves with the excavation, masonry, electrical, plumbing, and drywall work being sub-contracted out. In the Ma`ili Project III there are seven teams of 10-12 self-help families with a Construction Supervisor for each team providing on-the-job instructions in home building skills.



DEVELOPMENT RESOURCES

The HHFDC has a toolbox of resources to facilitate the development of affordable rental or for-sale housing including financing, expedited land use approvals under Chapter 201H, Hawaii Revised Statutes, exemptions from general excise taxes, and real property.

FINANCING TOOLS FOR DEVELOPMENT

Low Income Housing Tax Credits (LIHTC)

The LIHTC program is a major financing tool for non-profit and for-profit developers to construct or rehabilitate affordable rental housing. Under the program, HHFDC is the designated state housing credit agency that may allocate LIHTC established under the Tax Reform Act of 1986. The State has a matching LIHTC program equal to 50% of the Federal LIHTC amount. Eligible taxpayers may claim LIHTC on their federal and state tax returns as a dollar-for-dollar offset on their tax liability for 10 consecutive years. Generally, affordable housing project owners that qualify for LIHTC find investors for these tax credits through Syndicators in order to generate project equity financing for their projects.

There are two types of LIHTC:

Volume Cap (or 9%) LIHTC: Tax credits that the IRS allows the State to issue for affordable housing purposes based on an annual per capita factor and the State's population. The annual per capita limit for 2015 is \$2.30, translating to \$3,264,990 in LIHTC that the State can allocate in 2015.

Non-Volume Cap (or 4%) LIHTC: LIHTC exempt from the volume cap limitation. These credits must be accompanied by tax-exempt financing under the State's bond volume cap. The limit under the non-volume cap LIHTC is based on the amount of State bond volume cap used for affordable multi-family housing.

Rental Housing Revolving Fund (fka Rental Housing Trust Fund)

The Rental Housing Revolving Fund (RHRF) provides equity gap low-interest loans or grants to qualified owners and developers for the development, pre-development, construction, acquisition, or preservation of affordable rental housing. Preference is given to projects that meet certain statutory criteria. Included is a preference for projects that provide at least five percent of the total number of units for persons and families with incomes at or below 30 percent of the median family income. Another preference is projects that provide the maximum number of units for persons or families with incomes at or below 80 percent of the median family income.

Rental Assistance Revolving Fund (RARF)

The RARF Interim Construction Loan Program provides below market interest rate interim construction loans for affordable rental housing projects (currently 4-5%), as well as a limited amount of project-based rental assistance subsidies to qualified owners of rental projects. The RARF interim construction program is authorized to loan up to an aggregate of \$9.25 million. Additionally, 13 projects comprised of 1,602 rental units have Rental Assistance Program commitments totaling \$70,363,445.

Hawaii Rental Housing System Revenue Bond (HRHSR)

This program was developed to alleviate the shortage of available rental housing opportunities through the development and acquisition of affordable rental housing projects throughout the State. The HRHSR provides tax-exempt bond financing for HHFDC-owned affordable rental projects that provide at least 60 percent of the rental units for tenants earning 80 percent and below the median family income (40 percent of the units may be rented at market rents). There are currently six projects consisting of 1,220 units on Oahu, Hawaii and Maui. Bond authority under the program is \$375 million. As of June 30, 2015, the available authority is \$97,720,000.

Hula Mae Multi-Family Revenue Bond Program

The Hula Mae Multi-Family program provides low interest rate financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of rental housing projects. Developers are able to secure 4% non-competitive low income housing tax credits in conjunction with the Hula Mae multi-family financing. The HHFDC, with the approval of the Governor, is authorized to issue up to \$1 billion in revenue bonds. As of June 30, 2015, the program has issued 22 series of bonds, including one refunding series, totaling \$457,994,699. Remaining bond issuance authority is \$459,948,301, of which \$82,057,000 has been committed to five projects pending bond issuance.

Dwelling Unit Revolving Fund (DURF)

DURF was established pursuant to Act 105, SLH 1970 which authorized the issuance of \$125,000,000 of general obligation bonds to carry out the purposes of the Housing Development Program. Funds may be used for the acquisition of real property; development and construction of residential, commercial and industrial properties; interim and permanent loans to developers; and any and all things necessary to carry out the purposes of the Housing Development Program, including administrative expenses.

Hale Mohalu II Family Coalition for Specialized Housing



Hale Mohalu II, Phase III added 84 affordable family rentals in Pearl City. Phase IV will add an additional 84 family units in FY 2016.

Hale Mohalu II Family is the third of four, seven-story buildings on 4.7 acres of state land in lower Pearl City for low-income seniors and families, adding 84 two- and three-bedroom units for families at or below 60 percent of area median income. The two-bedroom units will range in size from 591 to 622 square feet, and the three-bedroom units will be approximately 751 square feet. Five percent of the units are designated for families or individuals earning up to 30 percent of area median income with the remaining 95 percent designated for families and individuals earning up to 60 percent of the area median income. Phase IV will add an additional 84 family units in FY 2016.

The project is funded by a combination of Hula Mae Multi-Family Bonds, Low-Income Housing Tax Credits, Rental Housing Revolving Fund loans and grants administered by the HHFDC, and HOME funds administered by the City and County of Honolulu.



FEDERAL FUNDS

Home Investment Partnerships Program (HOME)

The HHFDC administers the federal HOME program which is intended to expand the supply of decent, safe, affordable, and sanitary housing. HOME funds may be used for a variety of activities including tenant-based rental assistance, down payment loans for first-time homebuyers, rehabilitation loans for existing homeowners, property acquisition, new construction, reconstruction, moderate or substantial rehabilitation, site improvements, demolition, relocation expenses, loan guarantees, and other reasonable and necessary expenses related to development of affordable housing. The HHFDC receives approximately \$3 million in HOME funds from the U.S. Department of Housing and Urban Development (HUD) each year. Funds are allocated on an annual rotating basis to the Counties of Hawaii, Kauai, and Maui.

Neighborhood Stabilization Program (NSP)

The NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized.

HHFDC received two awards of NSP funds. In 2009, the HHFDC received an award of \$19.6 million from NSP Round 1, authorized under Division B, Title III of the Housing and Economic Recovery Act of 2008 (HERA). In 2011, HHFDC received a subsequent award of \$5 million from NSP Round 3 authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. NSP funds were allocated to all four counties to create affordable rental and homeownership opportunities for households whose incomes do not exceed 120% of the area median income.

Housing Trust Fund (HTF)

The National Housing Trust Fund was established by HUD for the purpose of production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. All HTF-assisted units will be required to have a minimum affordability period of 30 years. In 2015, HHFDC was the designated HTF agency for the State of Hawaii.

Meheula Vista Phase I Catholic Charities Housing Development Corporation



The 75-unit affordable senior rental, to be built on state land, will serve seniors with incomes of 60 percent or less of the area median income (AMI). Future development plans are for 225 additional senior rentals in three residential buildings.

The project is being developed by Catholic Charities Housing Development Corporation (CCHDC), which operates several affordable housing projects in Hawaii including group foster homes, transitional shelters, and other short-term housing.

Incorporated in 1999 as 501(c)(3) nonprofit organization, CCHDC was established to address the affordable housing gap in Hawaii. CCHDC, in partnership with GSF, LLC, will develop Meheula Vista in Mililani Mauka, Oahu. Meheula Vista is a master planned, low-income senior affordable rental housing project that includes a stand-alone multi-purpose center. Planned and designed with the needs of our kupuna in mind, Meheula Vista will provide seniors earning 60 percent or less of Honolulu's median income with an affordable permanent living option offering complementary amenities where residents can "age in place."



The HHFDC provided DURF loans, 201H assistance, and land for the project.

Ko'oloa'ula Phase II Mutual Housing Association of Hawaii



Phase II of the Public Private Partnership between HHFDC, the City and County of Honolulu, HUD, and Mutual Housing Assistance of Hawaii will add 188 units to the existing 120 affordable rentals at Ko'oloa ula in East Kapolei.

Ko'oloa'ula will give renters a choice between 11 different floor-plans for apartments with up to four bedrooms. Rents are targeted for families earning 30%, 50% and 60% of the HUD median income for the area.

The HHFDC provided Hula Mae Multi-Family Bonds, Low-Income Housing Tax Credits, and Rental Housing Revolving Fund financing for the project. In exchange for affordability, HHFDC is leasing the land to Mutual Housing Assistance of Hawaii for 65 years.



DEVELOPMENT TOOLS

Land

Real property is made available to developers through the Request for Proposals (RFP) process.

201H Expedited Processing

Pursuant to Chapter 201H, Hawaii Revised Statutes, the HHFDC may develop, on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of housing projects which are exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon.

Chapter 201H also provides for greater flexibility in the design of housing projects. The particular exemptions requested through the 201H process are reviewed by the appropriate county agencies. All 201H projects must comply with the County building permit process, HRS Chapter 104 (Wages and Hours of Employees on Public Works), and HRS Chapter 343 (Environmental Impact Statements).

Developers are encouraged to begin the 201H process by first contacting the appropriate county. If the county government does not accept the developer's 201H application, the HHFDC will consider the developer's application. The HHFDC requires that the developer conduct at least one public meeting to solicit community input on the proposed project.

Exemptions from General Excise Tax (GET)

The HHFDC may approve and certify for exemption from GET any qualified person or firm involved with a newly constructed or moderately or substantially rehabilitated project meeting specific income limit and eligibility criteria.

FINANCING RESOURCES FOR FIRST-TIME HOMEBUYERS

The HHFDC's single-family programs are consumer oriented, providing below-market rate mortgage financing, tax credits, and down payment loans to assist eligible first-time homebuyers.

Hula Mae Single Family Program

The Hula Mae Single Family program offers eligible first-time homebuyers with mortgage financing at very competitive interest rates. Since 1979, the Program has issued over \$1.948 billion of Hawaii Single Family Mortgage Purchase Revenue Bonds. Borrowers apply directly with participating lending institutions and must meet federal eligibility requirements including income and purchase price limitations, as well as the three year no prior ownership interest in a principal residence requirement. As of June 30, 2015, 10,154 families were able to purchase their first homes.

On December 1, 2011, the HHFDC issued \$50 million in tax-exempt revenue bonds, which provided approximately \$44 million for eligible first-time homebuyers for its current Hula Mae Single Family program. The HHFDC participated in the New Issue Bond (NIB) Program, established by the Housing and Economic Recovery Act of 2008, providing for the federal government to purchase up to 60% of a housing finance agency bond issue at below market rates through its Government Sponsored Entities, Fannie Mae and Freddie Mac. The 2011 Hula Mae Single Family program featured an optional downpayment assistance program providing up to 3% of the principal amount of their Hula Mae loan at closing. Borrowers also had the option of using federal mortgage insurance programs provided through FHA, USDA, or VA with their Hula Mae loan. As of June 30, 2015, the 2011 program was fully subscribed.

Mortgage Credit Certificate (MCC) Program

The MCC program provides eligible first-time homebuyers with a direct tax credit against their federal income tax liability to make more income available to qualify for a mortgage loan and make monthly payments. The amount of credit is equivalent to 20% of the annual interest paid on a mortgage loan. MCCs are offered through participating lenders. As of June 30, 2015, the HHFDC has traded in approximately \$1.2 billion of mortgage revenue bond authority for just over \$300 million of MCC authority and to date, has assisted 3,855 families in purchasing their first homes. During FY 2016, the program anticipates assisting 759 families in purchasing their first homes.

ANCILLARY RESPONSIBILITIES

Maintaining Waiahole Valley Subdivision

The HHFDC owns approximately 885 acres in Waiahole Valley and a 1.0 million gallon water system that services the residents and Waiahole Elementary School. There are 119 total lots for residential, agricultural and commercial use, open space, water system lots, stream lots, and roadways.

Maintaining Infrastructure in the Villages of Kapolei

The Villages of Kapolei was developed pursuant to Act 15, SLH 1988. The Act provided the Housing Finance and Development Corporation (HFDC) (predecessor to the HCDCH and HHFDC) with temporary powers to expedite the development of affordable housing. It authorized the HFDC to develop housing projects that were exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon; provided that the project met minimum requirements of health and safety; did not contravene any safety standards or tariffs approved by the Public Utilities Commission for public utilities; and the HFDC first conducted a public hearing after reasonable notice in the county in which project was situated.

The City and County of Honolulu has not yet accepted dedication of infrastructure in the Villages of Kapolei. Therefore, the HHFDC maintains the infrastructure and has engaged a consultant to assist with the dedication. The time frame for dedication cannot be readily estimated as the dedication process involves many different agencies, entities, consultants, and contractors.

Land Programs – Chapters 516 and 519, HRS

The purpose of the Land Reform Act of 1967 was to encourage widespread ownership of fee simple lands among Hawaii's people. Pursuant to Chapter 516, HRS, the HHFDC assists lessees of single family homes to purchase the leased fee interest in their houselots by petitioning the state to facilitate a lease-to-fee conversion through its use of eminent domain powers. Since inception of the Land Reform Program, over 14,600 lessees have been assisted. The HHFDC continues to provide assistance and information on the lease to fee conversion process, as well as promote negotiated settlements to reduce conversion costs.

Chapter 519, HRS provides the framework for the fair arbitration of renegotiated ground lease rents for one- or two-family residential leasehold lots and cooperative housing corporations. The Lease Rent Renegotiation Program is used when lessees and lessors are unable to agree on the amount of the new lease rent upon expiration of the fixed term of the lease.

PROJECTS IN DEVELOPMENT/PIPELINE

Ainahau Vista II – 62-unit rental for elderly families. Second of two phases of a new construction project serving seniors earning 30 to 60 percent of AMI. *Developer - Hawaii Housing Development Corporation - LIHTC/RHRF/201H*

Alder Street – Proposed mixed-use affordable rental and juvenile services/shelter facility located near the HART Ala Moana Station. Redevelopment of underutilized state-owned site will address both affordable rental housing and juvenile justice needs. *Developer - HHFDC/Judiciary - LIHTC/RHRF/GET/LAND*

East Kapolei II (Parcel 2) Phase I – 75 rental units in Ewa. First of four phases of a new construction serving families earning 30, 50 and 60 percent of AMI. *Developer - The Michaels Development Company - LIHTC/RHRF/LAND*

Eight Zero Three Waimanu – 153-unit for-sale project in Kaka'ako, near the HART Civic Center Station. The project consists of 153 studio, 29 one-bedroom and one two-bedroom units targeted at buyers earning 80 to 140 percent of AMI. *Developer - Coastal Rim Properties, Inc. - DURF/GET*

Ewa Villages at Moa'e Ku III – 52 rental units in Ewa Beach. The one-, two- and three- bedroom units will serve families earning 30 to 60 percent of AMI. *Developer - EAH Inc. - LIHTC/RHRF/HMMF*

Hale Mohalu II Family – 84 rental units in Pearl City. When completed, the master planned project will consist of a 164-unit senior project and a future 168-unit family rental housing project on approximately 4.7 acres of state land. *Developer - Coalition for Specialized Housing - LIHTC/RHRF/GET/LAND*

Hale Kewalo – 128-unit rental project in Kaka'ako, near the HART Civic Center Station. The one-, two- and three- bedroom units are targeted at families earning 30 to 60 percent of AMI. *Developer - Stanford Carr Development - LIHTC/RHRF/HMMF/201H/LAND*

Hale Uhiwai Nalu Addition – 50-unit new construction addition to the Hale Uhiwai Nalu in Kapolei. Units are targeted at Veterans earning 80 percent and below of AMI. *Developer - Cloudbreak Hawaii, LLC - RHRF*

Kamakana at Keahuolu – Master-planned community on 272 acres of non-ceded land in Keahuolu, Kailua-Kona, Hawaii. Approximately 1,169 units of the total projected 2,330 homes will be workforce and affordable. *Developer - Forest City Hawaii Kona, LLC - LIHTC/RHRF/DURF/LAND*



Hale Uhiwai Nalu Addition Groundbreaking for the 50-unit addition to Hale Uhiwai Nalu in Kapolei



Keauhou Lane 209-unit mixed use development in Kaka'ako adjacent to the HART Civic Center Station

Kapiolani Residence – 485-unit mixed use residential project in Ala Moana near the HART Ala Moana Station. Kapiolani Residence is a 45-story residential and commercial project with approximately 3,353 square feet of commercial retail space. 60 percent of the units will be affordable with the remaining 40 percent at market rate. *Developer - SamKoo Pacific, LLC - 201H/GET*

Kapolei Lofts – 499-unit new rental housing project in 14, three-story residential buildings, a stand-alone community center, and a retail building on approximately 17.4 acres of vacant land in Kapolei. It is designed to be a walkable, bikeable, mixed use community targeting Hawaii's workforce of professionals and families. *Developer - Forest City Hawaii - DURF/GET*

Keauhou Lane – 209-unit mixed use residential project in Kaka'ako adjacent to the HART Civic Center Station. Keauhou Lane will serve families earning 100 and below percent of AMI for the first 15 years, and 120 percent and below for the next 15 years. *Developer - Gerding/Edlin Development Company, LLC. - DURF/GET*

Ko'oloa'ula Phase II – 188-unit rental project in East Kapolei, Oahu. The ten, three-story townhome rental is targeted at families earning 30 to 60 percent of AMI. *Developer - Mutual Housing Association of Hawaii, Inc - LIHTC/RHRF/HMMF .*

Kulana Hale at Kapolei Phase I – 154-unit elderly rental project serving seniors earning 30 to 60 AMI. The first of three phases, Kulana Hale at Kapolei will remain affordable for 61 years. *Developer - Coastal Rim Properties, Inc. - LIHTC/RHRF/HMMF*

Kunia Village – 80-unit combination acquisition/rehabilitation/new construction project serving families earning 60 to 80 percent of AMI. *Developer - Kunia Village housing Partners - HMMF/GET*

Meheula Vista Senior I-IV – 301-unit master planned community for seniors located in Mililani, Oahu. Meheula Vista will provide low-income seniors an affordable permanent living option where residents can age in place. *Developer - Catholic Charities Hawaii - DURF/201H/LAND*

Mohouli Heights Seniors Phase 2 – 30-unit senior rental located in Hilo. The second of three planned phases, Mohouli Heights Seniors Phase 2 will serve seniors earning 30 to 60 percent of AMI and adds to the 60 units in Phase 1. *Developer - Hawaii Island Community Development Corporation - LIHTC/RHRF*

Ohana Hale – 180-unit for-sale project in McCully. The project consists of 78 studio, 87 one-bedroom and 15 two-bedroom units targeted at buyers earning 80 to 120 percent of AMI. *Developer - MJF Development Corporation - DURF/201H/GET*

Ola Ka 'Ilima Artspace Lofts – 84-unit mixed use affordable rentals and commercial space for arts-oriented businesses. Units are targeted to families earning 30 to 60 percent of AMI. *Developer - ArtSpace/Ford Foundation - LIHTC/RHRF/201H*

Pokai Bay Self Help – HHFDC provided interim DURF loans, for predevelopment and infrastructure costs for 70 vacant lots located on the Waianae Coast of Oahu. *Developer - Self Help Housing Corporation of Hawaii - DURF*

HOUSING-RELATED LEGISLATION PASSED IN 2015

Act 84, Session Laws of Hawai'i 2015 (Senate Bill 1299, H.D. 1, C.D. 1) Relating to the Disposition of Tax Revenues

This Act, in part, caps the share of State conveyance tax revenues dedicated to the Rental Housing Trust Fund annually at \$38,000,000 or 50 percent, whichever is less.

Act 95, Session Laws of Hawai'i 2015 (Senate Bill 971, S.D. 1, H.D. 1, C.D. 1) Relating to Taxation

This Act clarifies that affordable rental projects must remain affordable for specified minimum periods of time, as follows:

- For moderate rehabilitation, five years;
- For substantial rehabilitation, ten years; and
- For new construction, thirty years.

This is intended to ensure that any improvements to the project that are exempted from GET will accrue to the benefit of lower income households for a reasonable period of time.

Act 156, Session Laws of Hawai'i 2015 (House Bill 277, H.D. 1, S.D. 1, C.D. 1) Relating to Infrastructure.

This Act authorizes county governments to authorize the use of Community Facilities Districts as a means of repayment for housing infrastructure revenue bonds issued by HHFDC pursuant to Section 201H-72, Hawaii Revised Statutes.

Act 237, Session Laws of Hawai'i 2015 (Senate Bill 1092, S.D. 1, H.D. 1) Relating to the Repeal of Non-General Funds.

This omnibus Act enacts the recommendations of the Legislative Auditor regarding several special, revolving, and trust funds. Act 237 includes provisions that repeal or reclassify certain HHFDC special, revolving, and trust funds as follows:

- Repeals the Pineapple Workers and Retirees Housing Assistance Fund;
- Repeals the Fee Simple Residential Revolving Fund;
- Reclassifies the Housing Loan Special Fund as a revolving fund;
- Reclassifies the Housing Loan Program Revenue Bond Special Fund - Rental Housing System as a revolving fund;
- Reclassifies the Housing Loan Program Revenue Bond Fund as a revolving fund;
- Reclassifies the Housing Project Bond Special Fund - Multi Family as a revolving fund; and
- Reclassifies the Rental Housing Trust Fund as a revolving fund and renames it the Rental Housing Revolving Fund.

The following resolutions approving the fee simple sale of HHFDC lands were adopted:

Senate Concurrent Resolution 8, Senate Draft 1

Approving the Sale of the Leased Fee Interest in 41-665 Inoaole Street, Waimanalo, Hawaii.

Senate Concurrent Resolution 9

Approving the Sale of the Leased Fee Interest in 41-575 Inoaole Street, Waimanalo, Hawaii.

Senate Concurrent Resolution 10

Approving the Sale of the Leased Fee Interest in 41-543 Inoa Street, Waimanalo, Hawaii.

Senate Concurrent Resolution 11, Senate Draft 1

Approving the Sale of the Leased Fee Interest in 94-944 Meheula Parkway, No. 153, Mililani, Hawaii.

Senate Concurrent Resolution 12

Approving the Sale of the Leased Fee Interest in 95-015 Kuahelani Avenue, No. 319, Mililani, Hawaii.

The following budget items were included in Act 119, Session Laws of Hawai'i 2015 (House Bill 500, H.D. 1, S.D. 1, C.D. 1) Relating to the State Budget:

Hawaii Housing Finance and Development Corporation received the following Capital Improvement Project appropriations for Fiscal Year 2014-2015:

- Rental Housing Trust Fund Infusion, Statewide \$40,000,000
Construction to provide an infusion of funds to finance additional affordable rental housing statewide.
- 902 Alder Street, Honolulu, Oahu \$1,700,000
Plans and Design for a mixed-use affordable rental housing and multi-use juvenile services and shelter center at 902 Alder Street, TMK (1) 2-3-012-019.

BOARD OF DIRECTORS



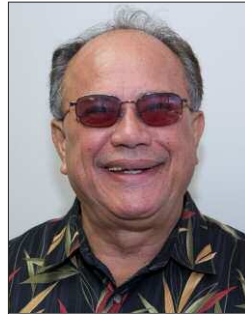
Leilani Pulmano
Chairman (Maui)



Ed Taira
Vice-Chairman (Hawaii)



Rona Fukumoto
Secretary (Private Non-Profit)



Melvin Kahele
Director (At-Large)



Audrey Abe
Director (Oahu)



Milo Spindt
Director (Kauai)



Wesley Machida
*Ex-Officio Member
Director, Department of
Budget and Finance*



Luis Salaveria
*Ex-Officio Member
Director, Department of Business,
Economic Development and Tourism*

Additional information is provided in the Audited Financial Statements available online at: www.dbedt.hawaii.gov/hhfdc/



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