



HAWAII HOUSING
FINANCE AND
DEVELOPMENT
CORPORATION

2023 ANNUAL REPORT



Hale O Pi'ikea groundbreaking



Hale Nā Koa 'O Hanakahi blessing



Parkway Village blessing



Kahului Civic Center rendering

This report fulfills the mandates required by Sections 201H-21 (1) and (3), 201H-95(g) and 201H-202(f) , Hawaii Revised Statutes.

The mission of the Hawai'i Housing Finance and Development Corporation is to increase and preserve the supply of affordable housing statewide by providing financing and development resources.

TABLE OF CONTENTS

Board of Directors	3
Executive Director's Message	4
Legislative History	5
Corporation Governance Structure	5
Organizational Structure	6
Summary of Core Functions	7
Highlights from 2023	8
Five-Year Projection	8
Development Resources	9
Financing Tools	9
Federal Funds	12
Development Tools	14
Financing Resources for First-time Homebuyers	15
Major Cost Centers -- State Infrastructure Obligations	17
Planned/In Construction Projects	18
Reports to the Legislature	22
Housing-Related Legislation Passed in 2023	28

The Hawai'i Housing Finance and Development Corporation (HHFDC) is administratively attached to the Department of Business, Economic Development and Tourism.

BOARD OF DIRECTORS



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Director (At large)



Jay Kimura
Director(Nonprofit)



Donn Mende
Director (Hawai'i)



Scott Glenn
Director (Ex Officio)
Governor's Representative



Luis Salaveria
Director (Ex Officio)
Finance Director



James Kunane Tokioka
Director (Ex Officio)
DBEDT Director

EXECUTIVE DIRECTOR'S MESSAGE

Aloha mai kākou,

HHFDC staff had much to celebrate in Fiscal Year 2023 as a sizable number of projects that we assisted in various ways either welcomed their first residents, began construction or reached other major milestones.

During the year, HHFDC assisted in the delivery of 527 units while managing total assets of approximately \$1.7 billion.* Since its inception in 2006, HHFDC has facilitated the development of 14,268 affordable and workforce units statewide.

HHFDC staff projects that over the next five years, we will be able to assist in the delivery of 9,658 new or rehabilitated units. The dire lack of housing in Hawai'i spurred Governor Josh Green, M.D., to issue an emergency proclamation aimed at producing thousands of critically needed dwelling units across the state in the coming years and HHFDC is committed to help him achieve that goal.

Several significant affordable housing projects came online in 2023. They included the 105-unit Hale Makana O Mo'ili'ili mid-rise tower and the 110-unit Waikoloa Family Apartments in West Hawai'i.

The 2022 Legislature's passage of Act 236 infused \$300 million into our Rental Housing Revolving Fund (RHRF). Half of that funding was dedicated to the construction of "Tier 2" rental projects targeted for households earning between 60% and 100% of the area median income (AMI).

The RHRF infusion helped to jump-start a host of affordable housing projects, including several transformative all-affordable housing projects. They included the 302-unit Hālawa View II, the 404-unit Parkway Village in Kapolei, the 200-plus-unit Hale O Pi'ikea complex in Kīhei, the 92-unit Hale Nā Koa 'O Hanakahi complex in Hilo and the 156-unit Aloha Iā Halewiliikō at the old 'Aiea Sugar Mill site.

During Fiscal Year 2023, Request for Proposals (RFPs) were issued for developments on two state-owned properties: the Kahului Civic Center Mixed-Use Complex and the Villages of Kapolei Northwest Corner. HHFDC also processed 201H expedited development applications for four affordable housing projects that are projected to provide an additional 2,687 units.

The Liliha Civic Center and Iwilei Infrastructure Master Plan was also completed and published -- and is now serving as the guiding document for infrastructure improvements that are required to facilitate residential and commercial redevelopment in the busy area.

In Windward O'ahu, staff reached 15-year rent agreements with 78 of 91 Waiāhole Valley agricultural, residential, and commercial lot lessees.

But the dedicated HHFDC staff will not be resting on our past successes, and we are planning to do much more in the new year. Personally, I am grateful to our Board of Directors for giving me the opportunity to lead the Corporation and I look forward to the opportunities that lie ahead!

**Pending Board approval of the final audit.*



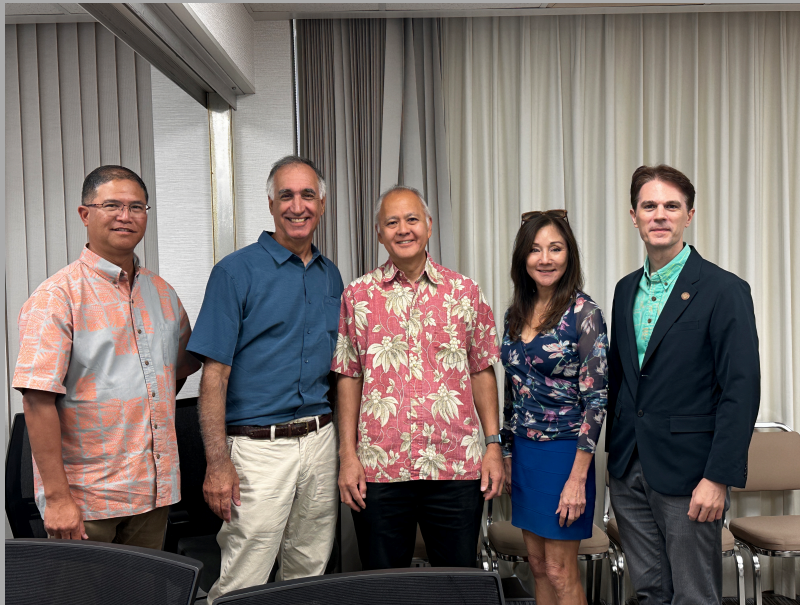
Dean Minakami
Executive Director

Legislative History

The Hawai'i 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 Hawai'i (HCDCH) by consolidating the Hawai'i Housing Authority, the Housing Finance and Development Corporation and the Rental Housing Trust Fund Commission. 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 HCDCH to pay sufficient attention to the financing and development of affordable housing." Therefore, Act 196, Session Laws of Hawai'i (SLH) 2005 as amended by Act 180, SLH 2006 and codified as Chapter 201H, Hawai'i Revised Statutes, separated the housing financing and development functions from HCDCH to create HHFDC.



DBEDT Director James Kunane Tokioka, Board Chairperson Gary Mackler, Board Vice Chairperson Carol Reimann and Governor's Representative Scott Glenn flank Dean Minakami after the Board appointed him as HHFDC Executive Director.

Corporation Governance Structure

HHFDC is governed by a nine-member Board of Directors which, among other things, establishes policies and executive direction for the Corporation.

Six members are appointed by the Governor from each of the counties of Honolulu, Hawai'i, Maui and Kaua'i. 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. Three members are ex-officio members: the Director of Business, Economic Development and Tourism (DBEDT), the Director of Finance, and a representative of the Governor's office.

HHFDC is attached to DBEDT for administrative purposes.

Organizational Structure

HHFDC is organized into an Office of the Executive Director and four branches, each with distinct responsibilities and tasks.

Among the chief duties of the Finance Branch is oversight and administration of the various financing programs that assist in the development of affordable housing. These include the Low-Income Housing Tax Credit (LIHTC) and the Rental Housing Revolving Fund (RHRF) programs.

The Development Branch may develop, either on behalf of the State or with an eligible developer or may assist -- under a government assistance program -- in the development of housing projects that are exempt from certain statutes, ordinances, charter provisions and rules of any government agency pertaining to planning, zoning, construction standards for subdivisions and other regulations, provided they comply with county building permit processes. These are commonly referred to as "201H projects."

It also oversees the Dwelling Unit Revolving Fund (DURF) to develop infrastructure deemed essential to the construction of affordable housing and to provide financing for affordable housing developments.

The Planning, Evaluation and Compliance Branch (PECB) performs overall planning, evaluation, research, real property portfolio management, and compliance monitoring activities for programs administered by HHFDC, and coordinates legislative and fair housing activities.

The Fiscal Management Branch oversees the financial assets administered by the Corporation.

The Administrative Services Branch, part of the Office of the Executive Director, provides support services including HHFDC's human resources, information technology, Board administration, contract review and public information functions.



Summary of Core Functions

- **Development Financing:** Provide financing for affordable housing projects through various programs. (FIN/DEV)
- **Development Assistance:** Expedite required approvals and facilitate greater flexibility in the design of affordable housing projects. (DEV)
- **Developable Land:** Make real property available for the development of affordable housing. (DEV)
- **Compliance Monitoring:** Ensure that projects assisted by the agency comply with program requirements, including affordability restrictions. (PECB)
- **Planning:** Conduct long-range planning for affordable housing statewide. (PECB)
- **Legislative Affairs:** Support, promote and advocate for affordable housing legislation. (PECB)
- **Inventory Registry:** Maintain a registry of affordable housing projects statewide. (PECB)
- **Homeownership:** Increase homeownership through various programs. (FIN, DEV)
- **Legacy Responsibilities:** Manage lands and administer leases in Waiāhole Valley. Own and operate public infrastructure in Waiāhole Valley and the Villages of Kapolei. (PECB, DEV)
- **Leasehold Homeownership Portfolio:** Manage 500+ ground leases with single-family homeowners. (DEV)

FIN = Finance Branch, DEV = Development Branch, PECB= Planning, Evaluation and Compliance Branch

Highlights from 2023

- Received a record 28 applications in the 2022 Funding Round.
- Awarded 11 individual projects, totaling 2,156 housing units.
- Received 11 applications during a subsequent, second Tier 2 Funding Round exclusively for Tier 2 RHRF, resulting in four project awards totaling 759 additional units.
- Saw nine different affordable housing projects -- each with its own unique design, target populations and character -- break ground in 2023.
- Made significant progress toward reaching rent agreements with agricultural, residential and commercial lot lessees in Waiāhole Valley, ultimately reaching agreement with 78 of 91 lessees by the end of the calendar year.
- Assisted four projects in the processing of their 201H applications that were subsequently approved by the Honolulu City Council: The 190-unit Kahoapili project in Salt Lake, the 1,005-unit Kuilei Place project in Mo'ili'ili, the 631-unit 690 Pohukaina project (aka Pohukaina Commons) and the 861-unit Block C Kahuina project in Kaka'ako.
- Issued a Request for Proposals (RFP) for a contract to develop affordable housing units as part of the Kahului Civic Center Mixed-Use Complex. An award is anticipated in Fiscal 2024.
- Approved Self-Help Housing Corporation of Hawai'i as a certified and eligible developer and approved a Dwelling Unit Revolving Fund (DURF) interim loan of \$7.68 million for the Nānāikeola project to create up to 88 for-sale self-help homes in Nānākuli.
- Closed on the leasehold sale of the 74-unit Kūlia I Ka Nu'u Affordable Rental Housing Project Wai'anae to Solar Farm View Estates.

Five-Year Projection

HHFDC projects that it will assist in the financing and development of more than 9,500 affordable housing units over the next five years.

Five-Year Projection (2024-2028)				
Year	Rental	For Sale	TBD	Total
2024	1,466	331	0	1,797
2025	2,345	39	0	2,384
2026	1,237	1,092	0	2,329
2027	668	937	390	1,995
2028	781	275	97	1,153
TOTAL	6,497	2,674	487	9,658

DEVELOPMENT RESOURCES

HHFDC has a variety of resources to facilitate the development of affordable rental or for-sale housing. These resources include financing, expedited land use approvals under Chapter 201H, Hawai'i Revised Statutes, exemptions from general excise taxes, and real property.

FINANCING TOOLS

Rental Housing Revolving Fund (RHRF)

The Rental Housing Revolving Fund 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. This includes projects that provide at least 5% of the total number of units for persons and families with incomes at or below 30% AMI, as well as projects that provide the maximum number of units for persons or families with incomes at or below 80% AMI.

The 2023 Legislature appropriated HHFDC \$100 million for RHRF in Fiscal 2024, and an additional \$180 million in Fiscal 2025. The source of this funding is the General Fund budget.

As of June 30, 2023, the RHRF had \$490,715,767, all of which had been committed.

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 allocates LIHTC 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 tax returns as a dollar-for-dollar offset on their tax liability for 10 years. State tax credits awarded after December 13, 2016, are for 5 years.

There are two types of LIHTC:

Volume Cap (or 9%) LIHTC: Tax credits that the Internal Revenue Service 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 2023 was \$2.75, which translates to approximately \$3,960,539 in LIHTC that the State was able to allocate in 2023.

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.

Hula Mae Multi-Family Revenue Bond (HMMF) Program

The Hula Mae Multi-Family Revenue Bond Fund Program provides low-interest rate bond financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of rental housing projects.

Developers can secure 4% non-competitive low-income housing tax credits in conjunction with HMMF financing. HHFDC, with the approval of the Governor, is authorized to issue up to \$3 billion* in revenue bonds. As of June 30, 2023, the program has issued 59 series of bonds totaling \$1,477,105,735. A total of \$460,603,215 has been committed to 12 projects pending bond issuance. The remaining uncommitted bond issuance authority is \$1,062,291,050.



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; development of regional infrastructure; and all things necessary to carry out the purposes of the Housing Development Program, including administrative expenses.

The 2023 Legislature appropriated to HHFDC an additional \$50 million to be used for DURF in Fiscal 2024 and an additional \$50 million in Fiscal 2025.

Act 92, SLH 2023 authorized HHFDC to establish a five-year DURF equity pilot program and to use up to \$10 million of existing DURF to address the demand for for-sale units by Hawai'i residents.

By purchasing the equity in for-sale developments, HHFDC helps to lower the amount paid by buyers. HHFDC's equity share is paid back upon resale of the unit along with a portion of the appreciation in equity. HHFDC strongly supported this bill.

HHFDC expects to contract to purchase equity in units beginning in Fiscal Year 2024. Under the program, funds would not be disbursed until the closing of the sale because it takes 18-24 months from pre-sale to completion of construction completion/sales closing. Funds will likely not be expended until FY 26.

As of June 30, 2023, DURF has outstanding commitments of \$220,160,949 and \$27,459,533 in available cash.

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. As of June 30, 2023, there are 10 projects comprised of 1,468 rental units with Rental Assistance Program commitments totaling \$26,395,346.

The Rental Assistance Revolving Fund for construction and new projects is no longer active or funded. The Rental Assistance Program is also no longer funded but we continue to service our outstanding commitments to existing tenants and projects.

Affordable Homeownership Revolving Fund (AHRF)

Act 227, SLH 2021 established a new Affordable Homeownership Revolving Fund that facilitates home ownership and can expand self-help housing projects throughout the state.

AHRF will offer loans to nonprofit community development financial institutions and nonprofit housing development organizations who develop affordable homeownership housing projects, including self-help projects.

HHFDC anticipates making its first AHRF Program awards in summer 2024.

Act 227 appropriated \$1 million of American Rescue Plan Act funds that were not released by the Department of Budget and Finance and lapsed pursuant to Act 314, SLH 2022.

The Supplemental Appropriations Act of 2022 appropriated \$5 million of general funds for the purposes of the program. Act 93, SLH 2023 clarified that those funds are to be deposited into and expended from AHRF, where program loans can revolve after being repaid to fund future loans.

Proposed administrative rules for the AHRF Program failed to get the support of the community at a public hearing held in November 2022. Revised proposed rules received community support at a public hearing held in October 2023.

The Governor signed the administrative rules on November 17, 2023, and they became effective ten days later.

FEDERAL FUNDS

HOME Investment Partnerships Program (HOME)

The HOME Investment Partnerships Program (HOME) is a federally funded program created by the National Affordable Housing Act of 1990. HHFDC is the designated agency for the State of Hawai'i that administers the HOME program. The purpose of HOME is to expand the supply of decent, safe, affordable, and sanitary housing for households earning up to 80% AMI. 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 the development of affordable housing.

All HOME-assisted units must maintain affordability for a minimum period of 5 – 20 years, depending on the amount of HOME-assistance provided. HHFDC receives approximately \$3 million in HOME funds from the U.S. Department of Housing and Urban Development (HUD) each year. Funds are allocated annually, on a rotating basis, to the counties of Hawai'i, Kaua'i, and Maui. HHFDC received \$3 million for Program Year (PY) 2023. The PY2023 funds were allocated to Maui County (less 5% for HHFDC administrative and planning expenses). Maui County is using a portion of funds for new construction of affordable rental housing units and seeking alternate uses for the balance of funds.

Housing Trust Fund (HTF)

The National Housing Trust Fund Program (HTF) is a federally funded program created by Section 1131 of Title 1 of the Housing and Economic Recovery Act of 2008. HHFDC is the designated agency for the State of Hawai'i that administers the HTF Program. The purpose of HTF is to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30% AMI) households, including homeless families. The funds may be used for the 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 must maintain affordability for a minimum period of 30 years. HHFDC receives approximately \$3 million in HTF from the U.S. Department of Housing and Urban Development (HUD) annually. Half (50%) of the funds are allocated annually, on a rotating basis, to the counties of Hawai'i, Kaua'i, and Maui, with the balance allocated to the City and County of Honolulu. However, the City and County of Honolulu has not expressed interest in receiving the funds for the past 4 years. HHFDC received \$3.06 million for Program Year (PY) 2023. The PY2023 funds were allocated to Maui County (less 5% for HHFDC administrative and planning expenses). Maui County is using the funds for new construction of affordable rental housing units.

HOME-American Rescue Plan Program (HOME-ARP)

Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) ("ARP") appropriated a total of \$5 billion in ARP funds for homelessness assistance and supportive services under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) ("NAHA") for the HOME Investment Partnerships Program. The program established for the use of ARP funds is the HOME-American Rescue Plan or "HOME-ARP" program. HHFDC received \$6.4 million in HOME-ARP funds. HOME-ARP funds will be used for new construction of affordable rental housing units for qualifying individuals or families (qualifying populations) under the Act within the neighboring island counties of Hawai'i, Kaua'i, and Maui. The City and County of Honolulu is an entitlement jurisdiction and will receive its own allocation.

The qualifying populations are broadly defined as:

- a. Homeless;
- b. At-risk of homelessness;
- c. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- d. In other populations where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability;
- e. Veterans and families that include a veteran family member that meet one of the preceding criteria.



O'ahu Homeowner Assistance Fund flyer

Homeowner Assistance Fund Program (HAF)

The Homeowner Assistance Fund (HAF) was established by Section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing such funds as are appropriated to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

For those who qualify, the program may provide mortgage counseling or legal services and may cover up to \$60,000 in mortgage and other eligible household expenses. In addition to mortgage payments, HAF assistance can cover property taxes, utility bills, homeowner association fees or other expenses.

Priority is given to homeowners with incomes at or below 100% AMI as well as applicants considered socially disadvantaged in accordance with Section 3206 of the American Rescue Plan Act.

HHFDC is a pass-through entity for the O'ahu HAF program. The Hawai'i Department of Budget and Finance (B&F) received a total award of \$50 million and allocated funds to the counties of Maui, Kaua'i, and Hawai'i, as well as the City and County of Honolulu/Island of O'ahu. HHFDC received approximately \$29.6 million to administer the O'ahu program but an undetermined portion of the funds are being reallocated to the County of Maui. The O'ahu HAF program is ongoing in FY 2023 and is estimated to close in FY 2025.

DEVELOPMENT TOOLS



Land

A portfolio of real property acquired by negotiation, exchange, or purchase, is made available to developers through the Request for Proposals (RFP) process.

Plans are progressing on several properties under HHFDC's purview. They include:

- 690 Pohukaina Street: A 2-acre parcel next to Mother Waldron Park in the heart of the rapidly developing Kaka'ako neighborhood, the land was put under HHFDC jurisdiction via executive order from the Governor. In Fiscal 2023, HHFDC approved California-based Highridge Costa Development Co. as an eligible developer, then negotiated and executed a development agreement with the developer.
- Kahului Civic Center Mixed-Use Complex: A 5.6-acre, state-owned property in Kahului, Maui for which HHFDC issued a Request for Proposals and a Dwelling Unit Revolving Fund loan. An award is anticipated in Fiscal 2024.
- Villages of Kapolei Northwest Corner: A 19.5-acre parcel, centrally located at the corner of Fort Barrette Road and Kapolei Parkway, for which HHFDC issued an RFP. The RFP is scheduled to be awarded in 2024.



Kahoapili (Aliamanu) rendering

Chapter 201H Expedited Processing

Pursuant to Chapter 201H, Hawaii Revised Statutes, HHFDC may develop either on behalf of the State or with an eligible developer, or may assist under a government assistance program, in the development of housing projects that would be 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. These Chapter 201H exemptions provide for greater flexibility in the design of housing projects. The appropriate county councils must approve, approve with modifications, or disapprove projects within 45 days. 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).

To be eligible, the majority of a project's units must be affordable to households earning no more than 140% AMI, and HHFDC further encourages developers to provide units at a range of affordable income levels. Developers begin the 201H process by first contacting the appropriate county. If the county government does not accept the developer's 201H application, HHFDC will consider the developer's application. HHFDC requires the developer to conduct at least one public meeting to solicit community input on the proposed project.

In Fiscal 2023, HHFDC processed exemption requests for four projects, all on O'ahu. They were the 1,005-unit Kuilei Place in Mo'ili'ili; the 190-unit Kahoapili project in Salt Lake; the 861-unit Kaka'ko Block C; and the 631-unit 690 Pohukaina project in Kaka'ako.

Exemptions from General Excise Taxes (GET)

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 and eligibility criteria.

FINANCING RESOURCES FOR FIRST-TIME HOMEBUYERS

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, 2023, the HHFDC has assisted 7,456 families in purchasing their first homes with the MCC program. During FY 2023, 48 new MCCs were issued and HHFDC continued to process reissuances related to mortgage refinances. The MCC program assisted 7 families who have refinanced their existing loans in FY 2023.

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, HHFDC assists lessees of single-family homes to purchase the lease 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. 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.

Assistance to Displaced Persons - Chapter 111, HRS

Chapter 111, HRS, establishes a uniform policy for the fair and equitable treatment of owners, tenants, other persons, and business concerns lawfully residing on or lawfully occupying real property and displaced by the acquisition of real property for public or other purposes in the public interest and by building, zoning, and housing code enforcement activities. HHFDC must assure that relocation payments are fair, reasonable, and promptly paid.

MAJOR COST CENTERS - STATE INFRASTRUCTURE OBLIGATIONS

Maintaining Waiāhole Valley Subdivision

In 1977, HHFDC's predecessor agency purchased most of Waiāhole Valley on Oahu to preserve the rural, agricultural character of the valley. Additional ceded lands in the valley were transferred from the Department of Land and Natural Resources in 1993.

In total, HHFDC owns 122 lots within the subdivision totaling approximately 596 acres, including leasable residential, agricultural, and commercial lots; lots used for infrastructure purposes; and open-space lots. HHFDC owns approximately 292 acres of additional lands located outside the subdivision.

As of June 30, 2023, approximately \$25 million had been spent to acquire the Waiāhole Valley lands and undertake capital improvements, including stream appurtenances, drainage systems, and utilities in addition to the construction of the Waiāhole Water System (the WWS) to provide potable water service.

Additionally, a total of \$11.4 million has been charged to the project for General Obligation bond interest through June 30, 2003, when the bonds were retired.

Net Operating Losses

Historically, the ownership and operation of Waiāhole Valley has cost HHFDC approximately \$1.4 million per year in land management, lease administration, and WWS operations and maintenance expenses. By contrast, lease rents, water-service charges, and other revenues have generated only approximately \$300,000 annually. The resulting net operating losses are funded by DURF.

In July 2022, HHFDC and its 91 long-term lessees commenced rent renegotiations for the 15-year lease period beginning June 30, 2023. Most negotiations have concluded, and HHFDC expects that rental income will increase by approximately \$280,000 per year beginning in FY 2024.

Waiāhole Water System Improvements

The WWS is nearing the end of its service life, and implementation of upgrades to the system commenced in FY 2023 to keep the system operational.

Planning and design of a new potable water well, reservoir, and upgrades to transmission mains are underway. A Final Environmental Assessment and Finding of No Significant Impact for the project was published on October 8, 2023. The estimated cost of the project is \$25 million to \$30 million.

Maintaining Infrastructure in the Villages of Kapolei

The City and County of Honolulu has not yet accepted dedication of infrastructure in the Villages of Kapolei. Therefore, HHFDC is obligated to maintain the infrastructure. In 2023, HHFDC executed a Memorandum of Agreement (MOA) with the City that establishes a process to transfer maintenance of infrastructure to the City. The MOA requires that roads be rehabilitated, an undertaking that will be a significant cost for HHFDC in the coming years. Rehabilitation of the pavement, drainage catch basins, and sidewalks of the major "backbone" roads have since been completed and maintenance responsibility of these items have been transferred to the City.

The current infrastructure budget is approximately \$253 million. There has been no interest charged to the project because it was initially funded by the Homes Revolving Fund, which was repealed in 2003.

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 on the project.

Planned/In Construction Projects



690 Pohukaina: 631-unit family rental project in Kaka'ako, Oahu for households earning 30%-140% AMI. **201H/Land/DURF/RFP** Developer: Highridge Costa Development Co. | Scheduled completion: 2027

Aloha Iā Halewilikō (fka Halewilikō Highlands) : 140-unit rental project at the former 'Aiea Sugar Mill on O'ahu for seniors earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: EAH Inc. | Scheduled completion: 2025

Hālawā View Apartments II: 302-unit family rental project near the HART Aloha Stadium transit station in Aiea, O'ahu for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: Hawaii Community Development Board | Scheduled completion: 2025

Hale Nā Koa 'O Hanakahi: 92-unit senior rental project in Hilo, Hawai'i for those earning 30%-80% AMI. **LIHTC/HMMF/RHRF** Developer: EAH Inc. | Scheduled completion: 2024

Hale Mo'ili'ili: 278-unit family rental project next to Old Stadium Park on O'ahu for households earning 30%-100% AMI. **RHRF2/LIHTC/HMMF** Developer: Stanford Carr Development | Scheduled completion: 2026

Hale O Pi'ikea I: 90-unit family rental project in Kihei, Maui for those earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: 'Ikenakea Pi'ikea LP | Scheduled completion: 2024

Hale O Pi'ikea II: 97-unit elderly rental project in Kihei, Maui for those earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: 'Ikenakea Pi'ikea II LP | Scheduled completion: 2025

Hale O Pi'ikea III: 36-unit family rental project in Kihei, Maui for those earning 30% to 60% AMI. **LIHTC/HMMF/RHRF** Developer: 'Ikenakea Pi'ikea III LP | Scheduled completion: 2025

Hale Pilina Family I: 89-unit family rental project in Kahului, Maui for those earning 30%-60% AMI. **LIHTC/RHRF** Developer: Catholic Charities Housing Development Corp | Scheduled completion: 2024

Hale Uhiwai Nalu Phase 2: 50-unit family rental project in Kapolei, Oahu for those earning 30%-100% AMI. **RHRF** Developer: Cloudbreak Hawaii II | Scheduled completion: 2025

Planned/In Construction Projects



Ililani (Kaka'ako, O'ahu) construction

Halewai'olu Senior Residences: 156-unit rental project in Chinatown, O'ahu for seniors earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: *The Michaels Organization* | *Scheduled completion: 2024*

Hocking Building (fka Hocking Hale): 40-unit rental project converting an historic building in Chinatown, O'ahu for those earning 30%-50% AMI. **LIHTC/RHRF** Developer: *Hocking Hale LLP* | *Scheduled completion: 2024*

Honua'ula Living Community: 105-unit family rental project in Kailua-Kona, Hawai'i, for those earning 40%-60% AMI. **LIHTC/HMMF** Developer: *Honua'ula Living Community LP* | *Scheduled completion: 2025*

HPHA School Street Redevelopment Phase 1A: 250-unit senior rental project on the site of the current HPHA headquarters in Kalihi, for those earning 30%-60% AMI. **LIHTC/HMMF/RHRF** Developer: *RHF Foundation* | *Scheduled completion: 2025*

Hualalai Court Apartments: 104-unit family rental project in Hilo, Hawai'i for households earning 80%-100% AMI. **RHRF2** Developer: *Hualalai Court LLC* | *Scheduled completion: 2025*

Ililani: 328-unit for-sale project in Kaka'ako, O'ahu, 165 of which are affordable. **201H** Developer: *KAM Development LLC* | *Scheduled completion: 2024*

Kahuina (Block C): 124-unit family rental project in Kaka'ako, O'ahu for households earning 80%-100% AMI. **RHRF2** Developer: *Kakaako Block C (Stanford Carr)* | *Scheduled completion: 2026*

Kahului Civic Center: 303-unit affordable rental project for households earning 30%-60% AMI that will share space with a bus hub and other government services. **Land/DURF/RFP** Developer: *EAH Housing* | *Scheduled completion: 2029*

Kai Olino: 48-unit family rental project in Ele'ele, Kaua'i for households earning 30%-50% AMI. **LIHTC** Developer: *Okapu Land LLC* | *Scheduled completion: 2024*

Planned/In Construction Projects



Kaleima'o Village (Ewa, O'ahu) rendering

Kaiāulu O Kapi'olani: 64-unit rental project for families earning 30%-60% AMI in Hilo, Hawai'i.

LIHTC/HMMF/RHRF Developer: Ikaika 'Ohana | *Scheduled completion: 2025*

Kaiāulu O Kuku'ia: 200-unit rental project for families earning 30%-60% AMI in Lahaina, Maui.

LIHTC/HMMF/RHRF/Land/DURF/RFP Developer: Ikaika 'Ohana | *Scheduled completion: 2025*

Kaleima'o Village: 127-unit multifamily rental project for households earning 30%-60% AMI in Ewa, O'ahu. **LIHTC/RHRF Developer:** Komohale West Loch Venture LP | *Scheduled completion: 2026*

Kaloko Heights: 100-unit family rental project in Kailua-Kona, Hawai'i for households earning 30%-60% AMI.

LIHTC/HMMF/RHRF Developer: Hawaii Island Community Development Corporation | *Scheduled completion: 2025*

Kaulana Mahina Apartments (fka Wailuku Apartments): 324-unit family rental project in Wailuku, Maui for households earning 80%-140% AMI.

201H Developer: Schatz Collaborative, BIT Wailuku | *Scheduled completion: 2024*

Koa Vista I: 96-unit family rental project in Koa Ridge, O'ahu for households earning 30%-60% AMI.

LIHTC/HMMF/RHRF Developer: Koa Vista I LP | *Scheduled Completion: 2025*

Koa Vista II: 97-unit family rental project in Koa Ridge, O'ahu for households earning 80% AMI or less.

RHRF Developer: Koa Vista II LP (Gary Furuta, Homes Hawaii Inc. | *Scheduled completion: 2025*

Kokua Hale (fka the Kokua Project): 224-unit rental project for seniors earning 30%-60% AMI in Downtown Honolulu. **LIHTC/HMMF/RHRF Developer:** Alakea Senior LP (Highridge Costa) | *Scheduled Completion: 2024*

Kuilei Place: 1,005-unit for-sale project in Mo'ili'ili, O'ahu, 630 units for families earning 60%-140% AMI.

201H Developer: Kobayashi Group, Kaipuu Investors | *Scheduled completion: 2026*

Liloa Hale: 117-unit elderly rental project in Kihei, Maui for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** Liloa Senior Housing LP | *Scheduled completion: 2025*

Lima Ola Phase 1 (Sections I and II): 85-unit multifamily and senior project in Ele'ele, Kaua'i for households earning 80% AMI or below. **DURF, LIHTC Developer:** Kaua'i County | *Scheduled completion: 2025*

Planned/In Construction Projects



Hālawā View Apartments II (Hālawā, Oʻahu) rendering

Lima Ola Phase 1 Permanently Supportive: 24-unit multifamily project in ʻEleʻele, Kauaʻi for households earning no more than 30% AMI. **DURF Developer:** Kauaʻi County | *Scheduled completion: 2025*

Lima Ola Phase 1 Workforce Development: 38 for-sale and rental units in ʻEleʻele, Kauaʻi for households earning no more than 140% AMI. **DURF Developer:** Kauaʻi County | *Scheduled completion: 2025*

Nā Hale Mākoa: 140-unit family rental project in Waikoloa, Hawaiʻi for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** Kamakoa Nui LP | *Scheduled completion: 2025*

Parkway Village at Kapolei (Lots 6 and 7): 405-unit family rental project in Kapolei, Oʻahu for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** Kobayashi Group, Ahe Group | *Scheduled completion: 2025*

Rice Street Apartments: 66-unit family rental project in Līhuʻe, Kauaʻi for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** Rice Street Hale LLC | *Scheduled completion: 2025*

Uahi Ridge: 96-unit family rental project in Līhuʻe, Kauaʻi for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** Uahi Ridge Hui LP | *Scheduled completion: 2025*

Uahi Ridge II: 60-unit family rental project in Līhuʻe, Kauaʻi for households earning 30%-60% AMI. **LIHTC/RHRF Developer:** Uahi Ridge Hui LP | *Scheduled completion: 2026*

Villages of Laʻiʻopua (DHHL): 24-unit family rental project in Kailua-Kona, Hawaiʻi for households earning 30%-60% AMI. **LIHTC/RHRF Developer:** DHHL | *Scheduled completion: 2024*

Villages of Laʻiʻopua III (DHHL): 32-unit family rental project in Kailua-Kona, Hawaiʻi for households earning 30%-60% AMI. **LIHTC/HMMF/RHRF Developer:** A0733 Kona, LP | *Scheduled completion: 2025*

REPORTS TO THE LEGISLATURE

Pursuant to Section 201H-95(g), Hawai'i Revised Statutes, Relating to Hula Mae Multi-Family Revenue Bonds for Fiscal Year 2023:

Section 201H-95(g), Hawai'i Revised Statutes, requires the Hawai'i Housing Finance and Development Corporation (HHFDC) to submit an annual report to the Legislature describing the multi-family revenue bond activity under the Housing Loan and Mortgage Program, popularly known as the Hula Mae Multi-family Program (HMMF). Specifically, it requires annual reporting of the following information:

1. The amount of multifamily revenue bond authority utilized and remaining balance.
2. A description of multifamily project activity including dates, project names and descriptions, and bond amounts for the following activities:
 - a. Application
 - b. Approval of inducement resolutions
 - c. Approval to issue bonds
 - d. Issuance of bonds
3. A summary of the activity of the fund by quarter.

The required information is provided below.

Multi-family Revenue Bond Authority as of June 30, 2023:

Total Bond Authority	\$3,000,000,000
Total Amount of HMMF Bonds Issued	\$1,477,105,735
HMMF Bonds Approved by HHFDC Board and Pending Issuance	12
Total Amount of HMMF Bonds Pending Issuance	\$460,603,215
Uncommitted HMMF Program Bond Authority	\$1,062,291,050

During the 2023 Funding Round, HHFDC received the following applications for HMMF resources:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount Requested</u>
Aikanaha	Maui	Family	212	\$38,500,000
Courtyards at Waipouli	Kaua'i	Family	82	\$29,289,000
Front Street Apartments	Maui	Family	142	\$21,378,261
Hale O Pi'ikea III	Maui	Family	36	\$14,500,000
Hale O'Hauoli Apartments	O'ahu	Elderly	100	\$35,000,000
Hale Uhiwai Nalu – Phase III	O'ahu	Family	180	\$32,000,000
Ho'omalua at Waikoloa	Hawai'i	Family	229	\$64,560,198
Kahoapili	O'ahu	Family	190	\$52,844,805
Kaiāulu O Kalaeloa I	O'ahu	Family	134	\$64,732,000
Kaleima'o Village – West Loch	O'ahu	Family	127	\$30,376,937

Keawalau Diamond Head	O'ahu	Family	234	\$73,923,653
Keawalau Ewa	O'ahu	Family	170	\$47,026,368
Keawalau Mauka	O'ahu	Elderly	133	\$36,438,993
Kuhio Park Redev. - Phase 1	O'ahu	Family	304	\$92,995,000
Liloa Hale*	Maui	Elderly	117	\$37,282,733
Nā Hale Makoa	Hawai'i	Family	140	\$40,200,000
Pālolo Homes Acq. & Rehab	O'ahu	Family	306	\$31,500,000
Smith Beretania Apartments	O'ahu	Family	164	\$76,000,000
The Nook	O'ahu	Family	35	\$12,300,000
Uahi Ridge - Phase 2	Kaua'i	Family	60	\$17,500,000
Waimānalo Apartments	O'ahu	Family	80	\$20,000,000
TOTAL			3,175	\$868,347,948

**Reapplication on a 2022 award.*

HHFDC approved the following inducement Resolutions for HMMF resources in Fiscal Year 2023*:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount</u>
Hale Mo'il'iili	O'ahu	Family	278	\$80,000,000
Hale O Pi'ikea II	Maui	Elderly	97	\$23,500,000
Honua'ula Living Community	Hawai'i	Family	105	\$25,900,000
Koa Vista I	O'ahu	Elderly	96	\$21,548,935
Liloa Hale	Maui	Elderly	117	\$32,727,103
Parkway at Kapolei - Lot 6	O'ahu	Family	236	\$58,239,230
Parkway at Kapolei - Lot 7	O'ahu	Family	169	\$39,865,882
Rice Street Apartments	Kaua'i	Family	66	\$16,200,000
Uahi Ridge	Kaua'i	Family	96	\$34,080,000
TOTAL			1,260	\$332,061,150

**The HMMF project awards are from the 2022 Funding Round application pool.*

HHFDC authorized issuance of the following HMMF Bonds in Fiscal Year 2023:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount</u>
DE Thompson	O'ahu	Family	84	\$8,000,000
Halawa View II & III	O'ahu	Family	302	\$80,200,000
Hale Nā Koa 'O Hanakahi*	Hawai'i	Elderly	92	\$30,149,457
Kaloko Heights Affordable	Hawai'i	Family	100	\$27,000,000
Koa Vista I	O'ahu	Elderly	96	\$20,898,935
TOTAL			674	\$166,248,392

**Formerly West Kawili.*

HMMF Bonds Issued in Fiscal Year 2023:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount</u>
DE Thompson	O'ahu	Family	84	\$8,000,000
Halawa View II & III Hale	O'ahu	Family	302	\$80,200,000
Nā Koa 'O Hanakahi*	Hawai'i	Elderly	92	\$30,149,457
Kaloko Heights	Hawai'i	Family	100	\$27,000,000
Affordable Koa Vista I	O'ahu	Elderly	96	\$20,898,935
TOTAL			674	\$166,248,392

**Formerly West Kawili*

Quarterly Summary of Fund Activity for Fiscal Year 2023 (as of end of each respective quarter)

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Total Bond Authority	\$3,000,000,000	\$3,000,000,000	\$3,000,000,000	\$3,000,000,000
Total Bonds Issued	\$1,318,857,343	\$1,349,006,800	\$1,376,006,800	\$1,477,105,735
Total Bonds Pending Issuance	\$534,644,110	\$584,144,110	\$562,352,150	\$460,603,215
Total Uncommitted Bond Authority	\$1,146,498,547	\$1,066,849,090	\$1,061,641,050	\$1,062,291,050

Pursuant to Section 201H-202, Hawai'i Revised Statutes, Relating to Rental Housing Revolving Fund for Fiscal Year 2023:

Section 201H-202(e), Hawai'i Revised Statutes (HRS), prioritizes projects or units in projects that are allocated low-income housing credits pursuant to the state housing credit ceiling under section 42(h) of the Internal Revenue Code of 1986, as amended, or projects or units in projects that are funded by programs of the United States Department of Housing and Urban Development and United States Department of Agriculture Rural Development wherein: At least 50% of the available units are for persons and families with incomes at or below 80% of the median family income of which at least 5% of the available units are for persons and families with incomes at or below 30% of the median family

family income; and the remaining units are for persons and families with incomes at or below 100% of the median family income.

Section 201H-202(f), Hawai'i Revised Statutes (HRS), requires the Hawai'i Housing Finance and Development Corporation (HHFDC) to "describ(e) the projects funded and, with respect to rental housing projects targeted for persons and families with incomes at or below thirty per cent (30%) of the median family income, its efforts to develop those rental housing projects, a description of proposals submitted for this target group and action taken on the proposals, and any barriers to developing housing for this target group."

RHRF activity for Fiscal Year 2023 is summarized below:

During the 2023 Funding Round, HHFDC received the following applications for RHRF resources:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount Requested**</u>
1525 Pi'ikoi Apartments	O'ahu	Family	34	\$6,970,000
330 Ku'ulei Apartments	O'ahu	Family	40	\$3,650,000
Aikanaha	Maui	Family	212	\$20,945,600
Courtyards at Waipouli	Kaua'i	Family	82	\$25,000,000
Fort St. Mall Affordable Senior	O'ahu	Elderly	67	\$14,079,720
Front Street Apartments	Maui	Family	142	\$8,500,000
Hale Makana O Uluwehi	O'ahu	Family	40	\$4,750,000
Hale O Pi'ikea III	Maui	Family	36	\$8,640,000
Hale Uhiwai Nalu – Phase III	O'ahu	Family	180	\$20,282,655
Ho'omalua at Waikoloa	Hawai'i	Family	229	\$32,000,000
Kahoapili	O'ahu	Family	190	\$28,708,539
Kaiāulu O Kalaeloa I	O'ahu	Family	134	\$33,500,000
Kai Olino Phase II	Kaua'i	Family	27	\$2,250,000
Kaleima'o Village – West Loch	O'ahu	Family	127	\$14,600,000
Keawalau Diamond Head	O'ahu	Family	234	\$34,500,000
Keawalau Ewa	O'ahu	Family	170	\$25,500,000
Keawalau Mauka	O'ahu	Elderly	133	\$19,950,000
Kuhio Park Redev. – Phase 1	O'ahu	Family	304	\$49,493,161
Liloa Hale*	Maui	Elderly	117	\$23,930,000
Na Hale Mākoa	Hawai'i	Family	140	\$31,173,087
Pālolo Homes Acq. & Rehab	O'ahu	Family	306	\$14,965,000
The Nook	O'ahu	Family	35	\$7,500,000
Uahi Ridge - Phase 2	Kaua'i	Family	60	\$20,000,000
Villages of La'i'opua III	Hawai'i	Family	32	\$8,000,000
TOTAL			3,071	\$458,887,762

**Reapplication of a 2022 project award.*

***Projects with multiple applications for RHRF list the higher amounts.*

HHFDC made the following project awards for RHRF in Fiscal Year 2023:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount</u>	<u>30% MFI Units</u>
Hale Mo'ili'ili	O'ahu	Family	278	\$41,500,000	6
Hale O Pi'ikea II	Maui	Elderly	97	\$14,065,000	10
Hale O Pi'ikea III*	Hawai'i	Family	36	\$6,742,414	4
Koa Vista I	O'ahu	Elderly	96	\$17,500,000	10
Liloa Hale	Maui	Elderly	117	\$16,250,000	12
Parkway at Kapolei - Lot 6	O'ahu	Family	236	\$22,100,000	12
Parkway at Kapolei - Lot 7	O'ahu	Family	169	\$14,100,000	9
Rice Street Apartments	Kaua'i	Family	66	\$10,581,793	4
Uahi Ridge	Kaua'i	Family	96	\$25,000,000	8
Villages of La'i'opua III*	Hawai'i	Family	32	\$7,650,000	4
TOTAL			1,223	\$175,489,207	79

**Awarded with the 2023 Funding Round.*

Act 236, SLH 2022 appropriated a cash infusion of \$300,000,000 for Fiscal Year 2023 into the RHRF, provided that up to \$150,000,000 may be used for mixed-income rental projects targeted for individuals and families with incomes above sixty (60) percent and at or below one hundred (100) per cent of the median family income for the State of Hawai'i." A separate Funding Round, named RHRF Tier 2, was established by HHFDC for this purpose. The RHRF Tier 2 Funding Round was opened on August 15, 2022 with an application deadline of September 16, 2022.

RHRF Tier 2 activity for Fiscal Year 2023 is summarized below:

During the RHRF Tier 2 Funding Round, HHFDC received the following applications for RHRF resources:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount Requested</u>
Hale O Pi'ikea III	Maui	Family	36	\$17,380,000
Hibiscus Hill	O'ahu	Family	80	\$29,500,000
Hualalai Court	Hawai'i	Family	104	\$25,524,927
Kahuina – Block C	O'ahu	Family	124	\$24,000,000
Kai Olino Phase II	Kaua'i	Family	27	\$16,725,000
Koa Vista II	O'ahu	Family	97	\$25,342,534
Ku'ulei Place	O'ahu	Family	165	\$28,700,000
The Nook	O'ahu	Family	35	\$20,200,000
Pohukaina Commons	O'ahu	Family	434	\$67,500,291
Uahi Ridge II	Kaua'i	Family	60	\$20,600,000
Wai'alae Apartments	O'ahu	Family	254	\$55,092,242
TOTAL			1,416	\$330,564,994

HHFDC made the following project awards for RHRF Tier 2 in Fiscal Year 2023:

<u>Project Name</u>	<u>Location</u>	<u>Project Type</u>	<u>Total Units</u>	<u>Amount</u>
Hualalai Court	Hawai'i	Family	104	\$25,524,927
Kahuina – Block C	O'ahu	Family	124	\$24,400,000
Koa Vista II	O'ahu	Family	97	\$25,342,534
Pohukaina Commons	O'ahu	Family	434	\$67,500,291
TOTAL			759	\$142,367,752

To see other reports to the Legislature, as well as other information on awards and applications each year, please visit HHFDC's website at <https://dbedt.hawaii.gov/hhfdc/>.

HOUSING-RELATED LEGISLATION PASSED IN 2023

[Act 91, SLH 2023](#) Relating to the Hawai'i Housing Finance and Development Corporation (HB 675)

This act requires HHFDC to open two funding rounds each year for the receipt of applications for its various housing finance programs if sufficient funds are available.

[Act 92, SLH 2023](#) Relating to the Dwelling Unit Revolving Fund (HB 677)

This act authorizes HHFDC to establish a five-year Dwelling Unit Revolving Fund (DURF) equity pilot program and to use up to \$10 million in existing DURF to address the demand for for-sale units by Hawai'i residents, particularly for households earning between 80% and 120% of the AMI. By purchasing the equity in for-sale developments, HHFDC helps to lower the amount paid by buyers. HHFDC's equity share is paid back upon resale of the unit, along with a portion of the appreciation in equity.

[Act 262, SLH 2023](#) Relating to Bonds (HB 923)

This act makes various amendments to Section 39B-2, HRS, to ensure fairness and equity in the allocation of the limited PAB cap, especially for counties that do not have PAB issuance programs (i.e., Maui and Hawa'i). It allows the State to enter into agreements with the counties that return their PAB allocations to award projects in those counties. If the City & County of Honolulu retains its bond cap, HHFDC will not be able to award any additional 4% LIHTC for the remainder of the calendar year.

[Act 93, SLH 2023](#) Relating to the Affordable Homeownership Revolving Fund (HB 992)

This act clarifies that the \$5 million in general funds appropriated pursuant to Act 88, SLH 2021, as amended by Act 248, SLH 2022, shall be deposited into the Affordable Homeownership Revolving Fund (AHRF) for the purposes for which the revolving fund was established.

[Act 35, SLH 2023](#) Relating to State Funds (HB 1018)

This act amends various general fund appropriations to help the State meet its American Rescue Plan Act (ARPA) maintenance of effort (MOE) obligations. HHFDC is one of four affected entities. This act extends by one day the appropriation lapse date to the following fiscal year to allow for the expenditure of general funds into the Rental Housing Revolving Fund (RHRF) to fulfill its financing award commitments. If this bill had not become law, the \$300 million appropriation of general funds for the RHRF infusion under Act 236, SLH 2022 would have been jeopardized.

[Act 48, SLH 2023](#) Relating to Taxation (HB 1363)

The cost of off-site infrastructure is a major barrier to affordable housing development statewide. These costs are typically paid for by private developers who, in turn, pass them on to homebuyers in the form

of higher prices, and to renters in the form of higher rents. This act provides the counties with another source of funding to help pay for infrastructure to buy down the cost of housing. It also helps offset some of the burdens on DURF, which is used for infrastructure and is currently being depleted by the State's historical obligations in Waiāhole Valley and in the Villages of Kapolei.

Act 164, SLH 2023 (HB300 HD1 SD1 CD1) Relating to the State Budget

Operating Budget Items:

Total expenditure ceiling (MOF: W (revolving funds)):

FY 2024: \$13,533,889

FY 2025: \$14,046,265

Authorized Position Count

Permanent count: 23.00 Full Time Equivalent positions (FTE)

Temporary count: 45.00 FTE (includes three new positions)

HHFDC's authorized expenditure ceiling also includes the following:

FY 2024: \$3,100,000 (MOF: N (Federal Funds))

FY 2025: \$3,100,000 (MOF: N)

FY 2024: \$3,000,000 (MOF: P (Other Federal Funds))

FY 2025: \$3,000,000 (MOF: P)

Note: DURF and RHRF infusions are now categorized as "operating," not "CIP."

Cash Infusion for Dwelling Unit Revolving Fund, Statewide

FY2024: \$50,000,000 (MOF: A (General Funds))

FY2025: \$50,000,000 (MOF: A)

Cash Infusion for Rental Housing Revolving Fund, Statewide

FY2024: \$100,000,000 (MOF: A)

FY2025: \$180,000,000 (MOF: A)

Capital Improvement Project Items:

HHFDC received the following CIP request:

Cash Infusion for preschool classrooms, dedicated teacher housing, and affordable workforce housing development initiative, Kihei, Maui.

FY2024: \$45,000,000 (MOF: C)

Specifically, this is for plans, land acquisition, design and construction for repurposing existing facility; ground and site improvements, equipment and appurtenances.



Hale Makana O Mo'ili'ili (O'ahu) dedication



Hocking Hale (Chinatown, O'ahu) blessing



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