

Legislative Briefing

Colin Kippen

Greg Payton

Scott Morishige

Lori Tsuhako

November 12, 2014

Hawaii Interagency Council on Homelessness

Homeless Programs Office

Hale 'O Malama

- Partners In Care

- PHOCUSED



Hawaii Interagency Council On Homelessness (HICH)

- **Established By Statute to Bring Key Agencies Together to End Homelessness and Assure Continuity Over Time**
 - Modeled After the USICH at Federal Level
 - HICH adopts USICH Plan “Opening Doors” and Tailors It To Hawaii’s Needs



United States Interagency
Council on Homelessness





Opening Doors

FEDERAL STRATEGIC PLAN TO
PREVENT AND END HOMELESSNESS

UPDATE 2013



OPENING DOORS
**ACROSS
AMERICA**
a USICH Call to Action

JOIN THE CAMPAIGN

HICH Membership

KEY GOVERNMENTAL AGENCIES ARE MEMBERS

Federal

- HUD
- VA
- DOD



State

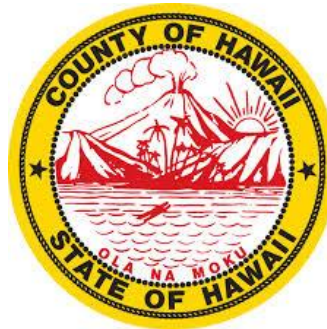
- DHS
- HPO
- DOH
- DLIR
- DPS
- DBEDT
- DHHL
- OHA
- AG
- DOE
- HPHA
- House
- Senate
- Office of the Governor



HICH Membership (continued)

KEY COMMUNITY AND PRIVATE ENTITIES ARE MEMBERS

- Partners In Care
- Bridging The Gap
- Faith Based Community/Hawaii Pastors Round Table
- Business Community
- Counties
 - Hawaii
 - Honolulu
 - Kauai
 - Maui



Plan Adopted by the HICH

FOUR SECTORS OF THE PLAN

- **Retool The Homeless Crisis Response System**
 - Predictable
 - Understandable
 - Effective Rapid Rehousing
 - Systemic Approach
 - Data Driven Decisions Based on Evidence Based Practices
 - Common Assessment (VI-SPDAT)
 - Housing First Based on Evidence Based Practices
 - Individuals
 - Families

- **Increase Access to Stable and Affordable Housing**
 - Housing First
 - Design and Build Prototype Housing (UH SOA, HHFDC/HCDA)
 - Permanent Supportive Housing Approach
 - Federal
 - State
 - City and County
 - Landlord Engagement and Education



Plan Adopted by the HICH

FOUR SECTORS OF THE PLAN (continued)

■ Increase Economic Stability and Self-Sufficiency

- Job Training
- Resume Writing
- Interviewing Skills
- Job Access
- Supportive Employment
 - Post Hiring
 - Ensure Sustainability



■ Improve Health and Stability

- Housing Is a Stabilizing Medical Intervention
- Permanent Supportive Housing
 - DOH/ADAD SAMHSA Grant
 - DOH/AMHD
 - Medicaid



Plan Adopted by the HICH

FOUR SECTORS OF THE PLAN (continued)

- **Improve Health and Stability** (continued)
 - Build Relationships
 - Housing Providers
 - Service Providers
 - Medical Providers
 - Hospitals



Hale Kipa



Ho'omau Ke Ola



GREGORY HOUSE PROGRAMS
HAWAII'S STATEWIDE HIV/AIDS HOUSING AGENCY



LEGAL AID
SOCIETY OF HAWAII



LHC Foundation
FIGHTING AIDS IN HAWAII AND THE PACIFIC

Helping Hands Hawaii



Waianae Coast Comprehensive Health Center



CATHOLIC CHARITIES HAWAII

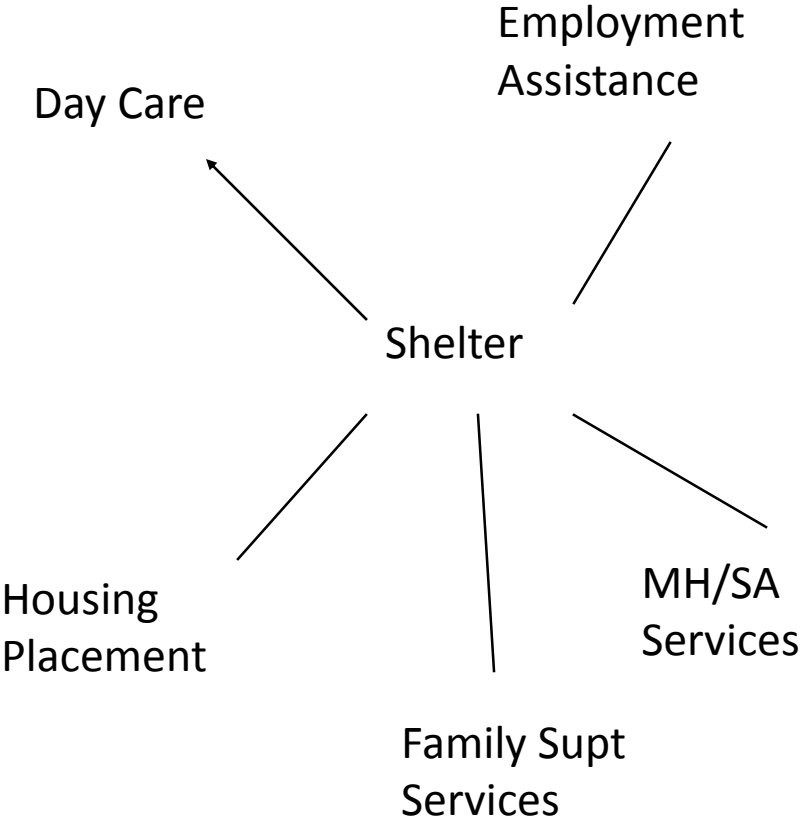


HAWAII PACIFIC HEALTH

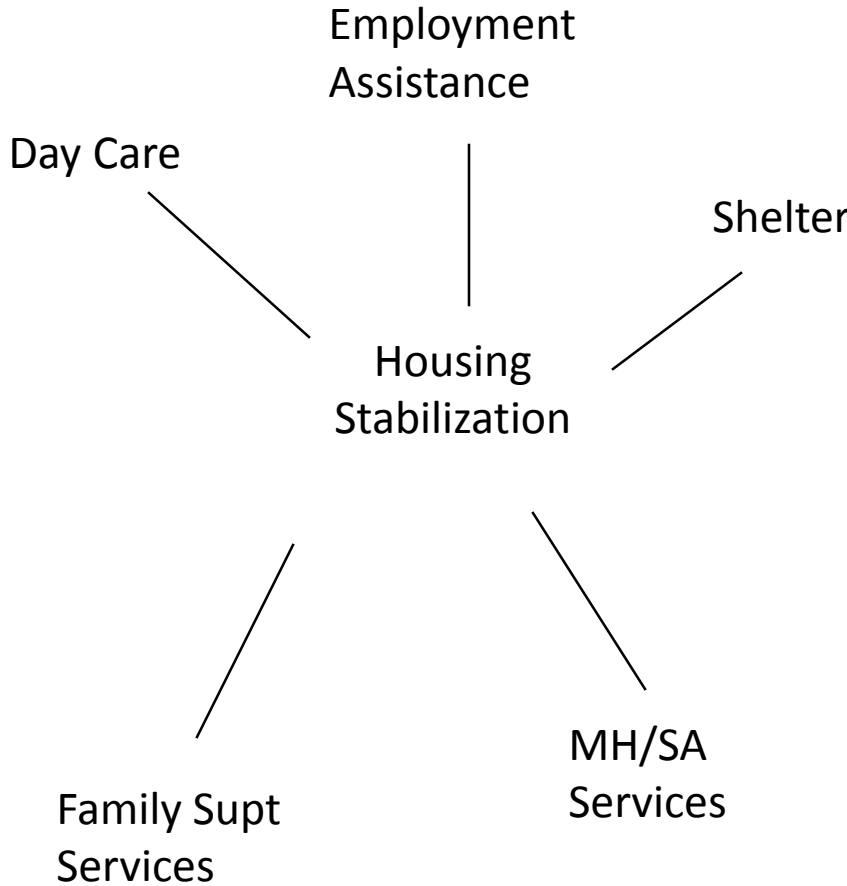
Kapi'olani • Pali Momi • Straub • Wilcox

Powered by Health

Prevailing Model



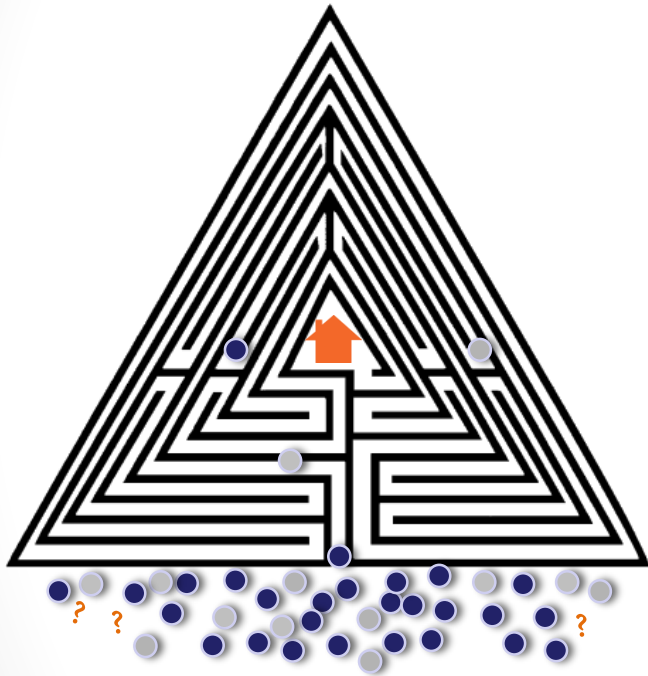
Emerging Model



Turning the Continuum of Care Inside – Out?

Source: Culhane, Homeless Assistance: A Paradigm Shift?

Re-tooling our Current System for Homeless Services

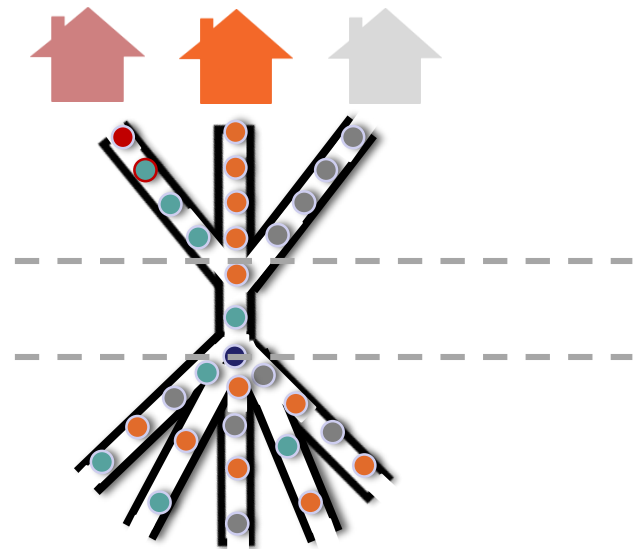


Graphic created by Chris Ko, United Way of Greater LA

- **Our Current System is a “Maze”**
 - Clients & case workers can’t navigate it
 - Resources are not optimally utilized
 - Hardest to serve get left behind
- **HEARTH Act Requires a Coordinated Assessment System**
 - Coordinates intake, assessment, & referral
 - Includes a common assessment tool
 - Applies to the entire continuum of homeless services
- **Hale O Malama is building Hawaii’s System**
 - Began in October 2013
 - Includes cross-sector collaboration
 - Leverages public & private investment

Vision for Hale O Malama

- **Links needs to resources**
 - Level of support matches a person's need (based on the VI-SPDAT)
- **Services are less-costly and more efficient**
 - Better coordination reduces duplication of service
 - Resources are allocated appropriately, based on assessed community need.
- **Stronger collaboration among providers**
 - Increased awareness of services
 - Using a "team" approach to placement and follow-up



Graphic created by Chris Ko, United Way of Greater LA

Hale O Malama:

A Multi Phased Effort to Implement National Best Practices

October 2013 – January 2014

Establishing a Baseline

- Identify key partners and stakeholders
- Collect weekly housing placement data from outreach & shelter providers
- Established a baseline of **28** chronically homeless into permanent housing each month

June 2014 – September 2014

Building a Coordinated Entry System

- Use the Common Assessment Tool to match clients with housing resources
- Provide system-wide training on 'Housing First'

February 2014 – May 2014

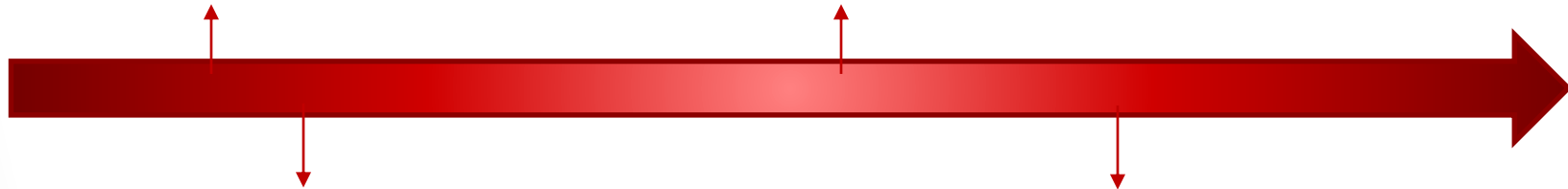
Selecting a Common Assessment Tool

- Selected the VI-SPDAT
- Implemented the tool in 2 regions of Oahu
- Implemented bi-weekly case conferences for homeless providers

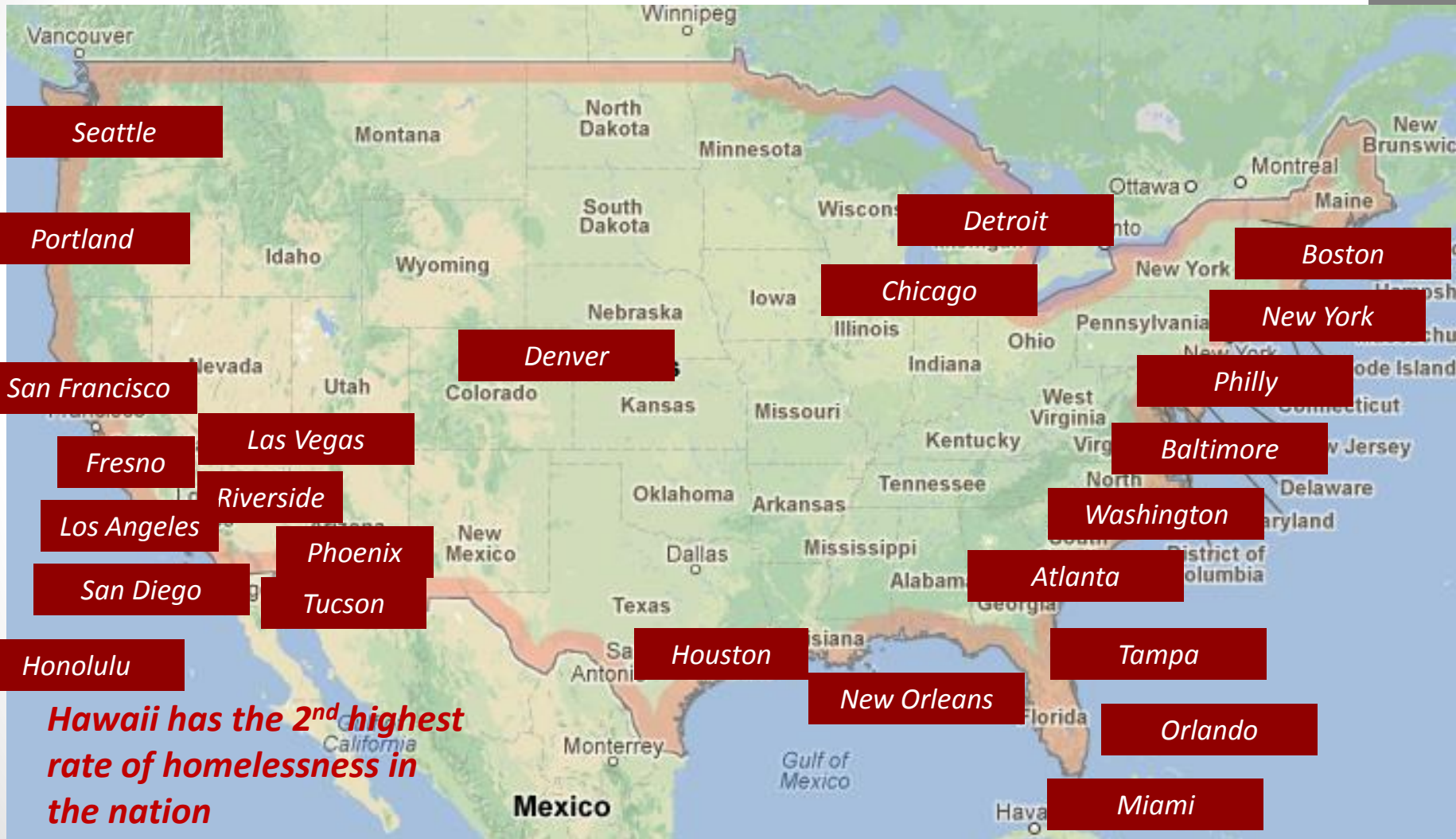
October 2014 - Present

Scaling the System

- Expand use of the Common Assessment Tool in all areas of Oahu
- Expand use of the tool and resource matching to the Neighbor Islands (i.e. Maui, Kauai, Hawaii Island)

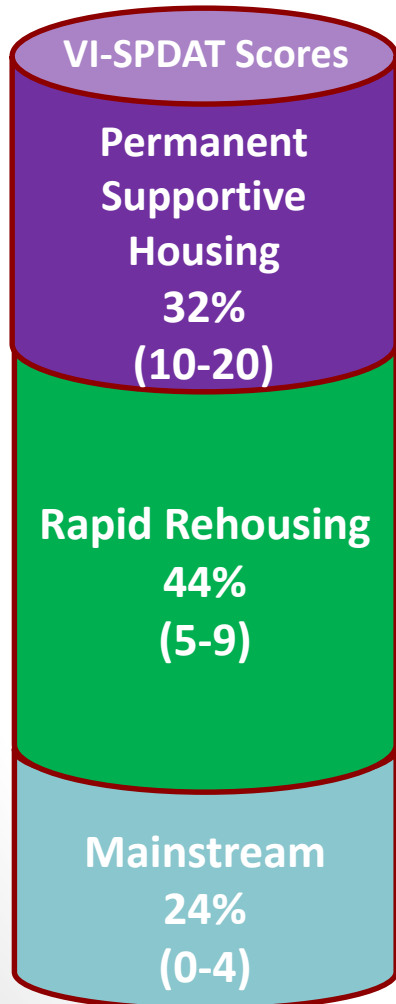


Leveraging HUD & VA Support: The 25 Cities Initiative



What have we learned so far?

Updated 8-11-14



A total of **1,452** homeless households have been surveyed since March 2014:

- Over **3/4 (76%)** indicate a need for more intensive support than is currently available:
 - **32%** need intensive case management and long-term housing subsidy
 - **44%** need short-term case management and subsidy (usu. Only 6-9 mos.)
- Distinct differences in need between geographic regions – More need for intensive support in Urban Honolulu (Waikiki & Chinatown) compared to the Leeward Coast.
- The most vulnerable homeless report being unsheltered for a long period of time – an average of **8 years homeless**
- Only **22%** of households report that they sleep in shelter – The most common sleeping spot was on the streets / sidewalk (30%) or beaches / parks (27%).

Matching Resources to Need

Front End

Most vulnerable entered into the system,
prioritized and ready for housing

Back End

Housing supply identified and vacancies
entered into the system



Housing MATCHING!



Level of Care Matches Need

Common
Assessment

Coordinated outreach

Prioritization

Case Conferencing

Housing Navigation

Inventory of available
housing resources

Vacancy notification

Eligibility matching
(based on assessed
community need)



DHS HOMELESS PROGRAMS OFFICE FUNDING FY 2015

The major programs funded by HPO include:

- Homeless shelters
- Homeless outreach
- Emergency Grants
 - Housing First

Homeless Shelters funded at \$11.14 million

44 Homeless shelters statewide



9 emergency shelters

30 transitional shelters

5 dual capacity (emergency and transitional)

Homeless Outreach funded at \$2,193,661

- Eight Contracted providers conduct outreach to clients living on the streets, in cars, at beaches, and other places not meant for human habitation.
- Focus on housing.



Homeless Emergency Grant Program \$500,000

- Two contractors—one on Oahu and one for all the neighbor islands—provide emergency assistance to individuals and families



State's Housing First Program

- Program parameters are described in HRS346-378 Housing First Programs

State's Housing First Program

\$1.25 million for services on Oahu

\$250,000 for services on the neighbor islands to be procured

State's Housing First



- Contract executed in late June, 2014
- Services designed to leverage federal funds (\$2.125 mil) awarded for 3 years to the DOH/ADAD for the Hawaii Pathways Project (CABHI 1)
- DOH also received 2nd grant worth approximately \$500,000, with another \$500,00 pending.
- DOH's total grant funding is \$3,123,315

State's Housing First

- HF program designed to serve those with the highest acuity (needs). These folks tend to utilize a higher % of expensive emergency services (911 calls, ER visits, HPD arrests, etc.)
- HF has housed clients with substance abuse and mental illness. Some qualify for the Pathways Program and receive Assertive Community Treatment (ACT) level of service.
- Without HF funding, Pathways grant could not operate and federal funds would be lost.

Focusing on the Most Vulnerable

460

Individuals and families need *Permanent Supportive Housing*

***Shelter Plus Care,
State Housing First,
HUD VASH***

These programs provide intensive case management and long-term housing subsidy so that the most vulnerable receive *Housing First*

***What do we mean by
“Housing First”???***

Housing First is . . .

Quick access to housing while providing needed services

Housing is not contingent on compliance with services

Services are voluntary for tenants, not staff – assertive engagement

Lease based

- Services are wrapped around the individual to promote housing stability and well-being
- Expectation that person is assisted to meet lease obligations and recover valued life roles

The Impact of Housing First

❑ **“Wanda” and daughter**

- ❑ 41 year old single mother with a 15 year old daughter
- ❑ Homeless for 6 years unsheltered on the streets
- ❑ Wanda has serious mental illness, and was self-medicating with drugs and alcohol
- ❑ Daughter was not attending school and was primary caretaker for Wanda
- ❑ Wanda and her daughter are now stably housed – Daughter is attending classes again, and Wanda is taking medication regularly

❑ **“Sophia”**

- ❑ 62 year old single female
- ❑ Homeless for 5 years on the street – in and out of shelters over 9 times during this period
- ❑ Victim of domestic violence
- ❑ 8 interactions with police in the past 6 months
- ❑ Reports serious mental illness, heart disease, liver disease, diabetes, and Hepatitis C
- ❑ 16 ER visits and 12 inpatient hospitalizations in the past 6 months
- ❑ Sophia is now stably housed, safe from her abuser, and is beginning to recover both physically and mentally

Legislative Priorities

❑ ***Development of Affordable Housing***

- *\$15 million* for the development of micro units
- Closing the loophole in the conveyance tax law

❑ ***Expansion of Permanent Supportive Housing resources***

- *\$3 million* to continue the Housing First initiative within the base budget of DHS

❑ ***Addressing Economic Factors Relating to Housing***

- Adjust the refundable tax credit for low income household renters
- Adjust the refundable food/excise tax credit

Other Ideas to Explore

- ❑ Use of TANF dollars for Rapid Re-Housing
- ❑ Medicaid reimbursement for case management and other supportive housing services
- ❑ Increased Role of Hawaii Public Housing Authority in Addressing Homelessness



Hawaii Housing Finance & Development Corporation



JOINT SENATE/HOUSE INFORMATIONAL BRIEFING ON HOMELESSNESS AND AFFORDABLE HOUSING

Committee on Human Services

Senator Suzanne Chun Oakland, Chair

Senator Josh Green, Vice Chair

Committee on Housing

Representative Mark J. Hashem, Chair

Representative Justin H. Woodson, Vice Chair

November 12, 2014 • 10:30am - 1:00pm

HHFDC Mission

Increase and preserve the supply of workforce and affordable housing statewide by providing leadership tools and resources to facilitate housing development.





Hawaii Housing Finance & Development Corporation



Statewide, approximately 28,100 new housing units are estimated to be needed between 2012 and 2016.

Source: Hawaii Housing Planning Study, 2011



Hawaii Housing Finance & Development Corporation



Statewide projected housing need between 2012 and 2016 for lower income families is approximately 19,000 units. For the same time period, first-time homebuyer need is approximately 4,800 units for moderate income families (80-140% AMI)

PROJECTED RENTAL HOUSING NEED, 2012-2016

| % of Median Income | Honolulu | Maui | Hawaii | Kauai | Statewide |
|--------------------|---------------|--------------|--------------|------------|---------------|
| 30% | 6,006 | 803 | 1,013 | 315 | 8,137 |
| 50% | 3,549 | 690 | 493 | 159 | 4,891 |
| 80% | 4,268 | 924 | 577 | 451 | 6,220 |
| Sub-total | 13,823 | 2,417 | 2,083 | 925 | 19,248 |

PROJECTED FIRST-TIME HOMEBUYER NEED, 2012-2016

| % of Median Income | Honolulu | Maui | Hawaii | Kauai | Statewide |
|--------------------|--------------|------------|------------|------------|--------------|
| 80-120% | 1,976 | 374 | 339 | 167 | 2,856 |
| 120-140% | 1,561 | 101 | 237 | 45 | 1,944 |
| Sub-total | 3,537 | 475 | 576 | 212 | 4,800 |



Hawaii Housing Finance & Development Corporation



OBSTACLES TO DEVELOPMENT

- High land and construction costs
- Lack of infrastructure/capacity
- Lack of funding
- Lengthy land use entitlement and permitting processes
- NIMBY (Not-in-my-backyard)



Hawaii Housing Finance & Development Corporation



STRATEGIES TO INCREASE HOUSING SUPPLY

- State and County land
- Urban infill/redevelopment
- Higher densities
- 201H processing and exemptions
- Leverage State and County resources
- Public-private partnerships



Hawaii Housing Finance & Development Corporation



COLLABORATING ON AFFORDABLE HOUSING PRODUCTION

HHFDC, HCDA, and DHHL are working together to:

- Support affordable housing development in Kakaako, Kalaeloa, and East Kapolei
- Coordinate rules to ensure consistency and continuity with respect to housing affordability and sustainability
- Explore new infrastructure
- Seek more funding resources



Hawaii Housing Finance & Development Corporation



COLLABORATING ON AFFORDABLE HOUSING PRODUCTION

HHFDC and HCDA are working together to:

- Reduce the cost of housing development in transit-oriented development areas through innovation, including
 - Lowered parking requirements
 - Micro units
- Identify Transit-Oriented Development opportunities on State land



Halekauwila Place

Affordable 201 unit family rental project in Kakaako serving families earning 60 percent AMI. Financing included HHFDC awarded Low-Income Housing Tax Credits, Hula Mae Multi-Family Bonds and Dwelling Unit Revolving Funds.

COMPLETED PROJECTS

Since 2006, when HHFDC was created, HHFDC has delivered 6,346 units in 61 projects statewide.

| | |
|----------------------|-------|
| 18 Elderly projects | 1,256 |
| 43 Family projects | 5,090 |
| 14 For Sale projects | 1,527 |
| 47 Rental projects | 4,819 |

| Oahu | Hawaii | Maui | Kauai | Total Units |
|-------|--------|------|-------|--------------|
| 5,057 | 691 | 413 | 185 | 6,346 |

The full inventory of completed projects is available on the HHFDC website at <http://dbedt.hawaii.gov/hhfdc/files/2014/07/State-Properties-List-7-18.pdf>



Meheula Vista Phase I

Affordable elderly rental project in Mililani that will provide 76 units. HHFDC allocated 9 percent Low-Income Housing Tax Credits in July 2014, and awarded Rental Housing Trust Funds to the project in August 2014

PLANNED/UNDERWAY PROJECTS

We have an additional 3,994 units in 25 pipeline projects projected for completion through Fiscal Year 2018.

These pipeline projects will provide a yet-to-determined mix of unit types including For Sale, Rental, Senior and Family projects

| Oahu | Hawaii | Maui | Kauai | Total Units |
|-------|--------|------|-------|--------------|
| 1,957 | 475 | 300 | 1,262 | 3,994 |

The full inventory of planned projects is available on the HHFDC website at <http://dbedt.hawaii.gov/hhfdc/files/2014/10/In-Development-Projects-List-10-28-14.pdf>



Ola Ka Ilima Artspace

Affordable family rental project located in Kakaako on HCDA land will provide 84 units. HHFDC allocated 9 percent Low-Income housing Tax Credits in July 2014, and awarded Rental Housing Trust Funds to the project in August 2014.

PIPELINE PROJECTS

Another 1,966 units in 29 planned projects that have begun the construction phase.

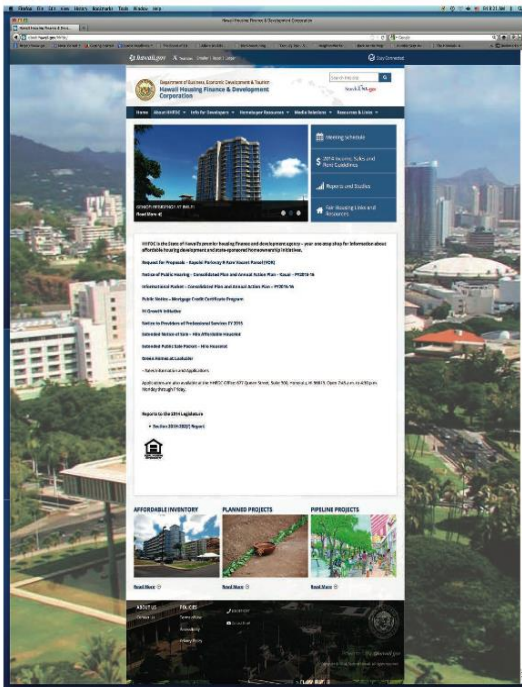
| | |
|--------------------|-------|
| 1 Elderly project | 60 |
| 12 Family projects | 1,277 |
| 16 DHHL | 607 |

| Oahu | Hawaii | Maui | Kauai | Total Units |
|------|--------|------|-------|--------------|
| 921 | 832 | 52 | 161 | 1,966 |

The full inventory of pipeline projects is available on the HHFDC website at <http://dbedt.hawaii.gov/hhfdc/files/2014/10/Pipeline-Projects-List-10-28-14.pdf>



Hawaii Housing Finance & Development Corporation



HOUSING DATABASE

HHFDC works collaboratively with the counties to facilitate the development of affordable housing projects that meet the specific needs of the particular county.

HHFDC's statewide database that resides on the HHFDC website, which includes Department of Hawaiian Home Lands, the Hawaii Public Housing Authority, and County affordable housing projects.



Hawaii Housing Finance & Development Corporation



HHFDC TENTATIVE LEGISLATIVE PROPOSALS

HHFDC will be proposing seven new bills and five Concurrent Resolutions for inclusion in the new Administration’s 2015 legislative package. Of these, three bills directly relate to housing. The others administrative, technical, or housekeeping in nature.

Please note that the new Administration has not yet had an opportunity to review the overall merits of these proposals, so they may not ultimately be introduced in 2015.

| TITLE | SUBJECT | PURPOSE |
|----------------------|---|---|
| Relating to the RHTF | Add a new secondary preference for RHTF awards for projects with non-volume cap LIHTC/HMMF bond allocations | Provide an added incentive for the development of rental housing targeted at lower income households. |
| Relating to Taxation | Adds statutory minimum affordability terms to be eligible for GET exemptions under section 201H-36, HRS. | Restricts this incentive to projects that will remain affordable for a significant portion of the useful life of those improvements to ensure that project improvements accrue to the benefit of lower income households. |
| Relating to the RHTF | Authorizes the HHFDC to monetize up to \$5,000,000 of the RHTF’s share of conveyance tax revenues to be pledged towards repayment of revenue bonds that finance affordable rental development | Monetization will allow HHFDC to generate a large RHTF balance to address the short-term shortage of affordable rentals statewide. |



Hawaii Housing Finance & Development Corporation



CRAIG K. HIRAI

Executive Director

677 Queen Street, Suite 300

Honolulu, Hawaii 96813

Phone: (808) 587-0641

Fax: (808) 587-0600

Email: craig.k.hirai@hawaii.gov

[www.http://dbedt.hawaii.gov/hhfdc/](http://dbedt.hawaii.gov/hhfdc/)



HCDA Reserved Housing Committee Report


We Must Be A Part of the Solution (POTS)

Shelter for You & Yours

A Basic Need, But Not An Entitlement!



There is a Need for Housing of All Types!



"One of the key challenges for any growing city is to ensure adequate housing to meet resident demand. The redevelopment of Kakaako is helping to ease the housing shortage in Honolulu and meet the increasing demand for urban core living."
- Eugene Tian, Economic Research Administrator READ, DBEDT

"Decades of under-building have aggravated Honolulu housing shortages. Almost a new Ward Village is needed every year on Oahu, just for new household formation." - Paul Brewbaker, Economist

"This isn't Honolulu's first rodeo. 40 years ago, the city and the state recognized they had to make a plan for more housing, and do it in a place that would have more jobs... With political will and responsible landownership, Kakaako can grow such a community based on local values and traditions. Same as Campbell Estate did in Kapolei, thanks to 20-20 long-range vision." – Rickey Cassiday, Economist

We're Not Building Enough Housing for Our Population!



SUPPLY



DEMAND

Each Year We
Need 3,300 New
Housing Units

There Were Only
400 New Housing
Starts in 2013



The Need for Shelter is Universal!

- ▶ Buy or Rent?
 - ▶ Subject to Individual Credit History, Lending Rules and Availability of Money
 - ▶ Lack of \$ For Housing Can Lead to Homelessness!
- ▶ Where Might We Live?
 - ▶ Town or Country?
 - ▶ Single Family Detached/Multi-Family/Condo?
 - ▶ Shared Housing? With Family?
 - ▶ Homeless Shelter, the Streets, Other
- ▶ Does the Cost of Housing Affect Our Quality of Life?
 - ▶ Money Spent on Housing Takes Away From Other Spending
 - ▶ Required Costs = Food, Free & Appropriate Public Education (FAPE), Healthcare, Transportation, Taxes
 - ▶ Discretionary/But Important Costs= Clothing, Savings/Investment, Post High School Education, Other Expenses

There Are As Many Types of Housing As There Are People!

Qualified Income Housing

As Subsidized or Required By Government



Market Housing

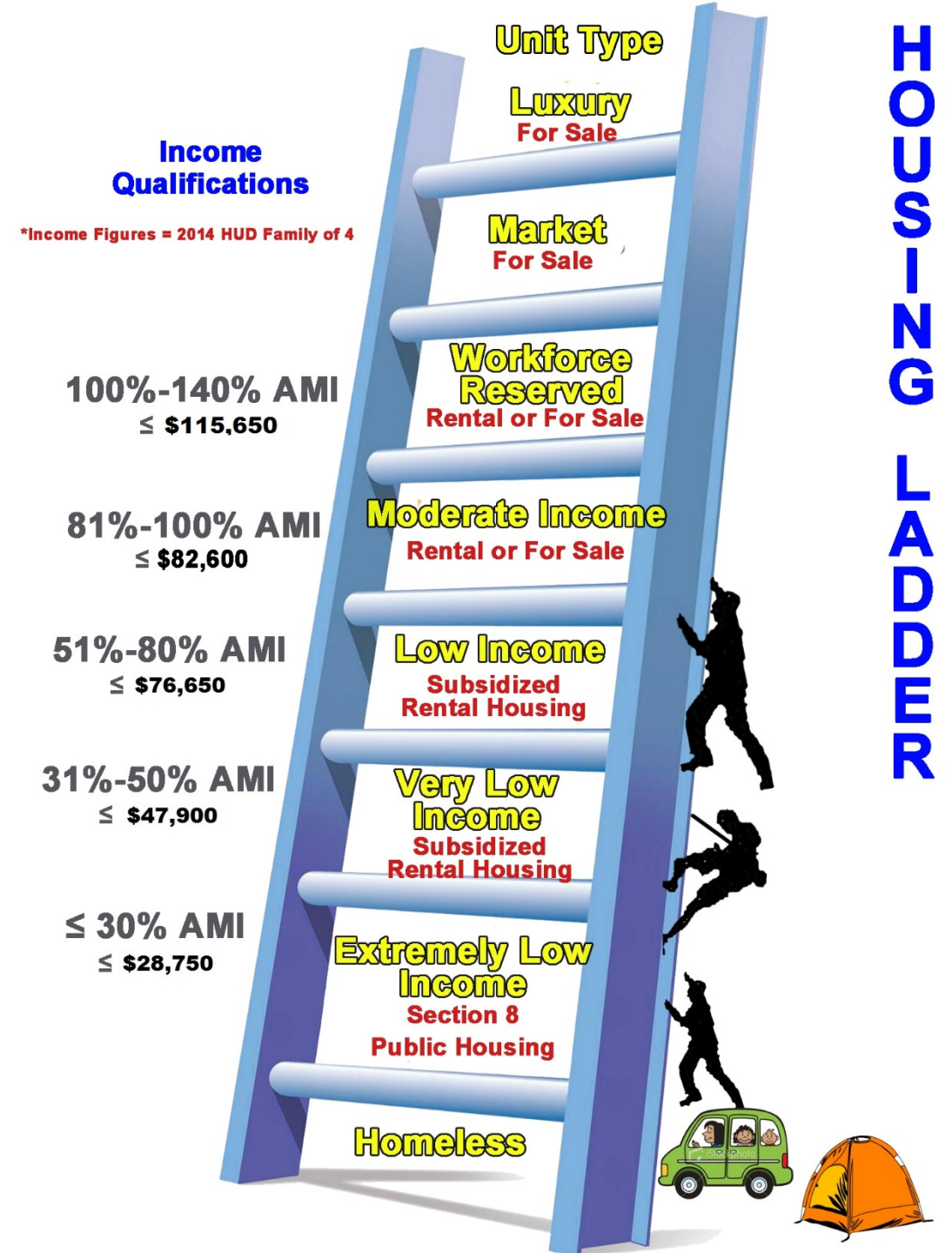
Willing Buyer/Willing Seller



***We Need All Types of Housing!
Both Qualified Income & Market Housing***

How Our Finances Affects Our Housing Status!

- The Housing Ladder Represents the Range of Our Housing Opportunities
 - From Homelessness
 - to Living in Public Housing
 - Getting Help w/Renting
 - to the Luxury of Owning your own place!
- We All Need A Place on the Housing Ladder
- As Our Financial & Personal Situation Changes Over Time, We Might Find Ourselves Moving Up or Down on the Ladder



2014 Reserved Housing Income Limits - Honolulu County

| | | 1 person | 2 person | 3 person | 4 person | 5 person | 6 person | 7 person | 8 person |
|-----------------------------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Extremely Low Income | 30% | 20,150 | 23,000 | 25,900 | 28,750 | 31,050 | 33,350 | 35,650 | 37,950 |
| | 40% | 26,850 | 30,700 | 34,550 | 38,350 | 41,400 | 44,500 | 47,550 | 50,600 |
| Very Low Income | 50% | 33,550 | 38,350 | 43,150 | 47,900 | 51,750 | 55,600 | 59,400 | 63,250 |
| | 60% | 40,300 | 46,050 | 51,800 | 57,500 | 62,100 | 66,750 | 71,300 | 75,900 |
| | 75% | 45,700 | 52,250 | 58,750 | 65,250 | 70,500 | 75,700 | 80,900 | 86,150 |
| Low Income | 80% | 53,700 | 61,350 | 69,000 | 76,650 | 82,800 | 88,950 | 95,050 | 101,200 |
| Area Median Income | 100% | 57,800 | 66,100 | 74,350 | 82,600 | 89,200 | 95,800 | 102,400 | 109,050 |
| Gap Income | 110% | 63,600 | 72,700 | 81,750 | 90,850 | 98,100 | 105,400 | 112,650 | 119,900 |
| | 120% | 69,350 | 79,300 | 89,200 | 99,100 | 107,050 | 114,950 | 122,900 | 130,800 |
| | 130% | 75,200 | 85,900 | 96,650 | 107,400 | 116,000 | 124,600 | 133,200 | 141,750 |
| | 140% | 80,950 | 92,500 | 104,100 | 115,650 | 124,900 | 134,150 | 143,400 | 152,650 |

Adjustment for Unit Type

| Unit Type | Studio | One Bedroom | Two Bedroom | Three Bedroom | Four Bedroom | Five Bedroom |
|-------------------|------------|-------------|-------------|---------------|--------------|--------------|
| Adjustment | 70% | 80% | Base | 108% | 116% | 124% |


*For each person in excess of eight, the four-person income limit should be multiplied by an additional 8 percent.

(For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit.)

*Income limits are rounded to the nearest \$50.

*HUD base figures were interpolated by HCDA. This chart is provided as a guide only.

Kakaako



*Do YOU want to live in the city?
Is there space for YOU and YOUR FAMILY to live?
Are there jobs for YOU in Kakaako?*

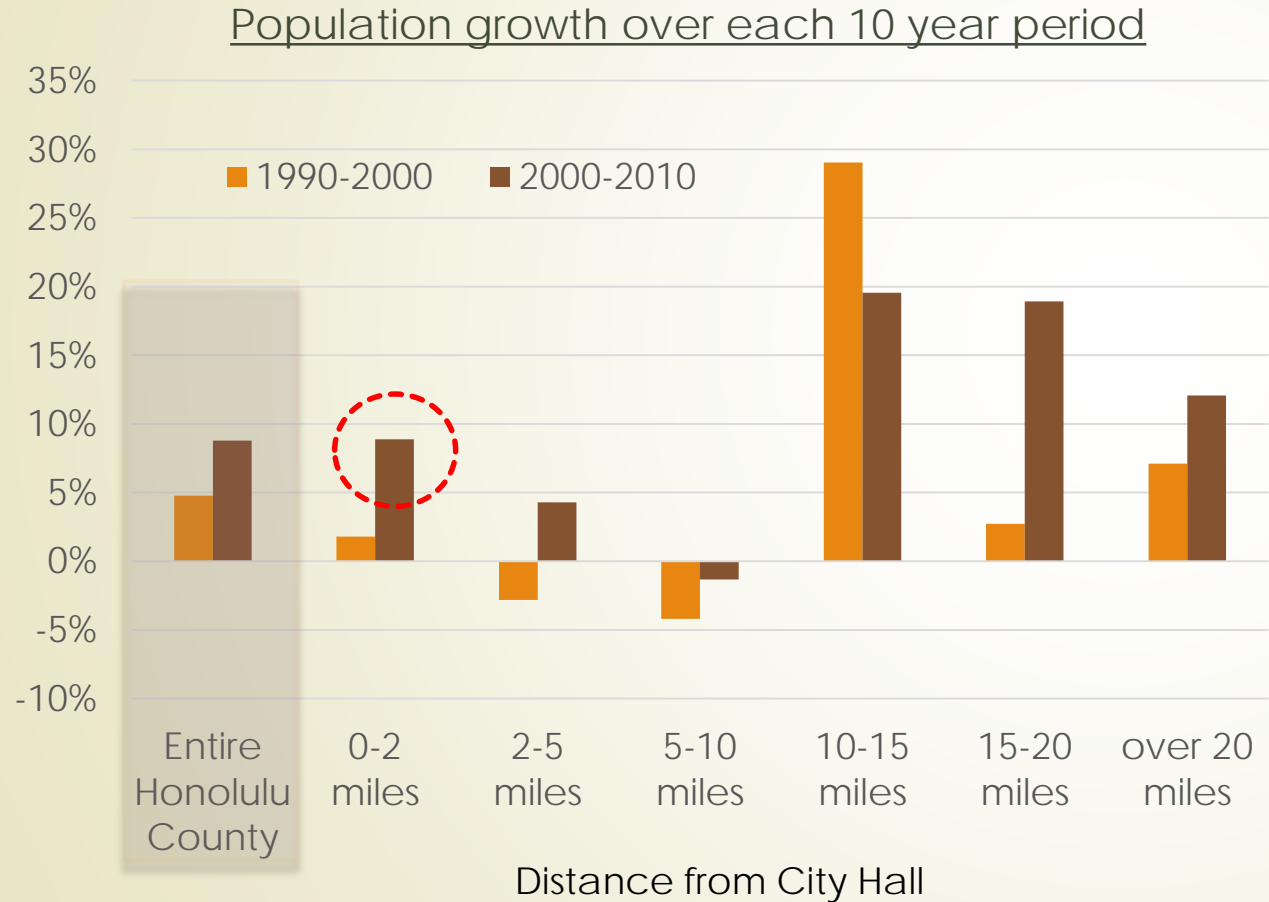
Where People Live in Honolulu? (2010)

| Distance from City Hall* | Population share |
|--------------------------|------------------|
| 0-2 mi | 14% |
| 2-5 mi | 20% |
| 5-10 mi | 24% |
| 10-15 mi | 26% |
| 15-20 mi | 9% |
| Over 20 mi | 7% |

34% lived within 5 miles from the city hall



Population Shift on Oahu-- Moving Back to Town?



1990-2000 Period

- Most population growth took place in the suburbs (10-15 miles from Honolulu)

2000-2010 Period

- Over 10,000 people moved into the urban core area (0-2 miles from city hall)

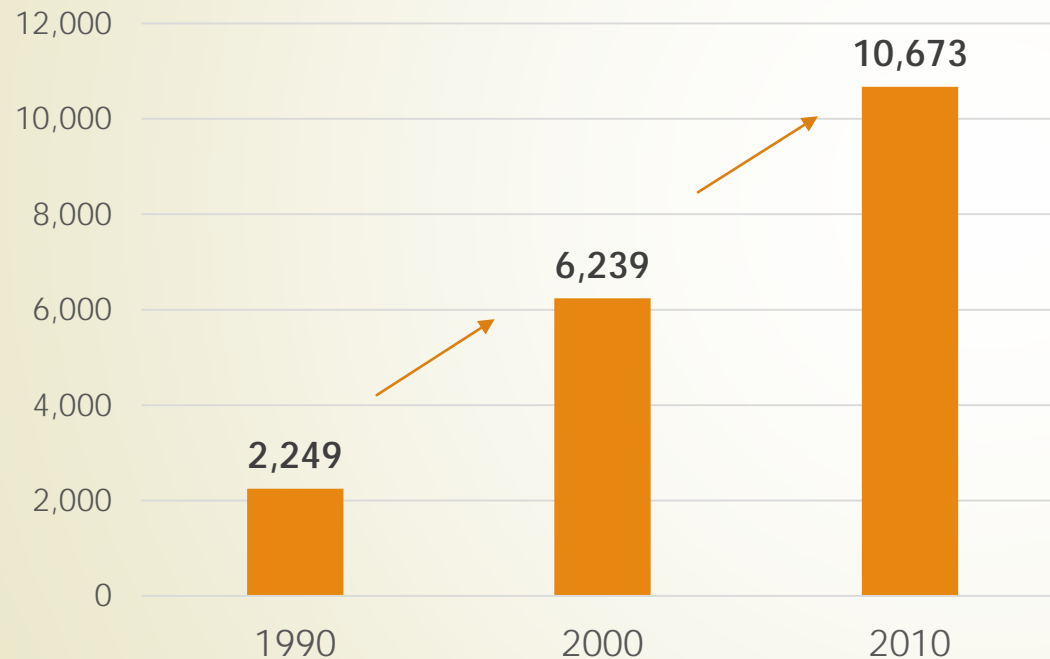


Who Lives & Works in Kakaako Now?

- ▶ 10,673 People Lived in the Kakaako in 2010
(71% Increase from 2000)
- ▶ More Adult-Oriented Community (fewer children)
- ▶ More “Living alone households” (42%)
- ▶ Smaller Households and Families
- ▶ More Small Businesses (76%)

Population Change in Kakaako

Population in Kakaako



*Based on 2010 census


Population in the Kakaako area increased from 2,249 in 1990, to 6,239 in 2000 and to **10,673 in 2010.**

| Period | Change | Change in % |
|-----------|--------|-------------|
| 1990-2000 | 3,990 | 177.4% |
| 2000-2010 | 4,434 | 71.1% |









Kakaako Population in 2010

| | |
|----------------------------|--------|
| Total Residents | 10,673 |
| In Households | 10,034 |
| In Group living facilities | 639 |

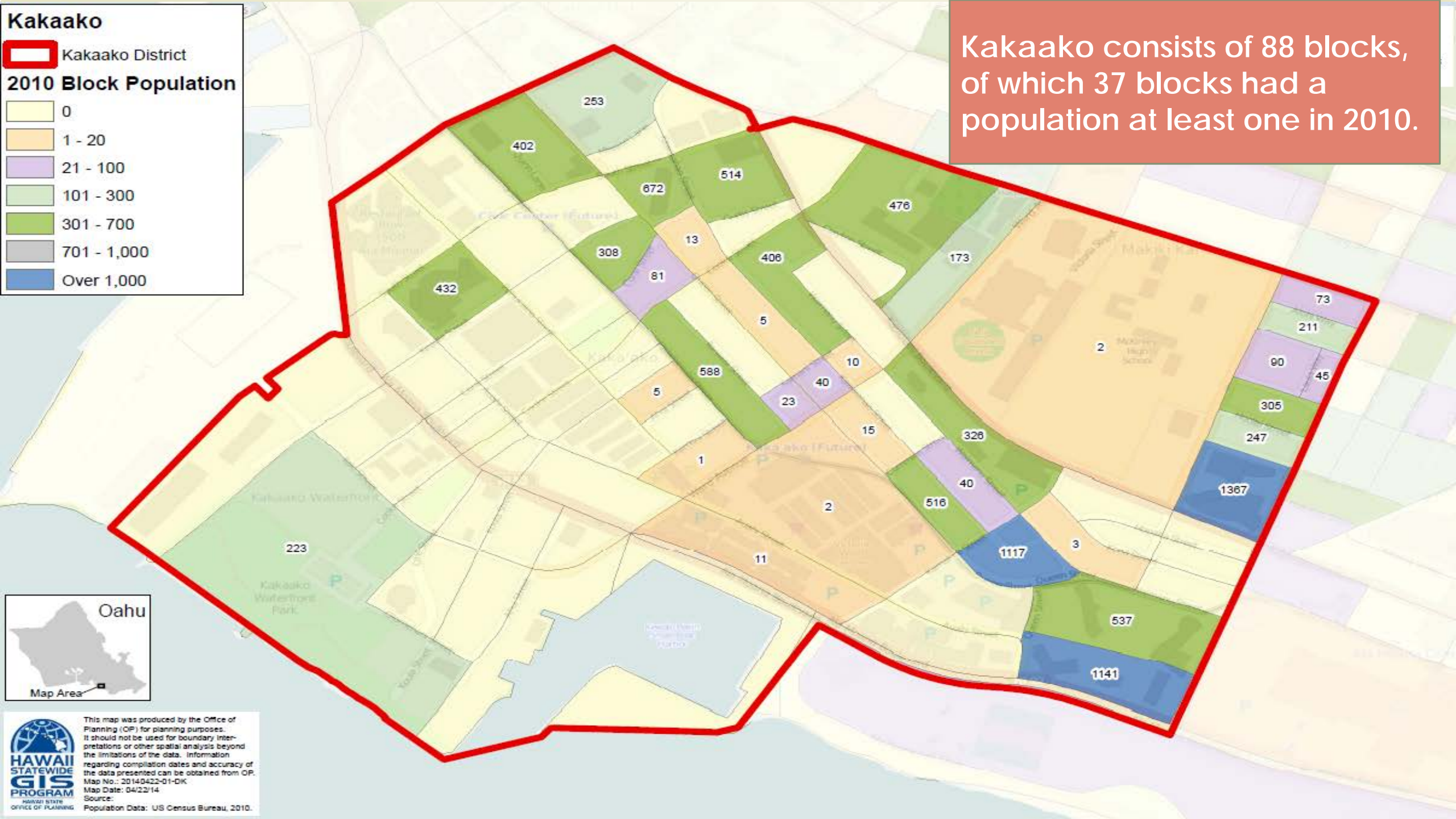
Kakaako

 Kakaako District

2010 Block Population

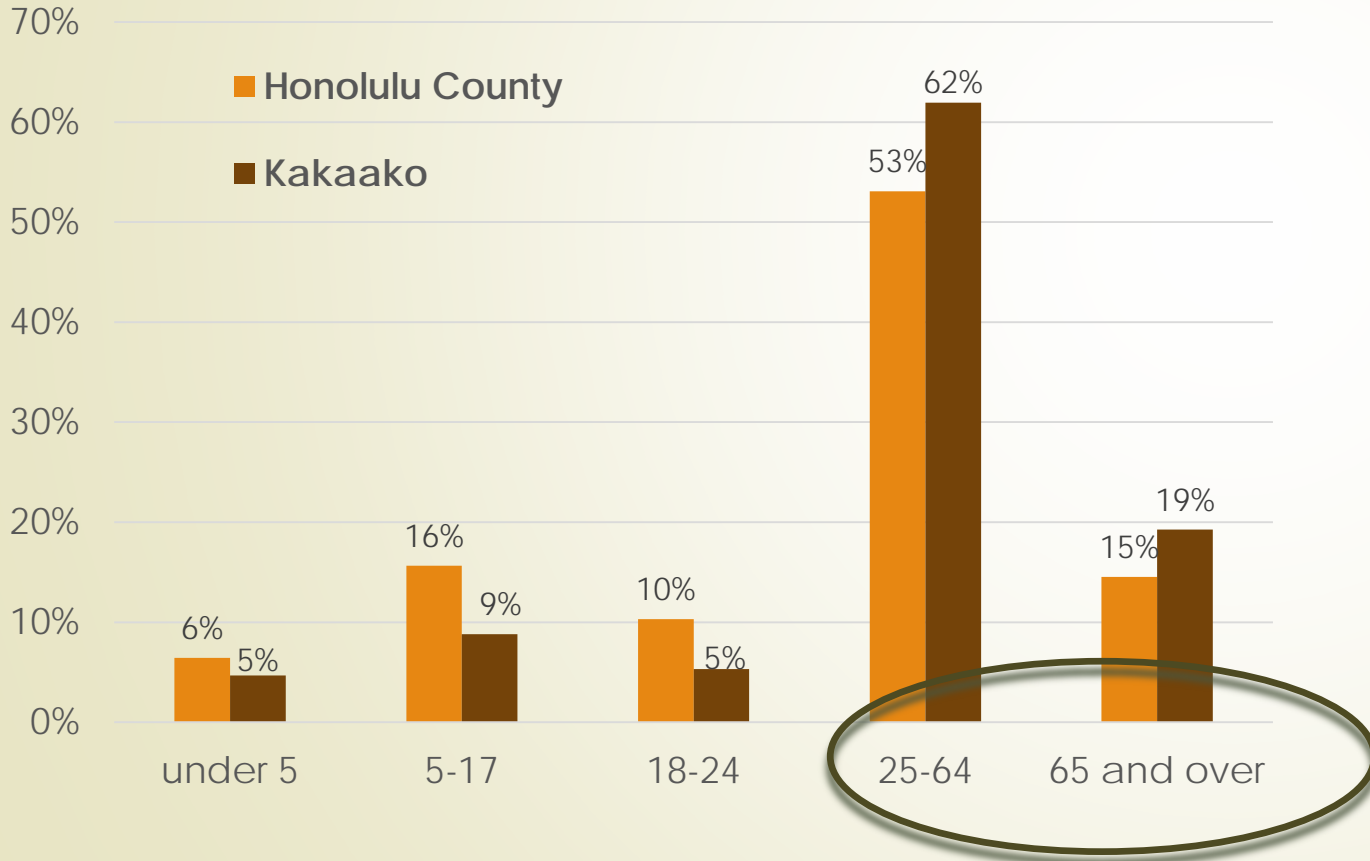
-  0
-  1 - 20
-  21 - 100
-  101 - 300
-  301 - 700
-  701 - 1,000
-  701 - 1,000
-  Over 1,000

Kakaako consists of 88 blocks, of which 37 blocks had a population at least one in 2010.

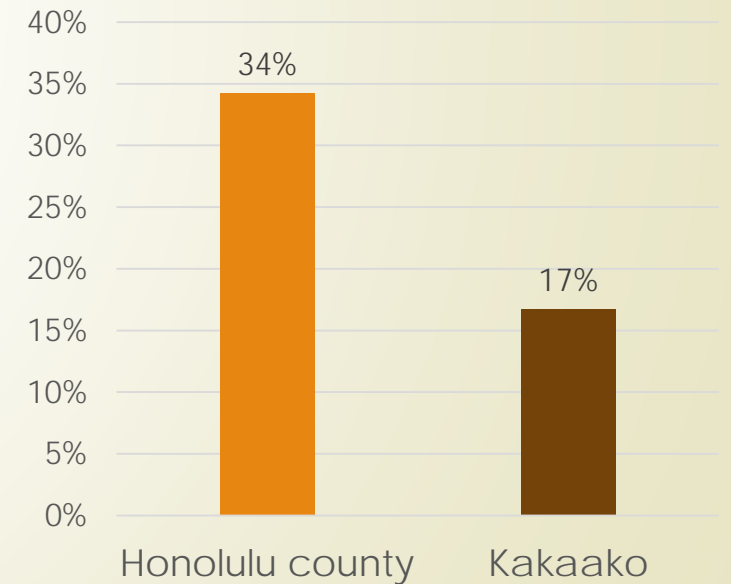


More Adult-Oriented Community

Age Distribution

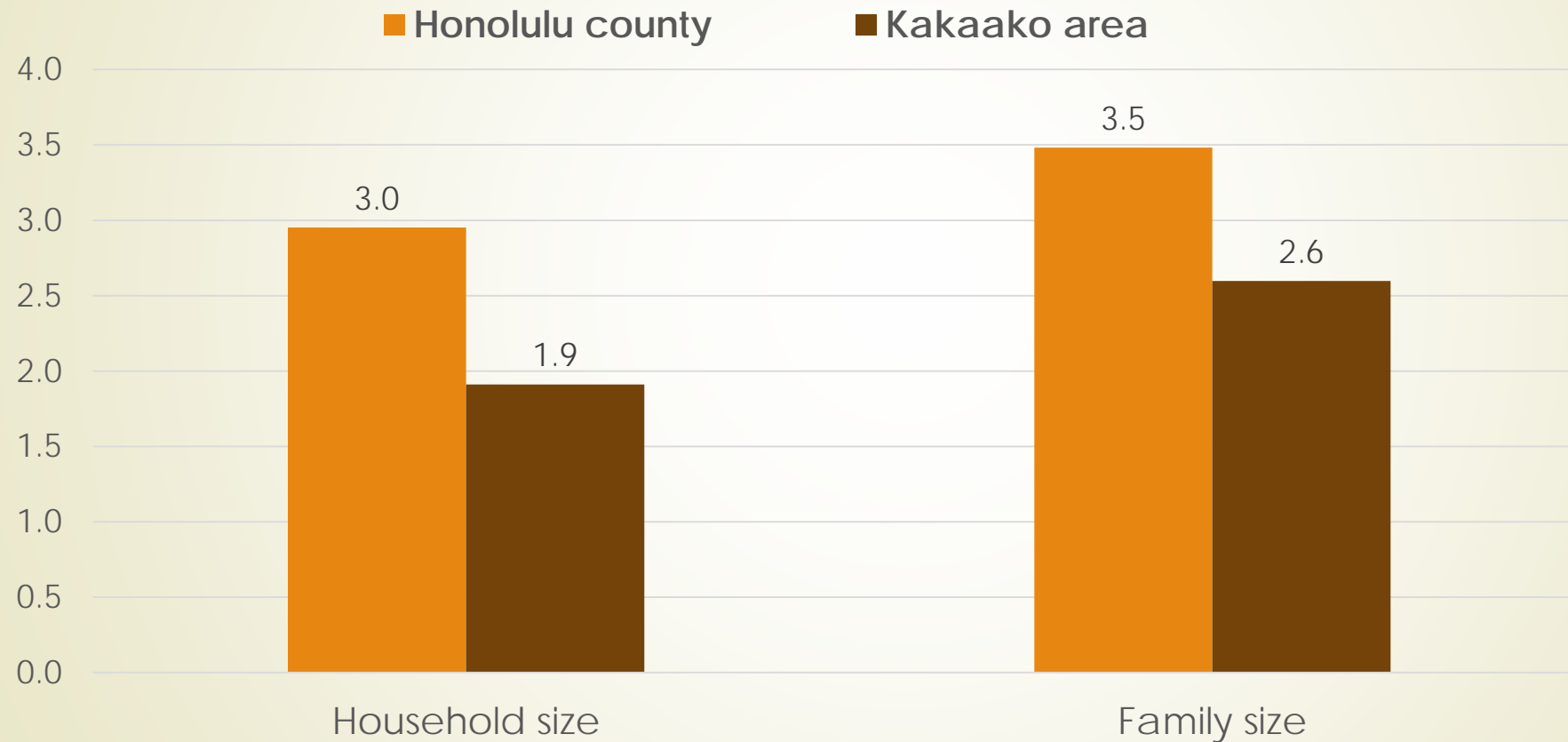


Households with at least one child (under 18)



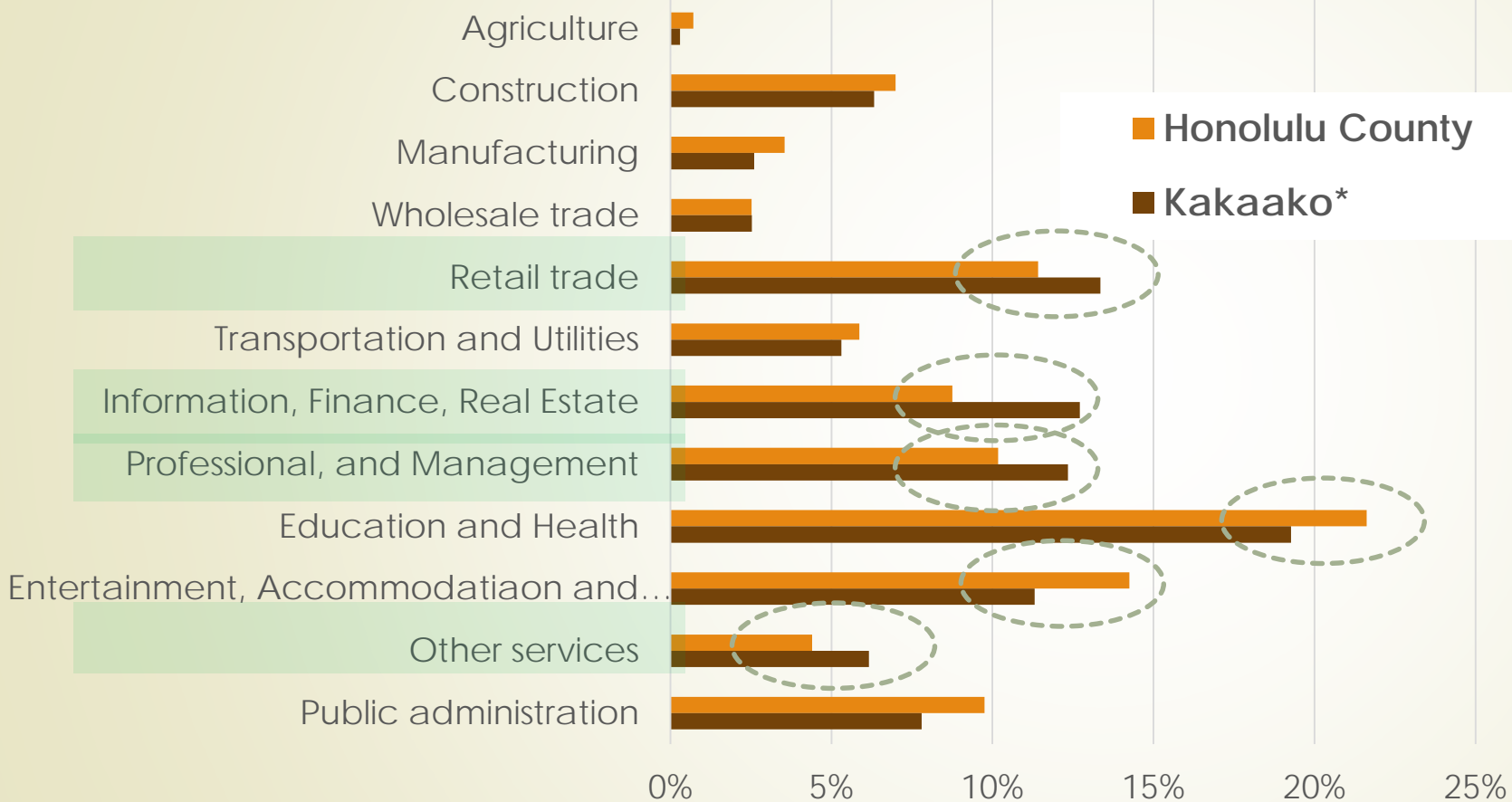
*Based on 2010 census

Average Household and Family Size are Much Smaller



*Based on 2010 census

Where Do Kakaako Residents Work?



People Who Live in Kakaako* Tend to Work more in

- Education & Health
- Entertainment & Accommodation
- Retail Trade
- Information/Finance
- Professional and
- Other Service sectors.

* Based on 2008-2012 American Community Survey (sample data)

* This statistics are for an extended Kakaako area including the Ala Moana area.

Is There Both Large & Small Businesses In Kakaako?

Businesses in Kakaako (by employee size)

| By employee size | Businesses in 2012 | |
|------------------|--------------------|-------|
| 0-1 employee | 457 | 36.3% |
| 2-4 | 333 | 26.4% |
| 5-9 | 173 | 13.7% |
| 10-49 | 232 | 18.4% |
| 50-99 | 31 | 2.5% |
| 100 or more | 34 | 2.7% |
| Total | 1,260 | 100% |

- More than three quarters are small businesses with less than 10 employees.
- There were 34 large companies with more than 100 employees.
- Majority of the large companies (100 or more employees) were based in Kakaako, with many of their employees working in areas other than Kakaako.

What Types of Businesses Are In Kakaako?

| Industry | # of Business (2012) | |
|-----------------------------------|----------------------|-------|
| Other services | 254 | 20.2% |
| Professional/technical services | 171 | 13.6% |
| Retail trade | 134 | 10.6% |
| Accommodation and Food | 108 | 8.6% |
| Wholesale trade | 100 | 7.9% |
| Health care and Social assistance | 94 | 7.5% |
| Finance and Insurance | 71 | 5.6% |
| Construction | 62 | 4.9% |
| Real estate, rental and leasing | 56 | 4.4% |
| All other industries | 210 | 16.7% |
| Total | 1,260 | 100% |

Kakaako Qualified Income Housing Summary

*What is Being Done to Ensure that People
Of Low & Moderate Income Can Live in Kakaako?*





Current Qualified Income Projects

Different Types of Affordable Units

- ▶ **Reserved Housing For-Sale Units** (*built w/no government subsidy*)
 - ▶ Require Housing Developers on Lots >20,000 sf to Provide 20% of Their Floor Area for such Units at Their Cost to People Earning Between 100 - 140% AMI
 - ▶ **Workforce Housing** - In Exchange for Regulatory Relief & Bonus FAR Density Housing Priced Between 100-140% Can Be Built
- ▶ **Reserved Housing Rental Units** (*built w/no government subsidy*)
 - ▶ 15 Year Regulated Period
- ▶ **Government Subsidized & Developed Rental Units**
 - ▶ Low Income Housing Tax Credit Used
 - ▶ Requires 10% Units ≤ (Public Housing) 30% AMI
 - ▶ Remainder of Units ≤ 60% AMI

Faces of the Area Median Income

60% AMI

Secretary



60% of the area median income
for a single person is
\$40,300

60% for a family of 4 is
\$57,500

100% AMI

Police Officer



Teacher



and 2 kids



100% of the area median income
for a family of 4 is
\$82,600

140% AMI

Nurse



Cashier



140% of the area median income
for a family of 2 is
\$92,500

140% for a family of 4 is
\$115,650

*"80% of the total households on Oahu make 140% AMI or less."
-State Research and Economic Analysis Division*

| Occupation | AMI Level | Median Wage | Annual Salary |
|----------------------------|-----------|-------------|---------------|
| Food Prep Workers | 30% | \$8.97 | \$20,220 |
| Waiter | 40% | \$10.81 | \$28,930 |
| Maids and Housekeepers | 50% | \$15.63 | \$31,740 |
| Secretaries and Assistants | 60% | \$17.64 | \$37,480 |
| Maintenance Workers | 70% | \$19.96 | \$42,730 |
| Police Officer (Rookie) | 80% | \$25.00 | \$52,000 |
| Teacher (Experienced) | 100% | \$27.88 | \$58,000 |
| Registered Nurses | 140% | \$41.32 | \$85,380 |



POTS Innovations & Initiatives

- ▶ Allow Developers to Construct More Units If Out of District
 - ▶ Rycroft Terrace 162 units for 100 unit credit
- ▶ Relax Parking Standards for TOD Units
 - ▶ Typically 1 stall/unit required
- ▶ FAR Density for Affordable Units Not Counted Towards Project Maximum
- ▶ Provide Flexibility in Zoning Requirements
 - ▶ Regarding Setbacks, Other Design Specifications
- ▶ Given Release From Public Facility Dedication Fees for Constructing Reserved Housing Units
- ▶ Zoning Builds Car Free Community, Active & Complete Streets, Jobs & Place

HCDA Reserved Housing

| Completed Projects | # of Units | AMI | Rental/Sale |
|---------------------|-------------|----------|-------------|
| Royal Capitol Plaza | 28 | 64-140% | Sale |
| 1133 Waimanu | 282 | 97-117% | Sale |
| Keola Lai | 63 | 104-130% | Sale |
| Pacifica | 124 | 100-140% | Sale |
| 680 Ala Moana | 54 | 100% | Rental |
| Na Lei Hulu Kupuna | 76 | 60% | Rental |
| Honuakaha | 244 | 60% | Rental/Sale |
| Pohulani | 262 | 80% | Rental |
| Kauhale Kakaako | 267 | 80% | Rental |
| Kamakee Vista | 225 | 80% | Rental |
| Rycroft Terrace | 162 | 30-130% | Sale |
| Halekauwila Place | 204 | 60% | Rental |
| Total Units | 1991 | | |

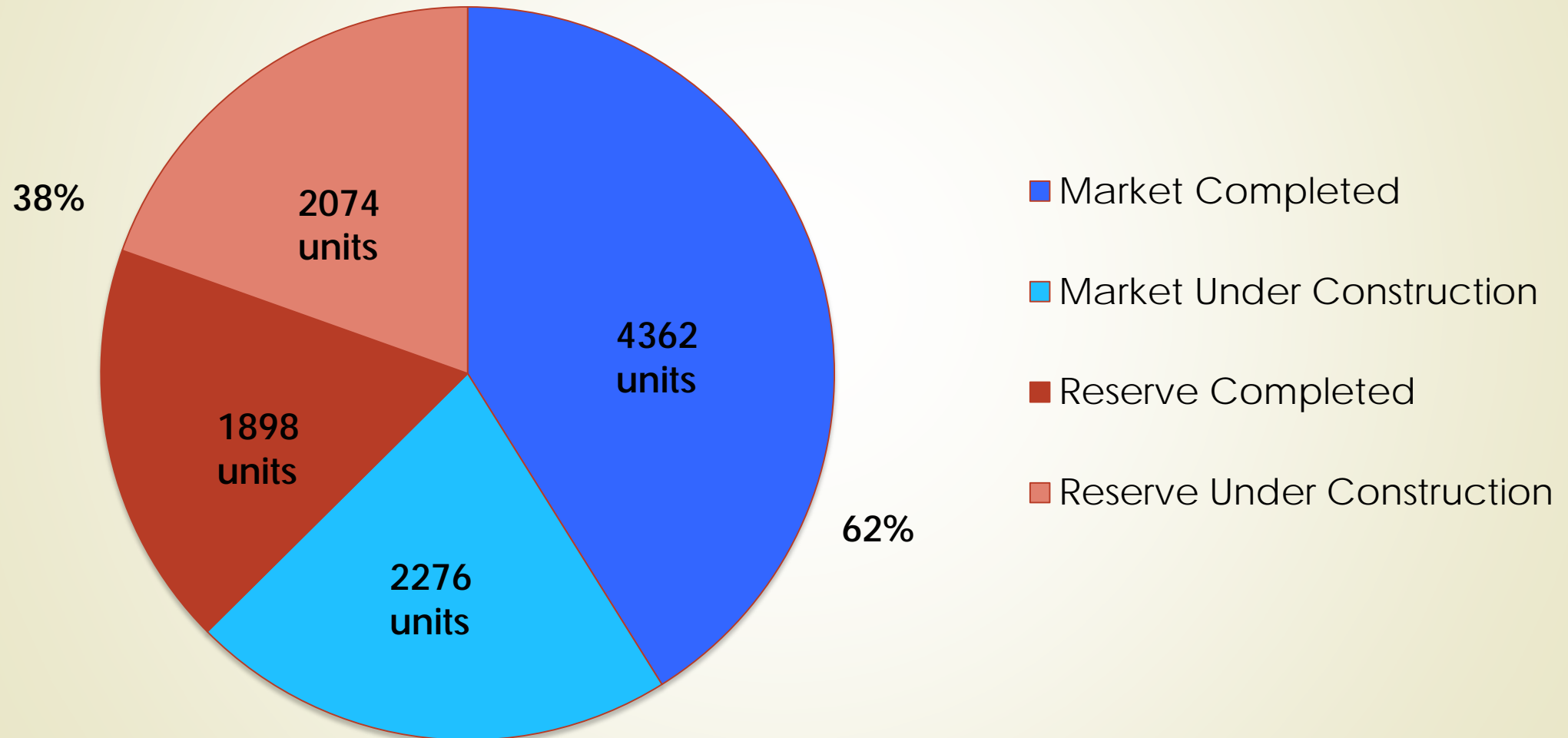
Project Summary

| Projects Under Construction | Market | Reserve | Total |
|------------------------------------|---------------|----------------|--------------|
| Waihonua | 341 | Off Site | 341 |
| 801 South Street A | - | 635 | 635 |
| Symphony | 288 | 100 | 388 |
| The Collection | 467 | Off Site | 467 |
| Waiea | 177 | Off Site | 177 |
| Anaha | 318 | Off Site | 318 |
| Total Units | 1,591 | 735 | 2,326 |

Project Summary

| Permitted Projects | Market | Reserve | Total |
|--------------------|--------|---------|-------|
| Waihonua 2 | - | 72 | 72 |
| 988 Halekauwila | 49 | 375 | 424 |
| Keauhou Lane | 338 | 294 | 632 |
| KS Land Block B | 75 | 108 | 183 |
| 801 South Street B | 49 | 361 | 410 |
| 803 Waimanu | 24 | 121 | 145 |
| <i>Total Units</i> | 712 | 1,331 | 2,043 |

HCDA Approved Housing in Kakaako Since 1976





What More Can We Do?

HCDA Committee on Reserved Housing



What Should the HCDA Do?



**Build More Low
Income Rental
Units!**

**Build More
Moderate
Income Rental
Units!**

**Preserve the
Qualified Income
Units that We
Have Now!**

**Support the
Construction of
Market Housing
Too!**

*While We Need to Focus on Those Who Need Our Help,
We Cannot Forget that Housing is Needed by All in Our Community
Each Year, More than 5,200 New Households are Formed!*

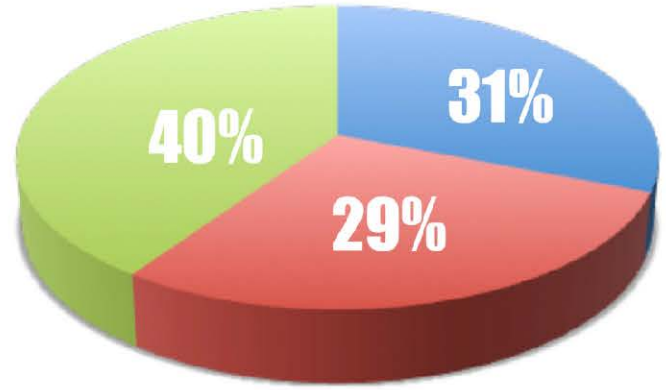


Halekauwila Place Project Cost

\$64,618,250 Total Building Cost

LIHTC
Low Income Housing Tax Credit
\$26,118,250

GAP Financing
17 Million from HCDA
3 Million from HHFDC
\$20,000,000



Mortgage Rental Revenue
First Mortgage
\$18,500,000

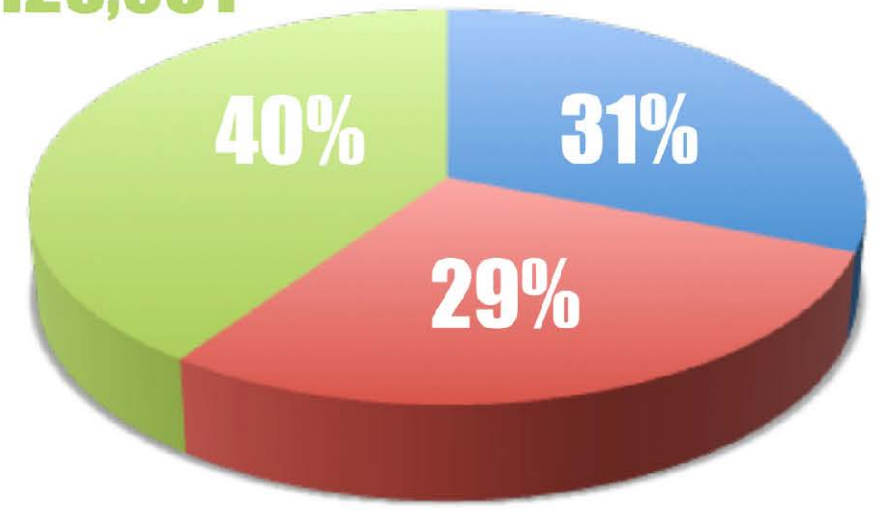


Halekauwila Place Unit Cost

\$316,756 Total Cost Per Unit

LIHTC
\$128,031

GAP Financing
\$98,039



Mortgage Rental Revenue
\$90,686



Build More Low Income Rental Housing

Similar to the Halekauwila Place Project

Technique



Lobby Congress to Increase Our Allocation of the Low Income Housing Tax Credit (LIHTC)




Technique




Identify a Pool of Corporations w/an Appetite for the Federal & State LIHTC Tax Credits



Technique



Issue State Tax Exempt Bonds to Bridge Gap in Financing for Low Income Rental Projects






Build More Low Income Rental Housing

Similar to the Halekauwila Place Project

Technique



Have State ERS Cover Gap in Costs for Low Income Projects that Meet Return Requirements

Technique



Work w/C&C of Honolulu to Establish Project Specific TIF to Finance Gap in Costs

Technique



Require Commercial Projects Employing 60% AMI Staff to Provide Units or Cash-in-Lieu

50% of the conveyance tax

Rental Housing Trust Fund



GAP
Financing

$$= \frac{\$50\text{M}}{\$100\text{K per unit}} = 500 \text{ units}$$

Build More Moderate Income Rental/For-Sale Housing *Similar to the 680 Ala Moana (Little Georges) Project*

Technique


Allow Developers of Reserved Housing Units to Build Either Rental or For-Sale Units

Technique

For-Sale Reserved Housing to be Priced for 80-120% AMI

Technique

Reserved Housing Rules to Apply When Developer Builds 10+ Residential Units



Preserved Existing Qualified Income Housing *Such as Na Lei Hulu Kupuna*

Technique



**Buy-Back Period for For-Sale Reserved
Housing Units Extended to 15 Years**

Technique



**Extend Regulated Period of Reserved
Housing Rental Units to 30 Years**

Technique



**Ensure that Residents Qualify for
Reserved Housing on an Annual Basis**



Support the Construction of Market Housing Too!

Such as 801 South, Symphony, the Collection & Waihonua

Technique



**Administer Development Permitting
Efficiently & In Accordance w/the Law**



Technique



**Promote Existing Rules for Form Based
Code & Active Streetscapes**



Technique



**Support the Execution of New TOD
Rules & Construct Complete Streets**





STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

**INFORMATIONAL BRIEFING
ON HOUSING PROJECTS &
PROPOSED 2015 LEGISLATION**

**Senate Committee on Human Services &
House Committee on Housing**

November 12, 2014

Our mission

To manage the Hawaiian Home Lands trust effectively and to develop and deliver lands to native Hawaiians.



Housing development challenges

- Affordability ranges for families
- Readiness of families
- High construction costs
- Lack of infrastructure/capacity
- Lack of funding



Strategies to increase housing production

- Secure future federal funding
- Rent-with-option-to-purchase
- Leverage affordable housing credits
- Reduce home costs
 - Packaged Homes Pilot Project
- Higher densities
 - Especially in TOD areas



Packaged Homes Pilot Project



Launched September 13, 2014



Packaged Homes Pilot Project

- Offered to 100 vacant lot lessees in oldest homesteads
- Partnership with HPM Building Supply and Honsador
- DHHL finances packaged homes, lessee finances construction
- Construction loan is \$130,000, on average
- \$300/month mortgage
- Financed with \$29 million of NAHASDA (federal)
- Families must be <80% AMI



Affordable Housing Credits

- DHHL receives credits from counties for affordable units developed on HHL
- DHHL transfers credits to developers in exchange for resources for development of more affordable housing (e.g., funding, land, reduced development costs)
- Credits and resources stay in the county
- DHHL is working with counties to improve implementation
- Need to extend 2015 sunset



2015 Proposed Legislation

HHL-01(15): Relating to Affordable Housing on Hawaiian Home Lands

- Repeals sunset provision of pilot program initiated in 2009
- Allows DHHL to continue to receive affordable housing credits from the counties and transfer them to housing developers
- Clarifies use of credits by developers
- See HB 2286 (2014)



Placeholder for Office of Housing Presentation

No file received as 11/10/14.

Testifier may bring hardcopies.

Electronic copy may be accessed through
Late Testimony after the hearing.



INTERSTATE
H1 Hawaii Public
Housing Authority

Past, Present & Future

The
Future
of HPHA



History
The Hawaii Public Housing Authority was established in 1965 to address the housing needs of the state's low-income population. It has since become a leading provider of affordable housing and community development services.

Contact Information
phone: 832-4692
website: hpha.hawaii.gov
email: HPHA@hawaii.gov



Hawaii Public Housing Authority

Past, Present & Future



INTERSTATE
H1 **Hawaii Public
 Housing Authority**

Past, Present & Future

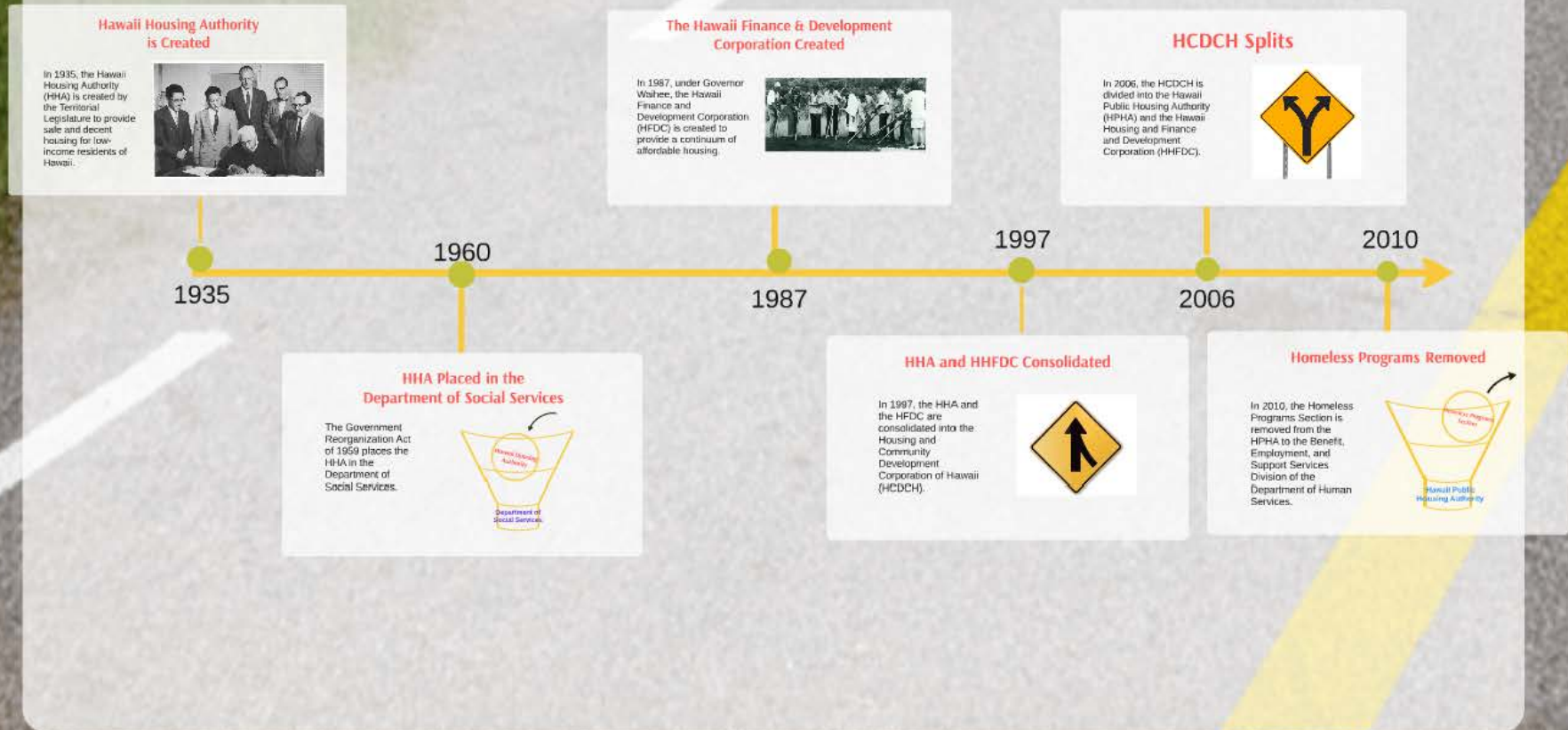
**The
 Future
 of HPHA**



**Our
 Mission**

We are dedicated to providing quality affordable housing to a diverse low-income population, and economic opportunity, for our future families and neighbors.

History



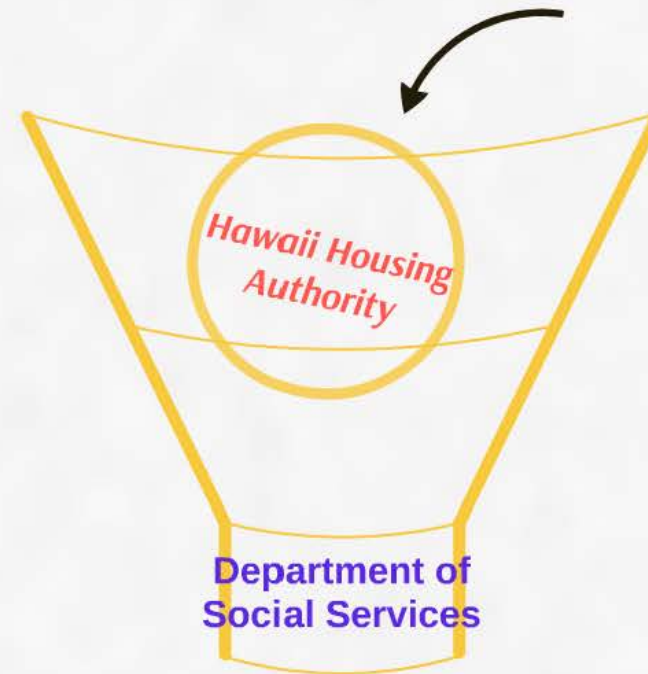
Hawaii Housing Authority is Created

In 1935, the Hawaii Housing Authority (HHA) is created by the Territorial Legislature to provide safe and decent housing for low-income residents of Hawaii.



HHA Placed in the Department of Social Services

The Government Reorganization Act of 1959 places the HHA in the Department of Social Services.



The Hawaii Finance & Development Corporation Created

In 1987, under Governor Waihee, the Hawaii Finance and Development Corporation (HFDC) is created to provide a continuum of affordable housing.



HHA and HHFDC Consolidated

In 1997, the HHA and the HFDC are consolidated into the Housing and Community Development Corporation of Hawaii (HCDCH).



HCDCH Splits

In 2006, the HCDCH is divided into the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing and Finance and Development Corporation (HHFDC).



Homeless Programs Removed

In 2010, the Homeless Programs Section is removed from the HPHA to the Benefit, Employment, and Support Services Division of the Department of Human Services.





We are dedicated to providing quality affordable housing in a manner free from discrimination, a suitable living environment, and economic opportunity, for low-income families and individuals.

Organization

A FULL SERVICE AGENCY

Management

Board of Directors



Executive Director



Administrative Support Offices

Property Management & Maintenance



Section 8



Compliance



Contracts & Procurement



Fiscal Management



Construction Management



Hearings



Information Technology



Personnel



Planning & Evaluation



Major Programs

Property Management & Maintenance Services



Section 8



Construction Management

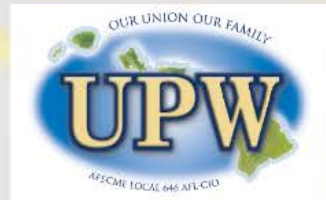


350 established positions (only 1.25 positions are state funded).

Partners



Private
Developers

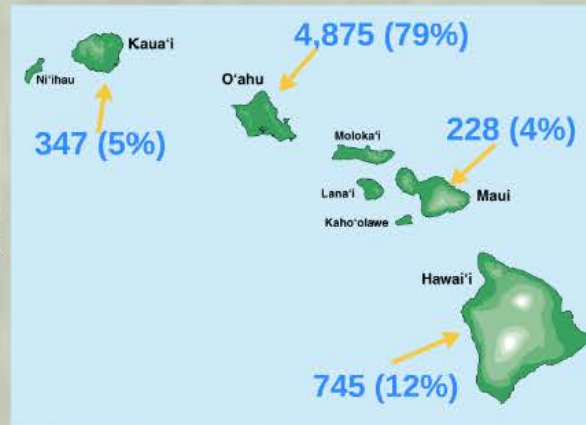


Program Overview

Across the U.S., there are over **3,300** Housing Authorities (PHA), serving over **1.2 million** households. HPHA is one of the largest PHA's in the country and the only PHA for the entire State of Hawaii.



Across Hawaii, the HPHA portfolio consists of **85 properties**:
5,331 Federal Units
864 State Units
6,195 Total Units

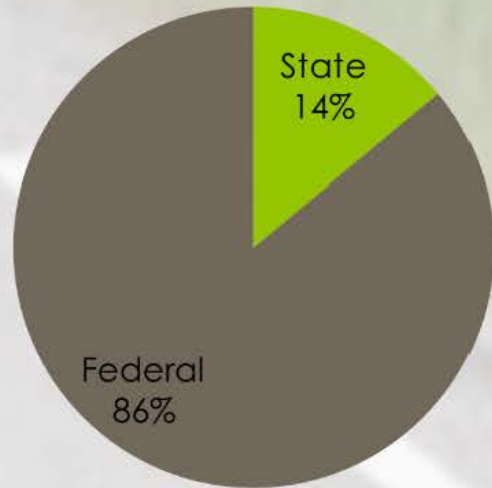


HPHA administers the following **Housing Vouchers**:
2,000 Section 8
175 Non-elderly Disabled(NED)
250 Veterans Assistance(VASH)
2,996 Project Based Sec. 8(PBCA)
217 State Rent Suppl.
5,638 Total Vouchers

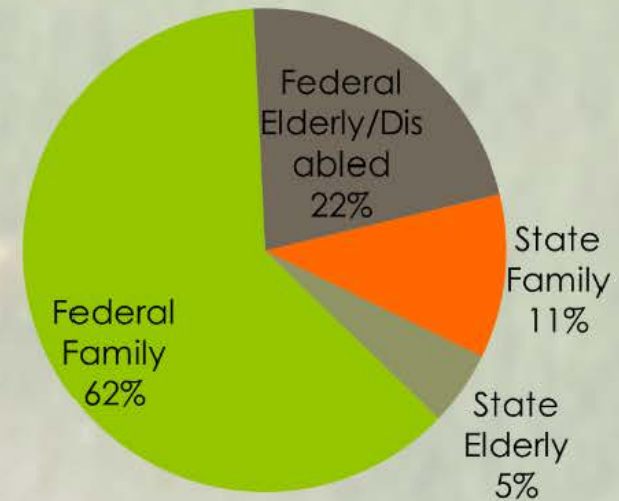
11,833 Households

Public Housing Overview

Portfolio by Means of Funding



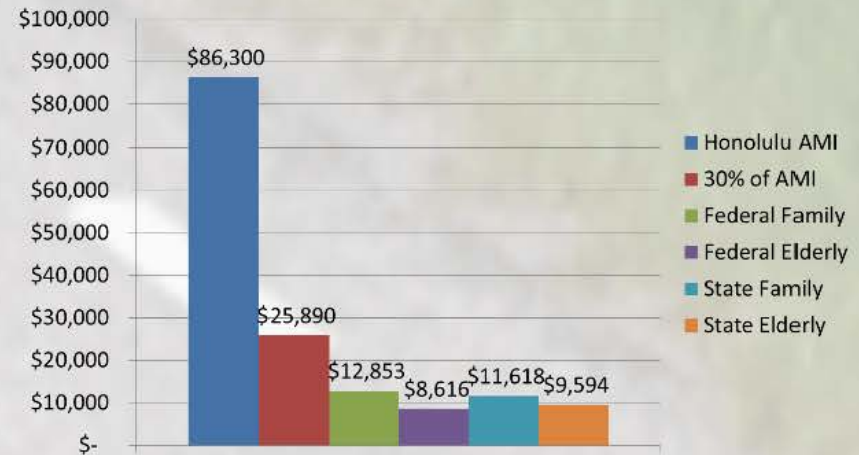
Program Beneficiaries



Average Rents

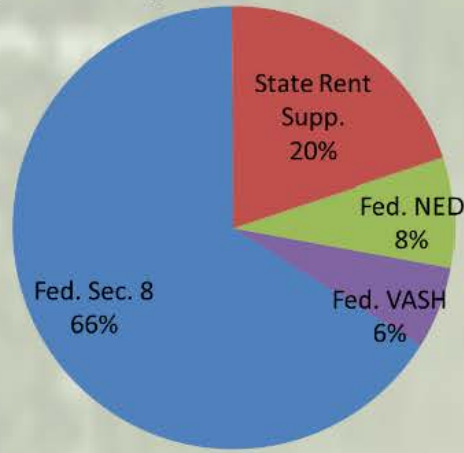


Medium Income Comparison

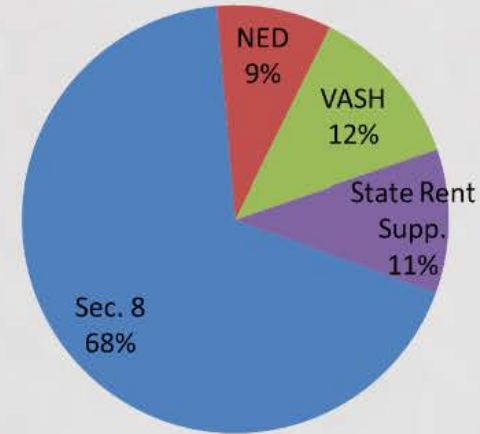


Section 8 Subsidy Program Overview

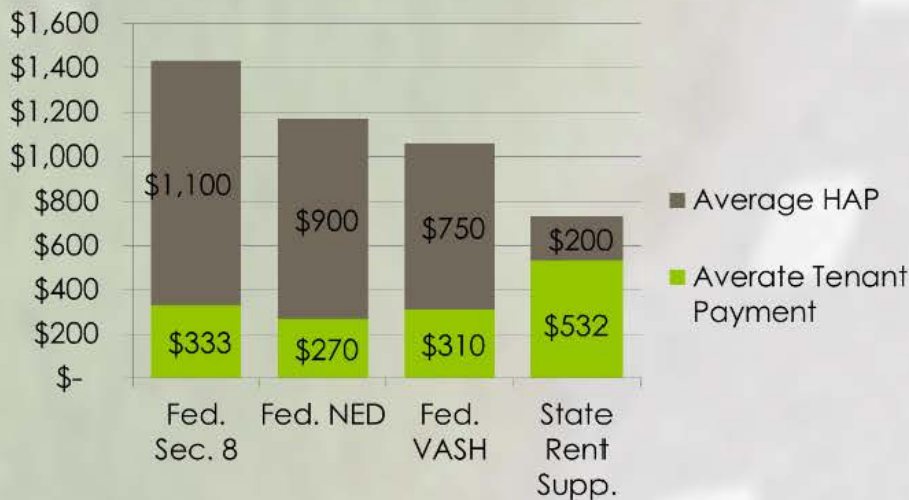
Programs by Means of Funding



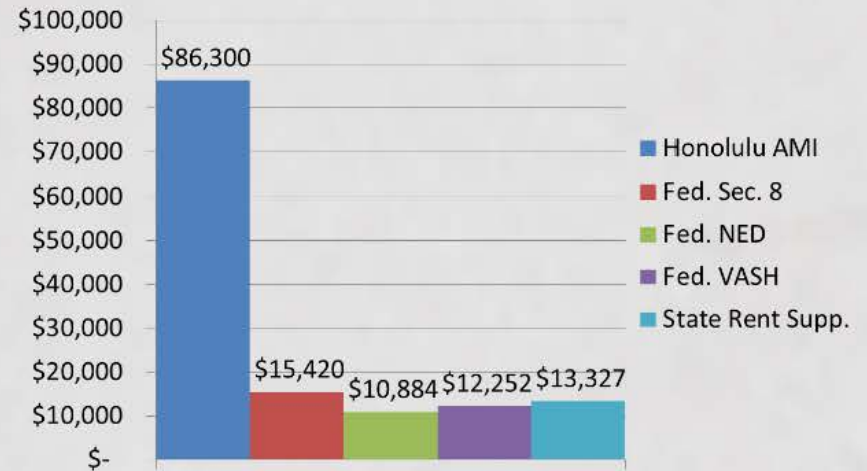
Program Beneficiaries



Housing Assistance Payment vs. Tenant Payment



Medium Income Comparison



Who We Serve

HPHA Public Housing and Section 8 Programs serve over **11,000 families** or more than **31,000 individuals** earning 30% of the Average Medium Income (AMI) or below, or "*extremely low income*".

| | Fed. Public Housing | State Public Housing | Section 8 | Totals |
|---|---------------------|----------------------|-----------|--------------|
| Children (ages 0 to 17) | 4,978 | 244 | 2,666 | 7,888 |
| Elderly (ages 72 & over) | 1,669 | 581 | 397 | 2,647 |
| Veterans | Not tracked | Not tracked | 55 | 55+ |
| Homeless (intake over the last 5 years) | 2473 | 123 | 541 | 3,137 |

Challenges

High Occupancies

Aging Facilities

Delinquent Rents

No Hot Water

Understaffing

Old Technology

Safety/Security

Delayed Release or Lack of Funding

Unqualified Applicant Pool

Increasing Construction Costs

Delayed Unit Turnover

Drugs & Alcohol



High Crime

Smoking

Audit Findings

Aging Population

Cesspools

Long Waitlists

Below Break Even

Language & Cultural Barriers

Reasonable Accommodations

HUD Corrective Action Order

Reduced Sec. 8 Subsidy

COFA Impacts

Gangs

Remote Locations

Domestic Violence

Multi-Island Locations

Strides to Overcome Challenges

Occupancy Rates & Vacant Unit Turnaround



In 2012, our occupancy rate was **80% range** and our vacant unit turnaround time was **267 days**.



Under **Act 159** (2012), which provides a temporary exemption from civil service recruitment requirements, the HPHA was able to swiftly hire skilled workers for repair/renovation work of vacant units. These hires are collectively known as the "Special Teams", which complement the existing HPHA workforce.



In 2014, based in large part on the "Special Teams" repairs and renovations, our occupancy rate **improved to 98%** and our vacant unit turnaround time **decreased to 7 days**.



Strides to Overcome Challenges

Language Accessibility & Reasonable Accommodations



Some tenants have **limited English language skills** or **physical or mental disabilities** that may preclude their access to important housing information or impair their physical use of their unit or the property.

HPHA has spent over \$125,000 in providing language access services; establishing language access policy; requiring mandatory training for all staff; and updating and streamlining guidance for tenants regarding reasonable accommodations.

Over the past 3 years, HPHA has approved approximately **1,000 reasonable accommodations** for a variety of disabilities by allowing installation of grab bars, transfers to more accessible units, and assistance animals, etc., and has provided **language access services in 22 different languages**.



Strides to Overcome Challenges

Health, Safety & Welfare



Unrestricted smoking at HPHA projects threatens the **health** of public housing tenants.

In 2012, HPHA initiated a smoking ban policy at all HPHA projects. Under **Act 91** (2014), smoking is banned by law at all HPHA projects.



High crime has plagued some HPHA projects, creating an undesirable environment for tenants.

The HPHA has issued tenant ID cards, erected fencing and improved lighting; conducted eviction hearings to weed out criminals and promptly evict violators; and under **Act 145** (2013) tightened the law on trespassers of HPHA projects.

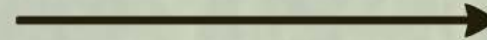
All residents and HPHA employees can enjoy a more healthy, **smoke-free** living and work environment.

Criminal activity has significantly **decreased**, for example, at MWH, since 2012, aggravated assaults are down 86% and nuisance complaints are down 72%.



Strides to Overcome Challenges

Third-Party Findings



In 2002, a **HUD Corrective Action Order** was issued due to HPHA's procurement and capital fund program management.

HPHA instituted and executed a **corrective action plan** to improve capital fund program management and procurement procedures.

In 2013, HUD **terminated** the Corrective Action Order, citing HPHA's great improvement in the areas of concern. During the current audit, HPHA is on track to reduce audit findings by 90% with the goal of zero findings in FY2015.

In 2010, HPHA received **16 financial audit findings**, including internal control weaknesses, untimely reconciliations, and inaccuracies.

Since the 16 findings, HPHA has enhanced staff technical competence, strengthened internal controls and improved financial procedures and control mechanisms.

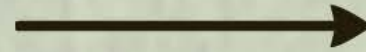
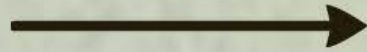
In 2014, Audit findings decreased to **6 findings**.

In 2011, the Sec. 8 Program faced many challenges and obstacles, receiving a **SEMAP score of 93**.

Sec. 8 made vast improvements in reducing the administrative burden of housing quality control inspections.

On Oct. 30, 2014, HPHA received a HUD report stating our SEMAP score **improved to 97**, an "overall performance rating of **High Performer**".

Current & On-Going Challenges Funding For Redevelopment



Properties in HPHA's portfolio are **nearing the end of their building life cycle**, requiring renovation, modernization or complete overhaul. Our inventory is essentially **fully occupied**, while waitlists have an average wait time of 2 to 7 years. **Waitlists will continue to grow** if we are unable to quickly expand our inventory.

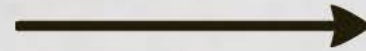
While mixed-use, mixed-income and mixed-finance redevelopment provides the **public/private partnership** to move us closer to our goals, a **funding gap persists**.

To fully realize the redevelopment of properties such as Mayor Wright Homes and the expansion of our inventory, **funds to fill the gap** are needed, including the **leveraging of tax credits**.



Current & On-Going Challenges

Subsidy for State Housing



The State Public Housing Program for families and elderly is running at a deficit as revenues/rents fail to break even with expenditures.

The HPHA prefers not to pass the deficit on to tenants by increasing their rents.

The HPHA asks that the legislature provide funding to keep operations out of the "red" and to supplement rents, in order to keep rents affordable for tenants.



Current & Ongoing Challenges

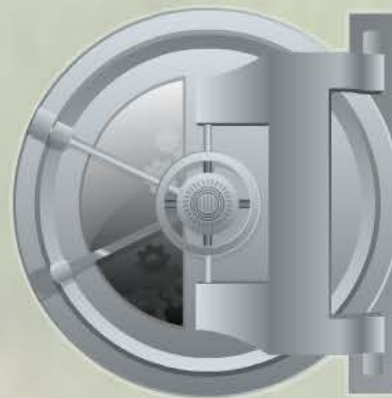
Delays & Withholding of Funds



HPHA is **hampered** by delays and failures in the release of State funds and appropriations, causing **unnecessary delays in start and completion of unit construction** and consequently increasing the period of time potential tenants **remain homeless**.

With zero positions funded and no release of "associated costs" to manage CIP appropriations, HPHA is evaluating how to move forward.

HPHA continues to work with the other department but could benefit from a **legislative directive** to the department confirming the intent of the appropriation.



Projects on the Horizon

Expanding the Supply of Assisted Housing

Nine days ago, the **Hunt Development Group** was selected as the **Lead Master Developer** to redevelop **Mayor Wright Homes** as a mixed-use, mixed-income, mixed-finance project.

The Redevelopment aims to provide **hundreds of additional units**, while maintaining the existing 364 units at 30% of AMI.



MCCORMACK
BARON
SALAZAR



To be announced soon: HPHA is also planning the redevelopment of other HPHA sites that aim to add **hundreds more additional affordable units**.



Projects on the Horizon

Innovation, TOD & Greater Opportunities

Redevelopment projects on the horizon promise to bring fresh ideas for **innovative, sustainable, mixed-use design**.

Some of the future projects are located within the City's **Transit-Oriented Development Zones**, which will allow for **higher densities** as well as **greater opportunities** for tenants to access jobs, schools, businesses, services, etc.



The Future of HPHA

Modernization

Transit-Oriented Development

Greater Fiscal & Program Efficiencies

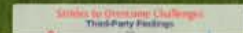
Increased Accessibility
Promoting Self-sufficiency of Assisted Households

Redevelopment
Private-Public Partnerships

Expanded Supply of Assisted Housing

Improved Quality of Assisted Housing

Improving Tenant Well-being & Opportunities



INTERSTATE
H1 Hawaii Public
Housing Authority

Past, Present & Future



Contact Information
phone: 832-4692
website: hpha.hawaii.gov
email: HPHA@hawaii.gov