

LATE

Housing Development in Kakaako As A Function of HCDA Rules

Part of the Solution and Not a Part of the
Problem!

Types of Housing Development

As Provided by HCDA Rules

- **Market Housing**
 - Built by Private Developer for Willing Buyer
- **Housing Exaction (Reserved Housing)**
 - HCDA Rules Require Market Housing Developer to Build ≈20% of Units for Qualified Income Buyer w/no Government Subsidy
 - Rental Units at ≤100% AMI or For-Sale at 100-140% AMI
- **State Sponsored Qualified Income Housing**
 - State Provides Tax Credits, Loan from Rental Housing Trust Fund
 - Typically for ≤60% AMI
- **Incentive Based Housing (Workforce Housing)**
 - Targets For-Sale 100-140% AMI Buyers
 - Provides Density Bonus if 75% of Units are Set Aside for Qualified Buyers
 - No Government Subsidy Given

Types of Qualified Income Residential Unit Development

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| <p>HCDA Reserved Housing</p> <ul style="list-style-type: none"> • Set Aside 20% Units by Developers on ≥ 20 K sf Parcel <ul style="list-style-type: none"> • For Sale – for Families at 100 to 140% AMI • For Rent – for Families $\leq 100\%$ AMI • <i>No Government Subsidy</i> • Workforce Housing = 75% of Units for 100-140% Buyers <ul style="list-style-type: none"> • <i>No Government Subsidy</i> | <p>State Subsidized Units</p> <ul style="list-style-type: none"> • Government Subsidized Housing <ul style="list-style-type: none"> • Low Income Housing Tax Credit • HUD Backed Financing • Hula Mae Bond Financing • 201H Qualified Affordable Housing Project Exemptions • Other State Subsidy/Financing |
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Realities of Housing Development

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| <p>Subsidized Housing</p> <ul style="list-style-type: none"> • Revenue Income Itself Cannot Sustain Financing • Gap Financing Needed <ul style="list-style-type: none"> • At least 1/3 of Capital Stack Must Be Subsidized • Pre-Development & Construction Timeframe Can Be 4 Years or More • Costs of Construction <ul style="list-style-type: none"> • Rival Costs of Market Housing • Requirements for 30% AMI Clientele Reduces Revenue • Entitlements Require Time & Expense | <p>Market Housing</p> <ul style="list-style-type: none"> • Market Housing Must Have a Sustainable Business Plan or It Will Not Be Built • Increasing Requirement for Reserved Housing Can Be Problematic! • Securing Entitlements Also Require Time & Expense – Makes Project Timeframe Unpredictable • Pre-Sales Must Produce Enough Non-Refundable Deposits to Allow for Construction Loan to be Given |
|---|---|

Market, Reserved & State Housing Totals Prior to 2012

Project	Market	Reserved (AMI)	State (AMI)
Kamakee Vista	0	-	225 (80%)
Pohulani	0	-	262 (80%)
Kauhale Kakaako	0	-	267 (80%)
Na Lei Hulu Kupuna	0	-	76 (60%)
Honuakaha	93	-	151 (60%)
Market & Reserved Totals	3780	373 (100-140%)	-
Totals (% of 5227 Units)	3873	373 (7%)	981 (18.8%)

**≈ 26% of the Housing Units Constructed
Prior to 2012 were for Qualified Income Families!**

Market, Reserved & State Housing Totals Units Completed After 2012

Project	Market	Reserved (AMI)	State (AMI)
Pacifica	365	124 (100-140%)	-
680 Ala Moana	0	54 (100%)	-
Rycroft Terrace	0	162 (30-120%)	-
Waihonua	341	-	-
Halekauwila Place	-	-	204 (60%)
Totals (% of 5227 Units)	706	340 (27%)	204 (16.3%)

**≈ 43% of the Housing Units Completed
After 2012 were for Qualified Income Families!**

Post 2012 Units Under Construction

Project	Market	Reserved (AMI)	State
801 South St A	0	635 (100-140%)	-
Symphony	288	100 (100-140%)	-
Waiea	177	OS	-
The Collection	467	OS	-
Anaha	318	OS	-
801 South St B	102	308 (100-140%)	-
Total (% of 2395)	1352	1043 (43.5%)	0

43.5% of the Units Under Construction are for Qualified Income Families and a Result of Existing HCDA Rules

Recently Approved Kakaako Projects Market, Reserved & State Unit Totals

Project	Market	Reserved (AMI)	State
404 Ward	49	375 (90-140%)	-
803 Waimanu	121	24 (100%)	-
Keauhou Lane	338	294 (100-140%)	-
KS Land Block B	75	108 (100-140%)	-
Land Block 2, Project 2	236	OS	-
Vida	265	OS	-
Artspace	0	-	84 (60%)
Total (% of 1969)	1084	801 (40.7%)	84 (4.3%)

≈45% of the Permitted Kakaako Projects are for Qualified Income Families!!

Kakaako Housing Project Totals

Market, Reserve & State Units

Housing Type 1976 - Present	Market	Reserve	State
Prior to 2012	3873	373	981
Completed After 2012	706	340	204
Under Construction	1352	1043	-
Approved/Permitted	1084	801	84
Total # (% of 10,841)	7,015	2,557 (23.6%)	1,269 (11.7%)

***≈35.3% of all Housing Units will be
for Qualified Income Families!!***