

Hawaii Housing Finance and Development Corporation

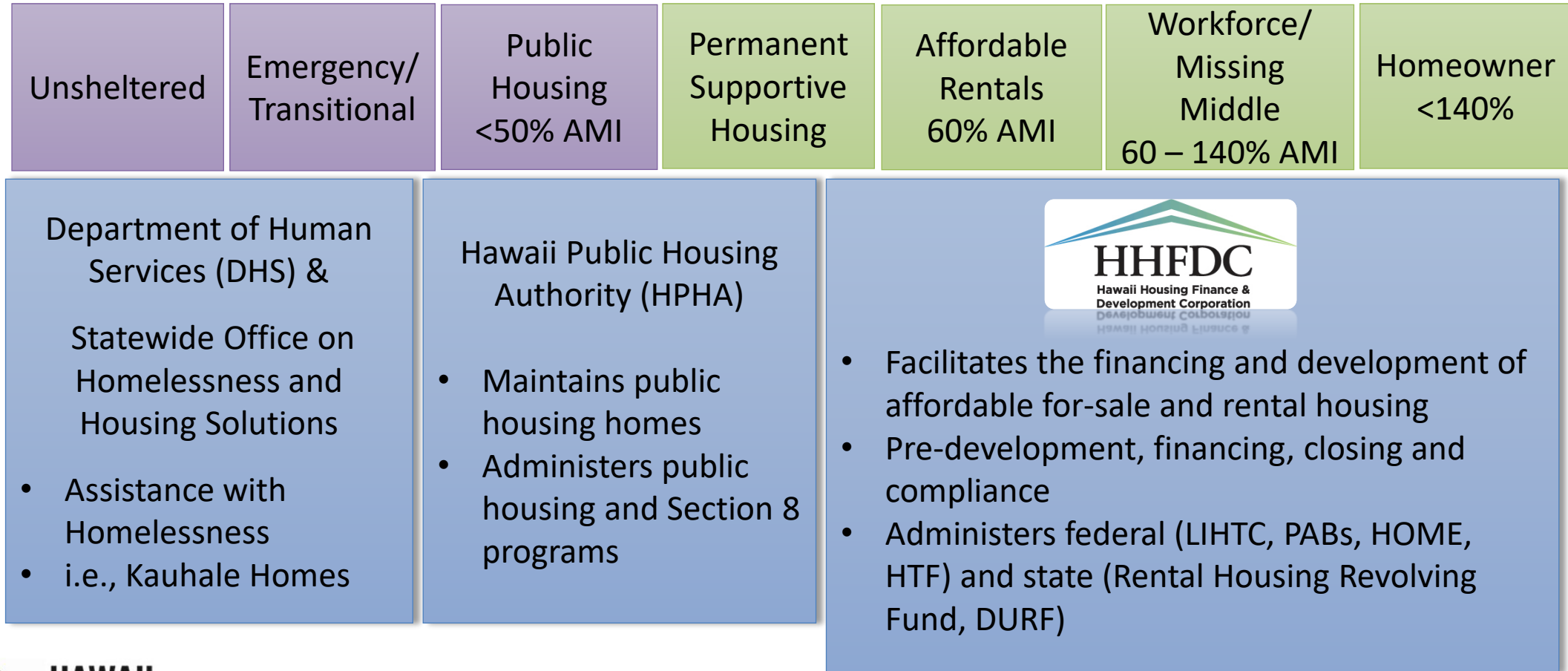


Mission Statement

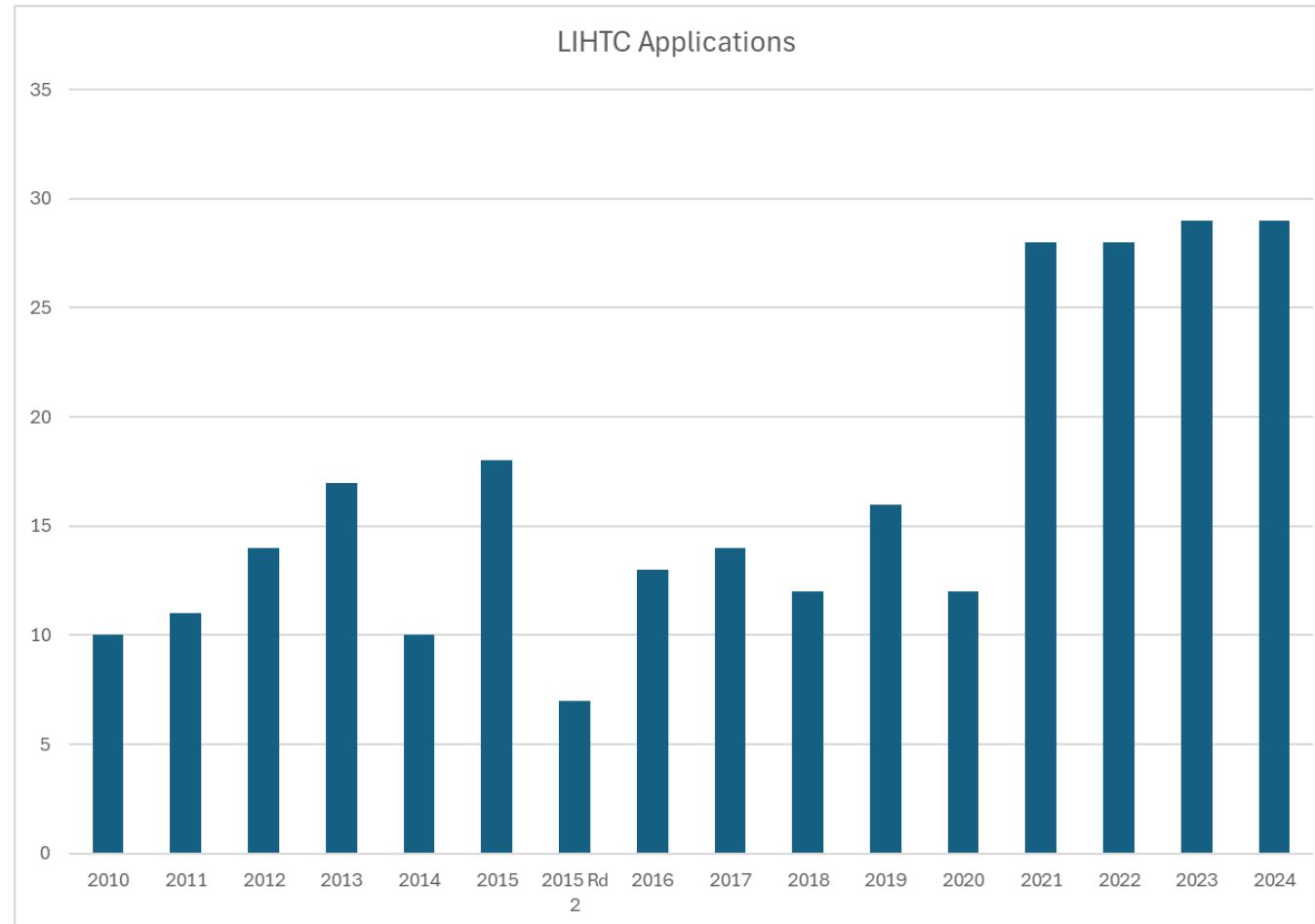
The mission of the Hawaii Housing Finance and Development Corporation is to advance housing opportunities for the residents of Hawaii.



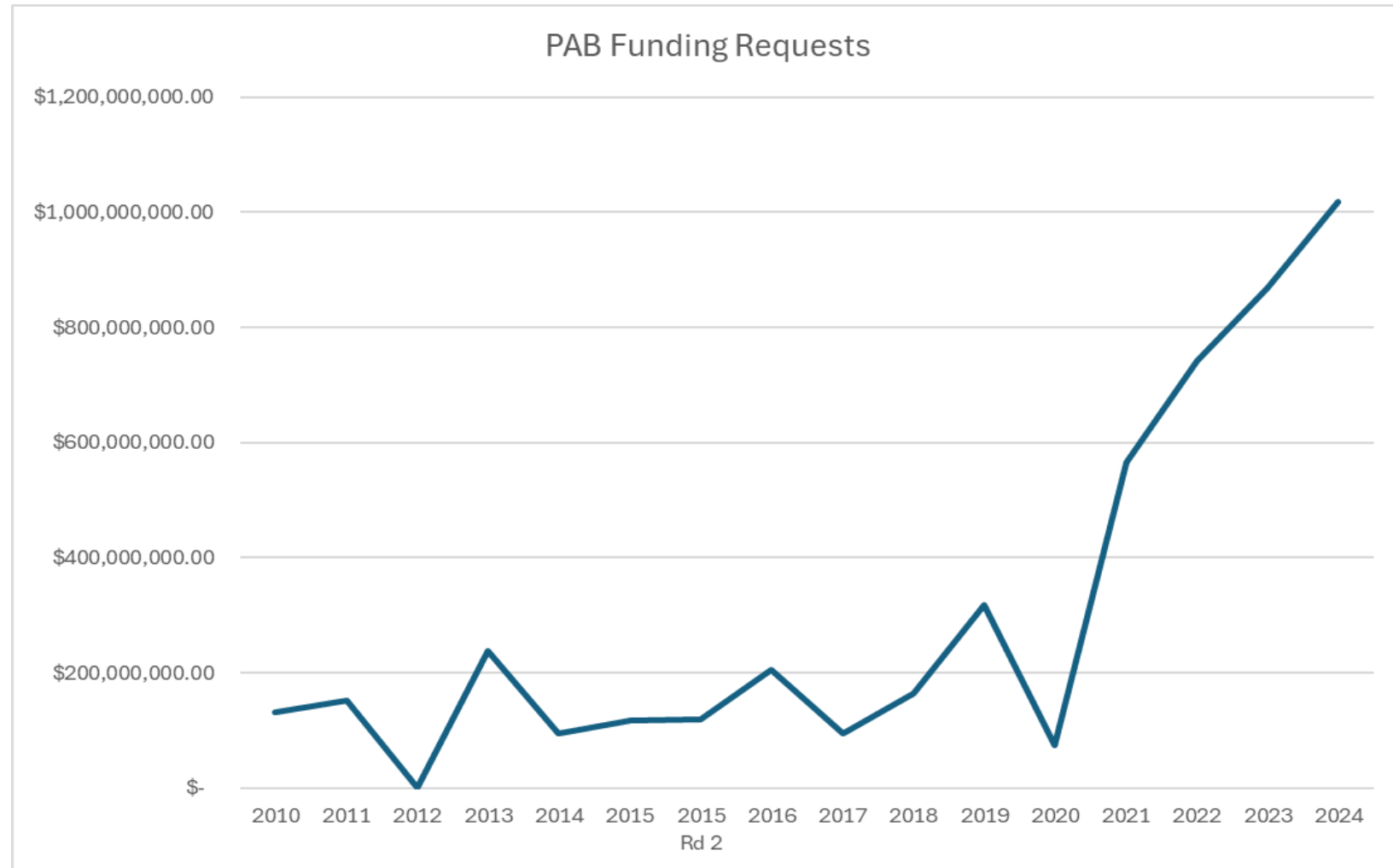
Continuum of Housing



LIHTC Applications Received



Requests for Private Activity Bonds



Rental Housing Revolving Fund Awards - 2024

	PROJECT NAME	LIHTC Units	Total Units	Total Dev. Costs (TDC)	RHRF	RHRF/Unit
Kauai	Hanapepe Residence Lots (9%)	30	30	\$ 29,271,151	NA	NA
Kauai	Kalepa 23 (9%) - acq/rehab	80	80	\$ 21,085,528	\$ 1,000,000	\$ 12,500
Oahu	330 Kuulei Apartments (9%)	36	40	\$ 30,964,954	\$ 5,700,000	\$ 158,333
Maui	Hale Pilina (4%)	178	179	\$ 112,389,693	\$ 39,570,217	\$ 222,305
Hawaii	Kuakini Heights (4%)	98	100	\$ 69,669,567	\$ 18,200,000	\$ 185,714
		422	429	\$ 263,380,893	\$64,470,217	\$164,465

- 25 unique project applications, \$609,603,193 in total requests
- Award Priorities
 - Readiness – Able to financially close within 12-18 months of award
 - Financial Efficiency
- Available Cash Balance of \$163MM for the 2025 funding round.

Rental Housing Revolving Fund Awards - 2024

- Enhanced focus on Readiness to use funds efficiently.
- Lack of Readiness creates funding uncertainty.
 - Projects that have not completed design are vulnerable to cost escalations.
 - Prior to 2023, 41% of awarded projects requested an increase in resources averaging 26.8% of their budget.
 - \$92.8 million in RHRF additional requests from 2021-2023
- Lack of Readiness ties up Private Activity Bond Cap, a severely limited resource.
 - Awarding less than ready projects resulted in \$113.5 million in supplemental HMMF bond awards between 2021-2023.

RHRF Financial Closings 2024

Closing Date	PROJECT	Award Date	Affordable Period (years)	Affordable Units	Total Units	RHRF
4/17/2024	Kai Olino II	8/10/2023	61	27	27	\$ 2,250,000
6/6/2024	HPHA School Street	10/14/2021	55	249	250	\$ 67,860,277
7/11/2024	Liloa Hale	7/14/2022	62	116	117	\$ 23,930,000
8/30/2024	Uahi Ridge	8/11/2022	61	95	96	\$ 25,000,000
8/30/2024	Villages of Laiopua III	6/8/2023	65	32	32	\$ 7,650,000
9/13/2024	Na Hale Makoa	7/13/2023	61	139	140	\$ 29,380,366
10/4/2024	Hale O Piikea II	8/11/2022	66	96	97	\$ 14,065,000
11/8/2024	Palolo Homes	8/10/2023	61	305	306	\$ 14,965,000
11/22/2024	330 Kuulei Apartments	6/13/2024	61	39	40	\$ 5,700,000
11/27/2024	Hale Moiliili	11/10/2022	65	278	278	\$ 41,500,000
12/17/2024	Koa Vista II	11/10/2022	61	97	97	\$ 25,342,534
12/20/2024	Rice Street	7/14/2022	51	65	66	\$ 10,581,793
				1,538	1,546	\$ 268,224,970

HHFDC CIP Requests for Fiscal Biennium 2025-2027

		FY 2026	FY 2027	Total
Dwelling Unit Revolving Fund Infusion		\$20,000,000	\$20,000,000	\$40,000,000
Rental Housing Revolving Fund Infusion	Tier I	\$50,000,000	\$50,000,000	\$100,000,000
	Tier II	\$75,000,000	\$75,000,000	\$150,000,000
Total		\$145,000,000	\$145,000,000	\$290,000,000

RHRF- New Programs

- Rehabilitation & Preservation Loans
 - Short-term, i.e., 10 years
 - Low Interest loan in exchange for long term affordability at workforce levels (80-100% AMI)
 - HVAC upgrades, major capital expenses, solar
 - Estimated \$36 million pilot; 3 projects

RHRF- New Programs

- Refined Tier 2/Mixed-Income Rental Projects
 - Incorporate lessons learned from pilot project
 - Up to 140% AMI
 - Maximum loan term of 40 years
 - Maximum RHRF contribution of 35% of capital stack
 - Prioritize projects that can financially close within 12-18 months

RHRF- New Programs, continued

- Project Readiness Loans
 - Partner with Community Development Financial Institution (CDFI) to administer loans to reach standard of readiness
 - Completion of design, permitting
 - Short-term; repaid at the time of financial closing (1-2 years)

RHRF- New Programs, continued

- Loan Guarantees/Credit Enhancement (Act 235, SLH 2024)
 - Reserve funds to provide loan guarantees to private lenders to provide loans for affordable housing development
 - Assists smaller developers in qualifying for loans.
 - *Must be uncommitted, liquid funds.*
 - Model after USDA Section 538 loan program.
 - Guarantee up to 90% of loan amount.
 - Revenue stream for the life of the loan.
 - Initial fee based on a percentage of awarded loan amount.
 - Annual guarantee fee on the unpaid principal amount of the loan.

New Home Ownership Programs

- Re-launch of Hula Mae Mortgage Program
- Hale Kama'āina Downpayment Program (Phase 1)
 - Downpayment assistance of lesser of 4% of purchase price or up to \$25,000
 - Deferred principal and interest payments; due upon sale, refinance, transfer, or 30 years.
- Hale Kama'āina Mortgage & Downpayment Program (Phase 2)
 - Combine affordable 1st Mortgage with Downpayment Assistance Loan
 - DPA will be the of lesser of 15% of purchase price or up to \$60,000
 - DPA - Deferred principal and interest payments, due upon sale, refinance, transfer, or 30 years

DURF Balance and Uses

Uncommitted Balance	\$91,000,000
Restricted Balance	<u>\$74,000,000</u>
Total	<u>\$165,000,000</u>

Anticipated Uses:

Rehabilitation of Villages of Kapolei Infrastructure	\$90,000,000
Waiahole Valley New Water System	\$30,000,000
Waiahole Valley Alibizia mitigation	\$2,500,000
Kakaako Electrical Upgrade (690 Pohukaina)	\$15,000,000
Kamakana Villages Water Development	\$30,000,000
Courtyards at Waipouli loan (DHHL)	\$11,500,000
DURF loans	\$20,000,000
DURF Equity Program (DEP) Funding	<u>\$40,000,000</u>
Total	<u>\$239,000,000</u>



DURF Equity Pilot Program

- HB677, CD1; Act 92 (2023) established a 5-year pilot program and allowed up to \$10MM to be expended for the program.
- Allows HHFDC to purchase equity in for-sale projects to lower the price paid by buyers.
- Targets residents working in health care, educators, law enforcement officers, and agricultural field workers.
- Participating projects include Kuilei Place, The Flats at Sky Ala Moana, and The Park on Ke'eaumoku.

DURF Equity Program + DURF Loans

- SB1229/HB744 would make the equity program permanent.
- Combining the Equity Program with DURF loans can allow stalled for-sale projects to move forward.
- DURF loan can be converted to State equity in the project to lower cost paid by qualified residents.
- State is repaid its equity plus shared appreciation upon resale or refinancing by the initial buyer.

Five Year Unit Projection

<u>Fiscal Year</u>	<u>Units</u>
2025	1,710
2026	1,965
2027	2,026
2028	2,639
<u>2029</u>	<u>1,835</u>
Total	10,175

MAHALO!

