

Hawaii Housing Finance and Development Corporation



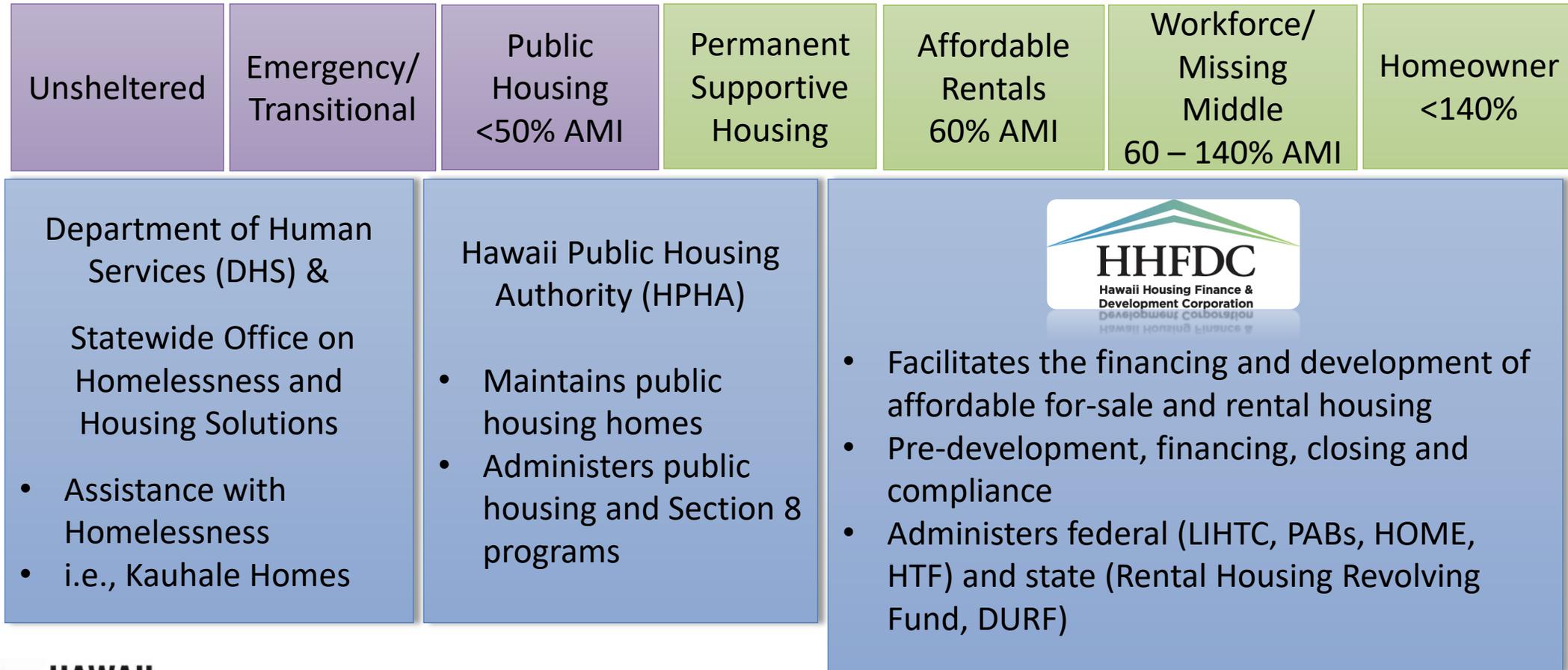
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HOUSING
FINANCE &
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CORPORATION**

Mission Statement

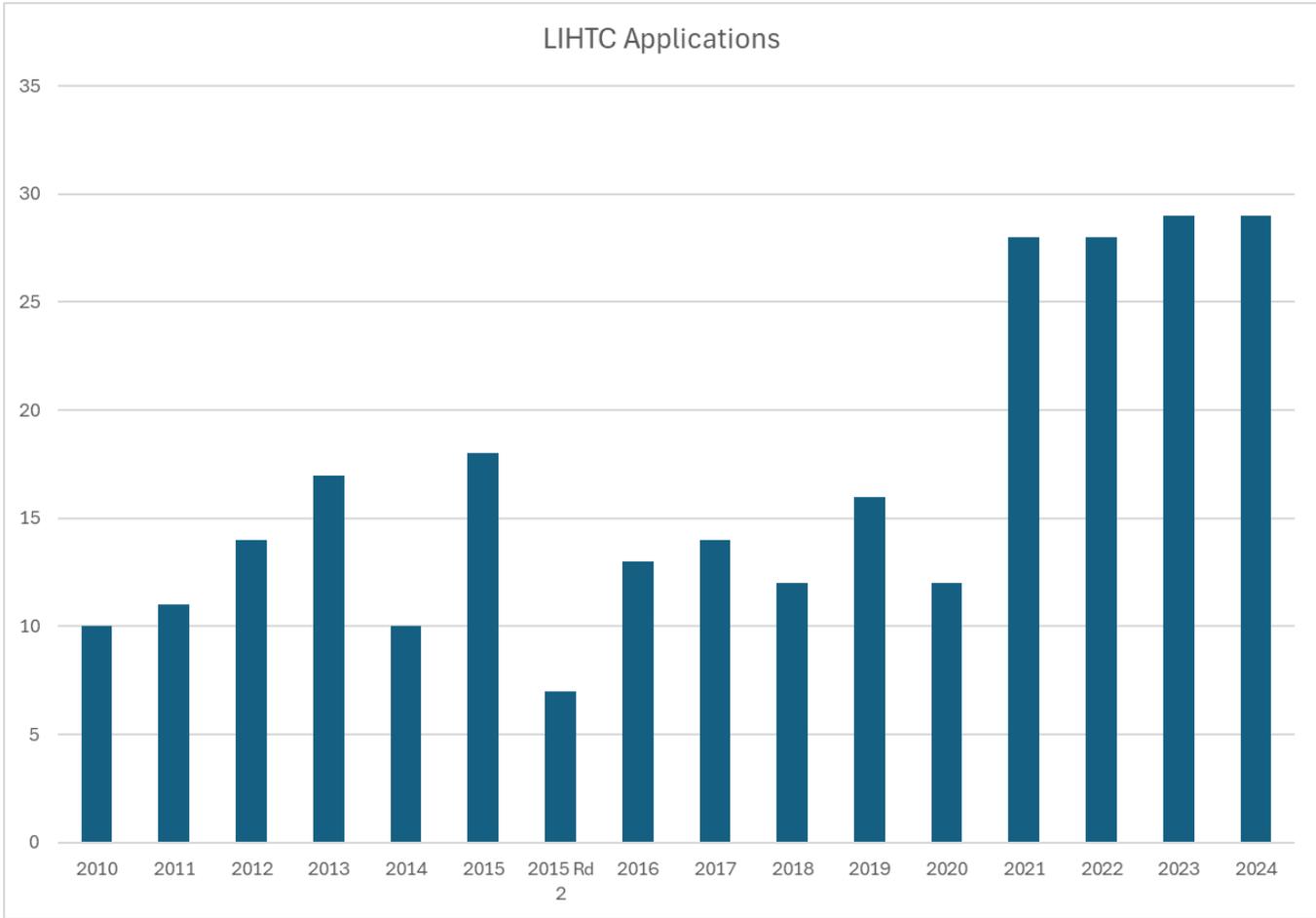
The mission of the Hawaii Housing Finance and Development Corporation is to advance housing opportunities for the residents of Hawaii.



Continuum of Housing

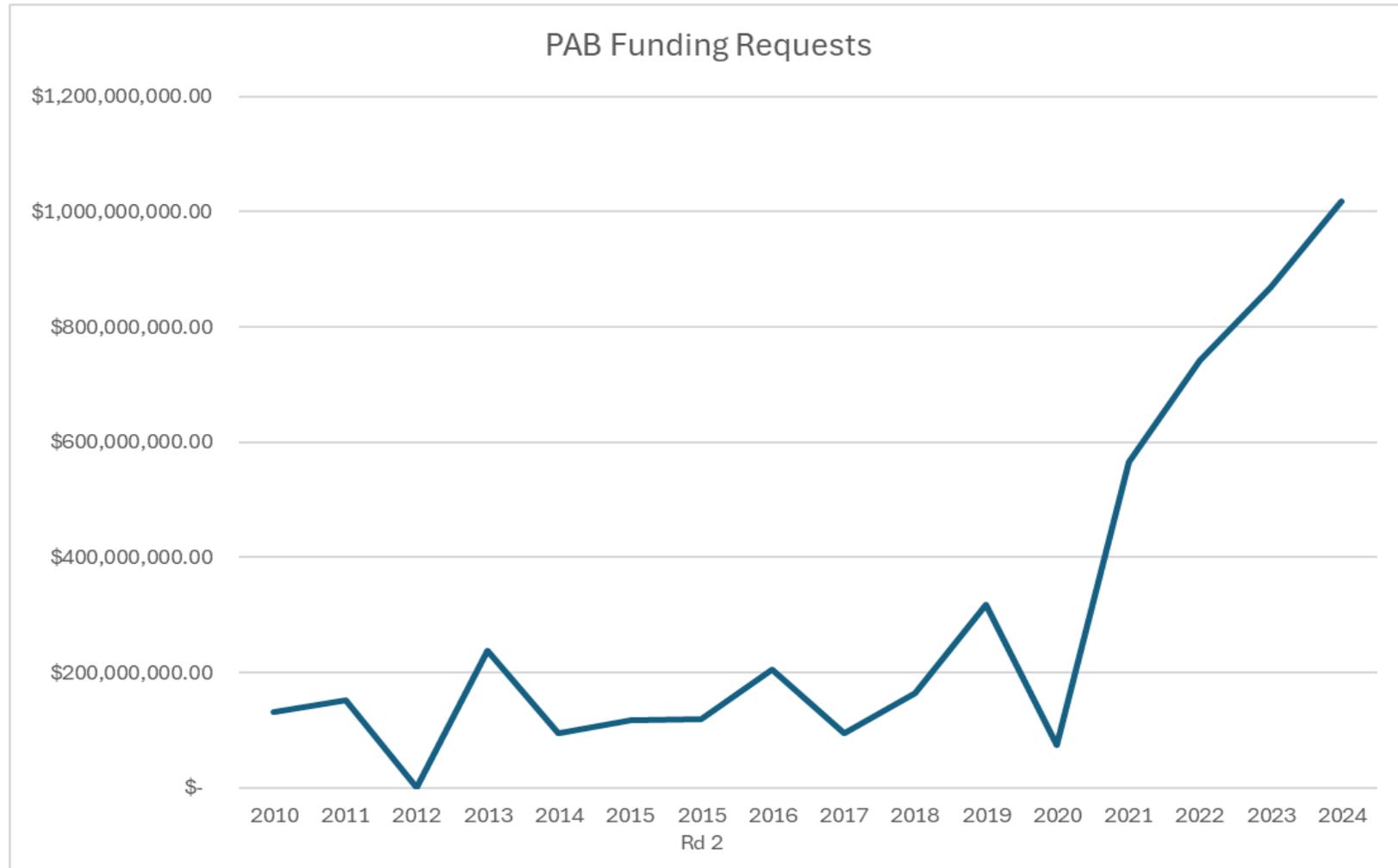


LIHTC Applications Received



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Requests for Private Activity Bonds



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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



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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	\$74,000,000
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	\$40,000,000
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!



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