



Executive Summary STATE HOUSING STRATEGY Governor David Ige



The housing shortage in Hawai'i is a long-standing, complex issue that the state alone cannot solve. Addressing this issue requires collaboration between all major stakeholders – state government, housing developers, the non-profit sector and the counties. The Ige administration is committed to working collaboratively on solutions to the housing shortage, many of which are long-term in nature. During the first quarter of 2016, we listened to what affordable housing developers, the Land Use Research Foundation, and the Building Industry Association felt were most important in order to get homes built. A draft housing strategy was produced from those discussions that outline goals and initiatives the administration is currently working on.

GOALS:

Build homes that people can afford, including rentals, to address the needs of those entering the workforce. Renovate public housing facilities. On O'ahu, identify state lands near transit stations for housing, employment centers, daycare, senior centers, and community facilities.



KEY INITIATIVES AND OBJECTIVES

- **Establish production target:** A production target of 10,000 housing units statewide by 2020 was established. Because of the current housing crisis, the Ige administration is currently focused on housing projects that are already in the planning and production pipeline. Given the realities of construction and the ability of the market to absorb the completed units, we believe this is a realistic and achievable goal. In addition to accelerating the delivery of affordable housing in the short run, we are formulating a production goal for the next 10 years that focuses on multi-family rental housing units for lower income families.
- **Reorient targeted policies:** State housing agencies are working to reorient targeted policies to facilitate production. Recent changes made to the Low-Income Housing Tax Credit (LIHTC) program by HHFDC is a good example. Non-competitive tax credits are now available to developers on a year-round basis as opposed to being available only twice a year. The new criteria are now being applied and awards to assist low-income rental projects are anticipated to be made by October 2016.

- Maximize financing tools and provide assistance for infrastructure:** The administration worked with the legislature to increase funding for low-income rental housing projects as well as the ability to finance infrastructure necessary for housing projects during the 2016 legislative session. This resulted in an infusion of \$75 million into the Rental Housing Revolving Fund. Groundwork such as roads, drainage, water and sewer lines, is often the critical element for housing projects to even begin. The collaborative work resulted in a \$25 million infusion to the Dwelling Unit Revolving Fund (DURF), which is a key source of funding for infrastructure.
- Renovate public housing:** The Hawai'i Public Housing Authority operates 85 public housing facilities that total 6,195 units for low-income families. In 2015, HPHA in partnership with UPW, formed multi-skilled special teams to address the repair backlog in public housing facilities. In 2016, the agency worked with the legislature to secure \$35 million to address a portion of the repair backlog. HPHA is actively engaged in pursuing three major redevelopment projects: Mayor Wright Homes, North School Street affordable housing project, and phase 2 of the Kuhio Park Terrace Redevelopment Project.

PLANS FOR ACHIEVING THE GOALS

Short-term 6-12 months	Streamline processes and shorten timeframes for issuing awards (tax credits, application approvals, etc.)
Intermediate 12-24 months	Maximize financing tools and use of federal funds. Focus on projects in the planning or production pipeline. Identify state lands near rail transit stations for affordable housing.
Long-term Beyond 2 years	Produce 10,000 new housing units by 2020. Establish a plan for the next 10 years that focuses on affordable multi-family rental housing.

Over the next several years, the state housing agencies will continue focusing on leveraging state funds and reducing regulatory barriers within the state's control to increase the inventory of affordable housing. As we move forward, we remain committed to the mission of increasing housing for a continuum of income levels, and being strategic about investing our limited resources, both human and financial, to develop long-term, sustainable solutions to benefit future generations in Hawai'i.

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