Affordable Rental Housing Report and Ten-Year Plan

FACT SHEET

July 2018

Top-line

The document recommends actions to achieve the goal of 22,500 completed affordable rental housing units statewide, identifies state, county, and private lands suitable for affordable rental housing, and establishes performance measures and timelines for developing rental housing for various AMI groups, from zero to 140 percent of area median income.

Demand for affordable rental units and performance measures over the next 10 years (through 2026)

40% of the 22,500 units would be on Oʻahu	=	9,002 units
22% in Maui County	=	4,951 units
30% in Hawaiʻi County	=	6,752 units
8% in Kauaʻi County	=	1,800 units

By AMI	Honolulu	Maui	Hawaiʻi	Kauaʻi
0-30%	2,160	1,188	1,620	432
30-50%	1,740	957	1,305	348
50-60%	884	486	663	177
60-80%	1,316	724	987	263
80-100%	1,154	634	865	231
100-120%	748	411	651	150
120-140%	1,001	551	751	200
Totals	9,002	4,951	6,752	1,800

- The report and Ten-Year Plan also breaks these numbers down by year through 2026.

Lands suitable for affordable rental housing

- Criteria developed to screen all parcels using the state's Geographic Information System
  - Examples – Conservation District lands were eliminated, as well as Special Management Areas along the coasts of each island; minimum parcel size of 10,000 sf, etc.

   - Lands already zoned by the counties for multi-family units, with infrastructure within ½ mile of parcel, rose to the top (Tier 1); whereas lands that still needed entitlements and with no infrastructure within 1 mile of the parcel were towards the bottom of the list (Tier 3)

- Approximately 10,688 acres in Tier 1 lands
   - 2,793 acres = owned by the State of Hawaiʻi
   - 887 acres = owned by the respective counties
   - 7,008 acres = privately owned
   - State + counties = 3,680 acres

- Approximately 26,840 acres in Tier 2 lands
   - 4,693 acres = owned by the State of Hawaiʻi
   - 2,002 acres = owned by the respective counties
   - 20,145 acres = privately owned
   - State + counties = 6,695 acres

- Approximately 1,455,249 acres in Tier 3 lands
   - 391,737 acres = owned by the State of Hawaiʻi
   - 7,310 acres = owned by the respective counties
   - 1,056,202 acres = privately owned
   - State + counties = 399,047 acres

- Notwithstanding acreage amounts above, the individual counties have prioritized lists of affordable rental housing projects that they want to have completed within the next 10 years, some of which sit on land owned by the State of Hawaiʻi. Tables describing these projects are included in the report.

<u>Issue areas and recommendations</u>

The Report and Ten-Year Plan identifies lead agencies and supporting organizations to implement the following recommendations:

- Use of public lands
   - For state and county held lands for non-residential purposes – evaluate current revenue vs. future revenue potential to use more state and county owned lands for affordable housing.

  - Determine the feasibility of a multi-agency, multi-parcel RFP for the delivery of infrastructure and affordable rental housing units on state and county owned lands.
  - Determine the potential or expanded use of development and holding mechanisms such as community land trusts, land banks, and master leases.

- Infrastructure
  - Leverage private, federal, state and county funds for infrastructure capacity building in the urban core area and areas identified for future growth (i.e., tax increment financing (TIF) or community facility district (CFD) bonds.

- Funding
  - Create incentives to encourage the development of rental housing for extremely-low income households (i.e., 0-30% AMI).
  - Efficiently use existing federal, state and county financing programs, including low-income housing tax credits, Hula Mae Multifamily Revenue Bonds, and Rental Housing Revolving Fund programs, to facilitate the development of permanent affordable rental housing projects in areas suitable for development (i.e., urban areas, proximity to infrastructure, etc.).
  - Seek commitment from the Legislature to an appropriation of $100 million for the Rental Housing Revolving Fund and $10 million for the Dwelling Unit Revolving Fund, every year for the next ten years.
  - Encourage the counties to consider combining general excise tax and real property tax exemptions for moderate rehabilitation of privately-owned rental housing stock that would benefit efforts to preserve existing housing stock.

- Regulations and permitting
  - Pursuant to SCR145 SD1 (SLH 2017), evaluate the progress of the development of a collaborative plan to leverage state and county funds to build affordable housing projects and examine the potential of a unified affordable housing approval process to streamline regulatory requirements for building affordable housing on all islands.
  - Encourage all departments to consider the effect on the cost of construction of affordable housing when considering the amendment or implementation of new policies, such as building codes, impact and dedication fees, and other exactions.

- Existing stock of affordable housing
    - Provide funding to explore the cost effectiveness of acquisition and rehabilitation in comparison with new construction of affordable rental units
    - Provide funding to examine the impact of condominium conversions of rental units on the deficit of affordable rental units.