

Office of Housing

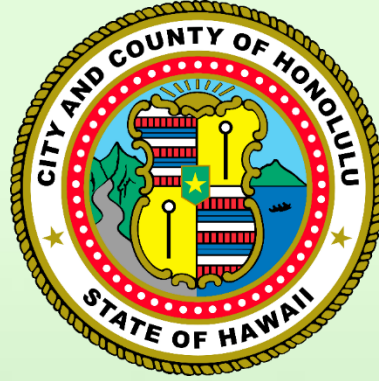
Executive Director
Anton Krucky

Presentation for City Council
August 24, 2021

August 24, 2021 | Committee on Housing and the Economy
Submitted by the Office of Housing

MAYOR'S MESSAGE 123

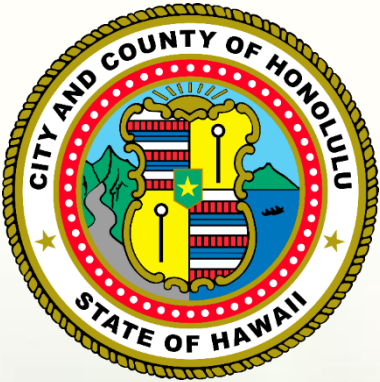
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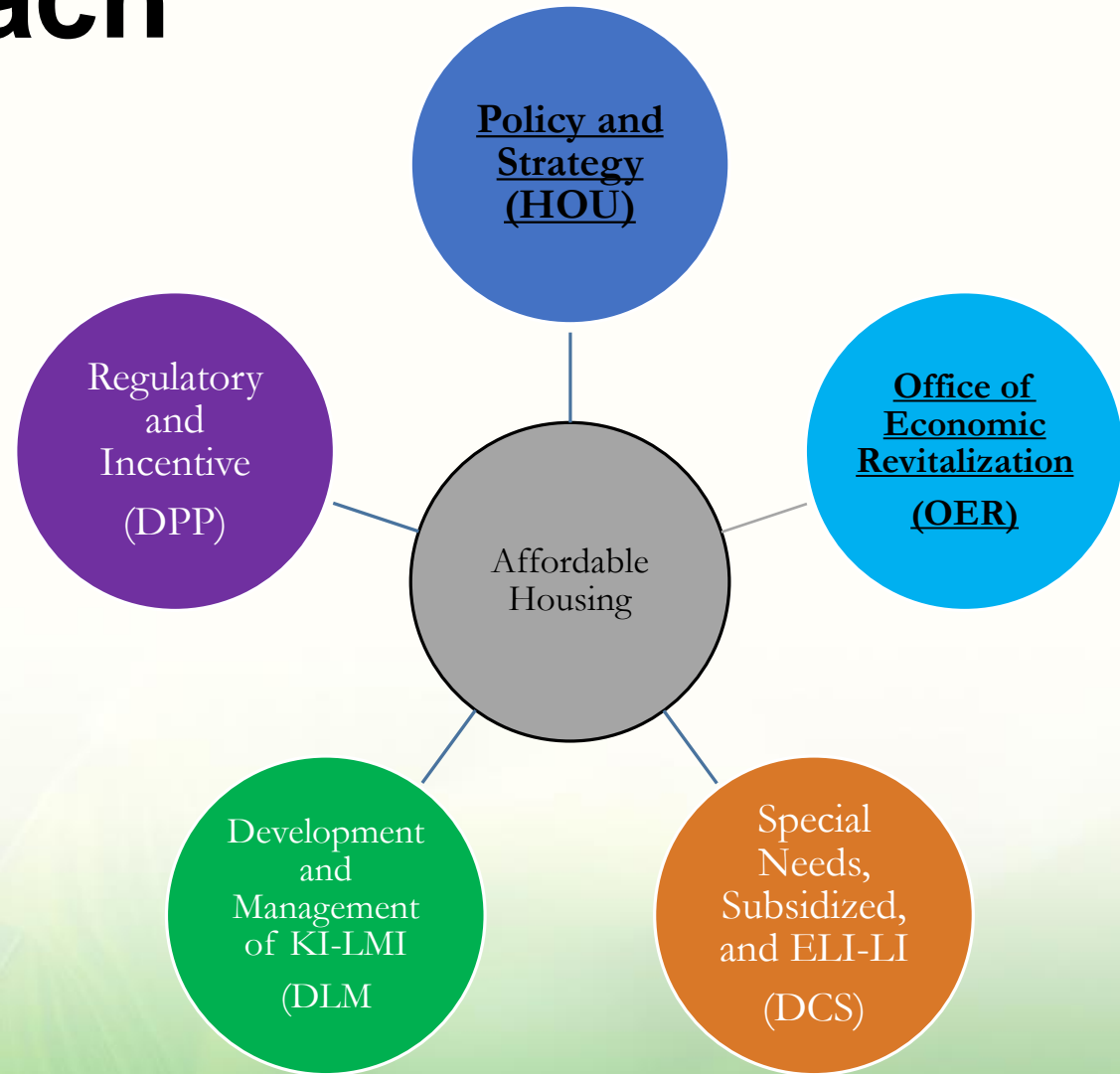
Affordable Housing

The City's Approach

City Departments Partner
Together on Affordable Housing



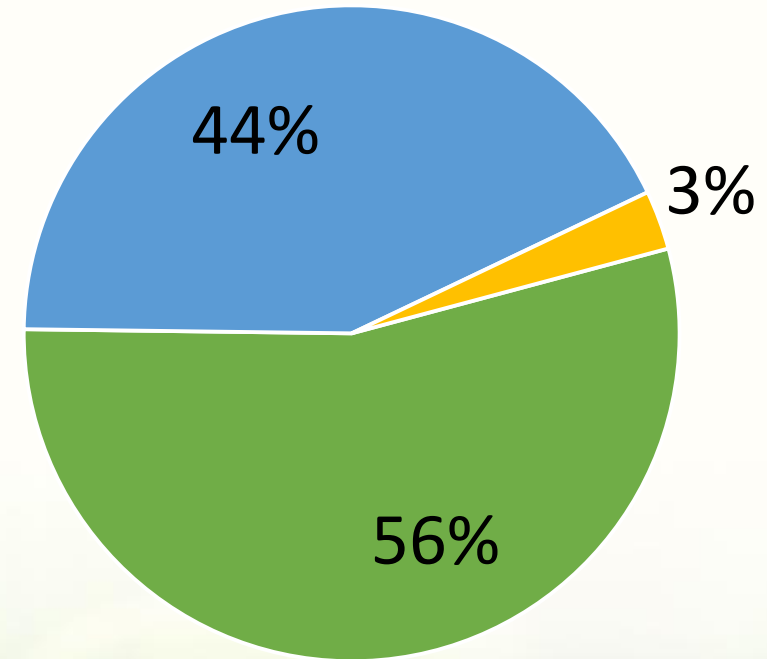
Alignment with the State on
Affordable Housing



Affordable Housing Demands

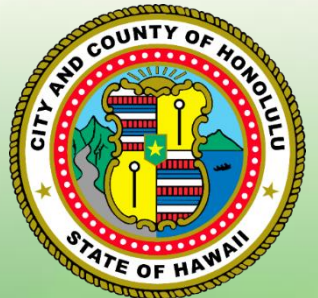
- 311,541 households were estimated to exist in 2019
- Total units needed across HUD income classification is 22,168 units by 2025 (up to 120% AMI)

2019 Tenancy - Households



■ Own ■ Rent ■ Other ■

SMS Data 2020-2025 (Hawaii Housing Planning Study, 2019)

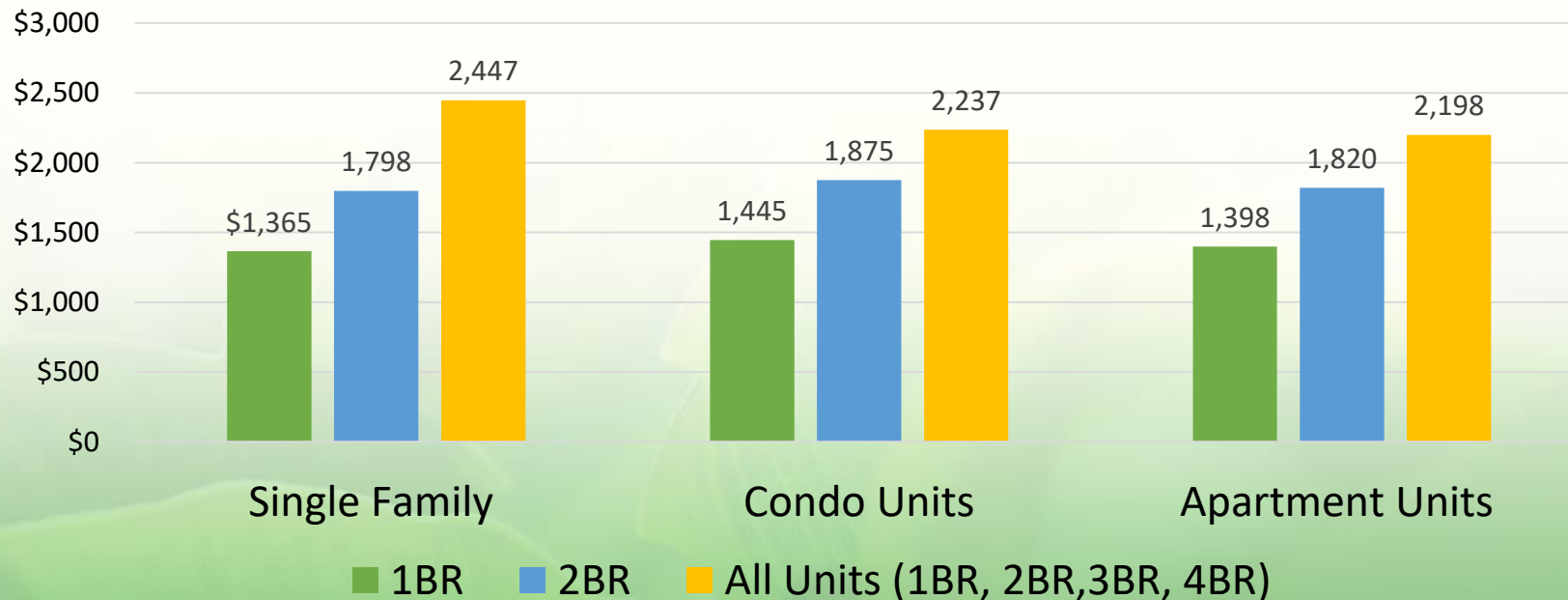


In 2019, Hawai'i continues to have the highest average rents in the nation, followed by the District of Columbia and New York. For the past decade, Hawai'i's median gross rent has consistently been 50 to 55 percent higher than the national median gross rent.

2019 Median Rent
\$2,540

2019 Average Fair Market Rent
\$2,328

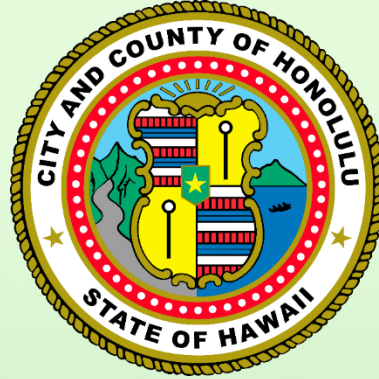
Median Rent by Unit Type and Size, 2019



Impacts on Housing Need

- COVID will continue to skew data, and at current estimates will add 35K households to the ALICE rolls.
 - Fair Market Rents (FMR) will continue to rise and although inventory may increase, rent wages will not keep up. More households will be added to below 30% AMI percentages.
- ALICE households currently make up 42% of all households in Honolulu – COVID projects that number to increase to 59% due to economic hardships brought on by the pandemic.

ALICE IN HONOLULU COUNTY							
2018 Point-in-Time-Data							
Population:				Number of Households:			
980,080				308,208			
Median Household Income:				Unemployment Rate:			
\$84,423 (state average: \$80,212)				3.7% (state average: 3.8%)			
ALICE Households:				Households in Poverty:			
32% (state average: 33%)				8% (state average: 9%)			

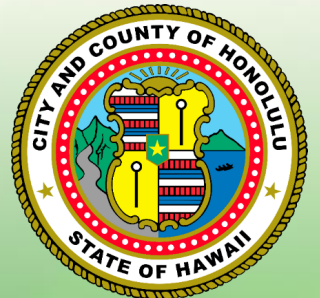


Dept. of Planning & Permitting (DPP)

“We provide services and information on building permits, development projects, and planning activities for the City & County of Honolulu.”

Dept. of Planning and Permitting (DPP)

- Understand opportunities that current infrastructure offers.
- Put together a CIP plan with phased investment in infrastructure capacity building projects that would support more density and growth
- With the last few master planned communities under construction, review potential for redevelopment with mixed use neighborhoods with access to mass transit and other multi-modes of transportation.
- Work with other departments to expand the City's Affordable Housing program.
- Incentive to developers, including permitting incentives, grants and other financing vehicles.
- Affordable Housing Advocate

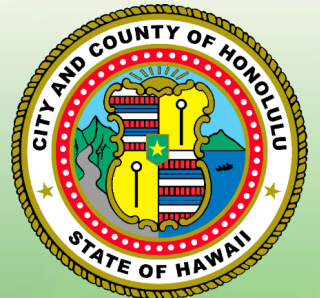


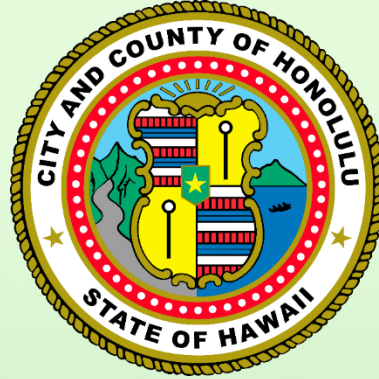
Affordable Housing Advocate

Dawn Takeuchi Apuna, Deputy Director, Dept. of Planning & Permitting (DPP)

To ensure affordable housing projects, both public and private, get entitled and permitted in a timely manner

- May require pre-planning and coordination among a variety of different government agencies, private developers and lenders/
- Could reassess and re-engineer some of the ordinances governing affordable housing development that have limited or slowed development of affordable housing.





Dept. of Community Services(DCS)

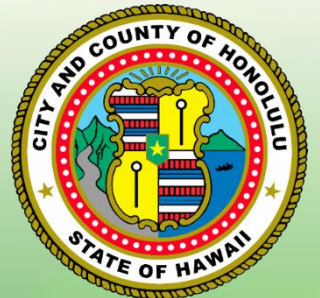
“The Department of Community Services (DCS) administers programs to meet the human services, workforce, and housing needs of economically challenged individuals and families with special needs in the City and County of Honolulu (City). The department also administers state and federal funds intended to facilitate community and economic development for economically challenged neighborhoods and communities.”

Department of Community Services

Affordable Housing

Goal: Person-based and community-minded permanent housing

- Investment of Federal funding into 30-80% AMI housing development
 - 3,700 housing choice vouchers
 - 375 housing first vouchers
 - Private development projects
- City Affordable Housing fund for 60% AMI rentals for 60+ years
 - About to release offering for \$37.5 million; anticipate two calls for projects
- Loans for Low- to Moderate-Income Households (LMI HH) for down payment and rehab
- 64 special needs housing locations
- Short-term subsidies
- Development agreements

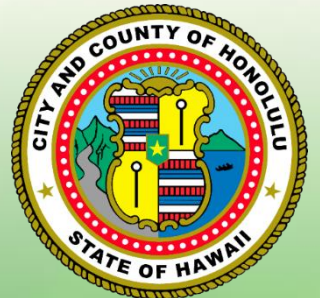


Department of Community Services

Affordable Housing

Program planners in the Community Based Development Division's Development, Acquisition, Construction and Fair Housing (DACFH) Branch attract, secure and solicit funding and financing opportunities for community development and housing from Federal, State and City sources to maximize the leveraging of resources for the acquisition, construction, or renovation and rehabilitation of affordable housing units on O'ahu. Funding sources include funds such as:

- The US Department of Housing and Urban Development (HUD) [Community Development Block Grant \(CDBG\)](#) program (80% Area Median Income (AMI) and below);
- The HUD [HOME Investment Partnerships \(HOME\)](#) program (50% (Low HOME) and 60% (High HOME) AMI and below);
- The HUD [Housing Trust Fund \(HTF\)](#) program administered through the Hawai'i Housing Finance and Development Corporation (30% AMI and below); and
- The City's [Affordable Housing Fund \(AHF\)](#) are used for project development and construction leveraging (60% AMI and below).

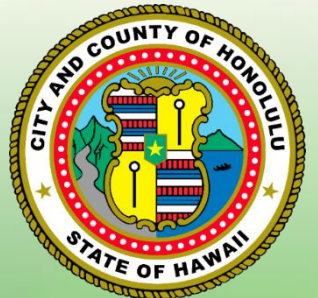


Department of Community Services

Affordable Housing

DCS FY21-FY22 Initiatives

- Support the development of 22 plantation style housing units in 1- and 2-bedroom configurations at [Kahauiki Village Phase II](#) with Affordable Housing Fund.
- Support the construction of [Hale Makana o Maili](#), a 56 low- to moderate-income apartments in Maili through Housing Trust funds.
- Facilitate the assignment of lease and issuance of a new 75-year lease to [DE Thompson Elderly Apartments](#) to allow for renovations and preservation of 84 1-br low- to moderate income apartments.
- Support the renovation of the State's Ulu Ke Kukui transitional homeless shelter in Nanankuli from 80 studio units to 40 low- to moderate-income 1-br apartments to be renamed [Hale Makana o Uluwehi](#) through HOME Investment Partnerships funds.

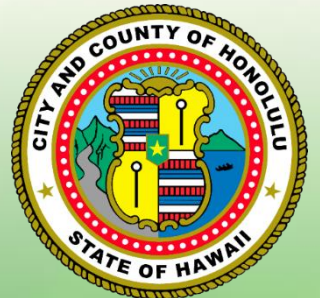


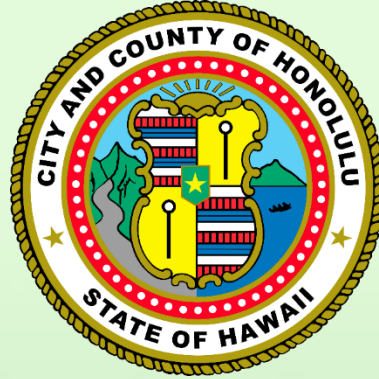
Department of Community Services

Affordable Housing

DCS FY21-FY22 Initiatives (continued)

- Facilitate the assignment of lease and issuance of a new 46-year lease to [Waipahu Jack Hall Apartments](#) to allow for renovations and preservation of 144 1- and 2-br low- to moderate income apartments.
- Funding up to [five \(5\) CDBG CV funded shelter/housing acquisitions](#) to provide non-congregate housing, based on COVID nexus.
- CDBG Loan to Grant conversions for [Edwin Thomas Home](#), [Weinberg Hale](#) and [Manoa Gardens](#) to promote reinvestment into the properties.
- [Affordable Housing Fund RFP](#) soon to be issued; call for projects estimated in October and March for up to [\\$37.5 million](#). (emphasis on project financial readiness and partnering with City projects)
- [\\$11 million in HOME ARP Funds](#) anticipated to be solicited in Spring 2022 (NOTE: program rules are still being determined by HUD)
- Other properties as requested or as opportunities arise





Office of Economic Development (OER)

“We provide rental and utility relief funding and are expanding housing stability services in coordination with other City Departments and community partners.”

Office of Economic Revitalization Strategy

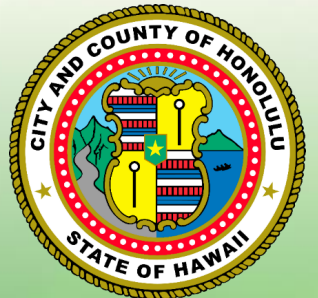
- (1) Help struggling individuals and businesses get back on their feet.
- (2) Support the community and entrepreneurs with resources to build a diverse and resilient economy.
- (3) Invest in an equitable recovery that offers opportunities for everyone and every business to thrive.



Office of Economic Revitalization

OER runs the US Treasury's **Emergency Rental Assistance** program on Oahu

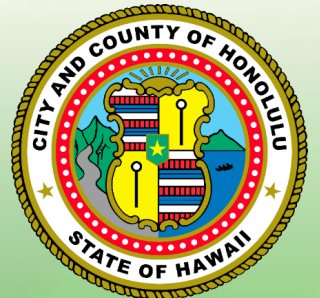
- The Rental and Utility Relief Program is funded with \$180M+ which could be expended through 2025 depending on community need
- Supports tenants and landlords by covering 12 months of rental and utility arrears and providing three month increments of prospective payments
- Historic opportunity to prevent pandemic related homelessness

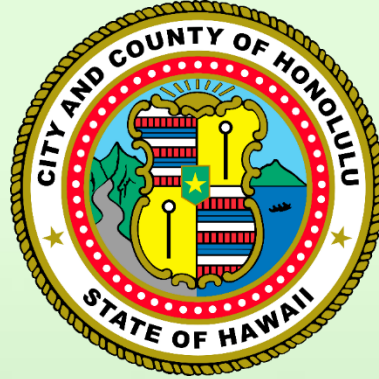


Office of Economic Revitalization

Housing Stabilization Services

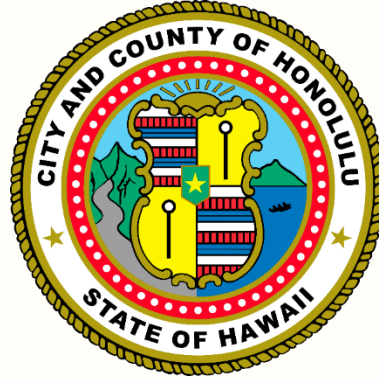
- Up to 10% of Emergency Rental Assistance program funding may be used to provide:
 - Eviction prevention and eviction diversion programs
 - Mediation between landlords and tenants
 - Fair housing counseling
 - Housing navigators to help households access ERA programs or find housing
 - Case management related to housing stability
 - Housing-related services for survivors of domestic abuse or human trafficking
 - Legal services or attorney's fees related to eviction proceedings and maintaining housing stability
 - Specialized services for seniors or disabled individuals to access or maintain housing





Dept. of Land Management (DLM)

“We protect, develop, acquire and manage the City’s real property interests.”

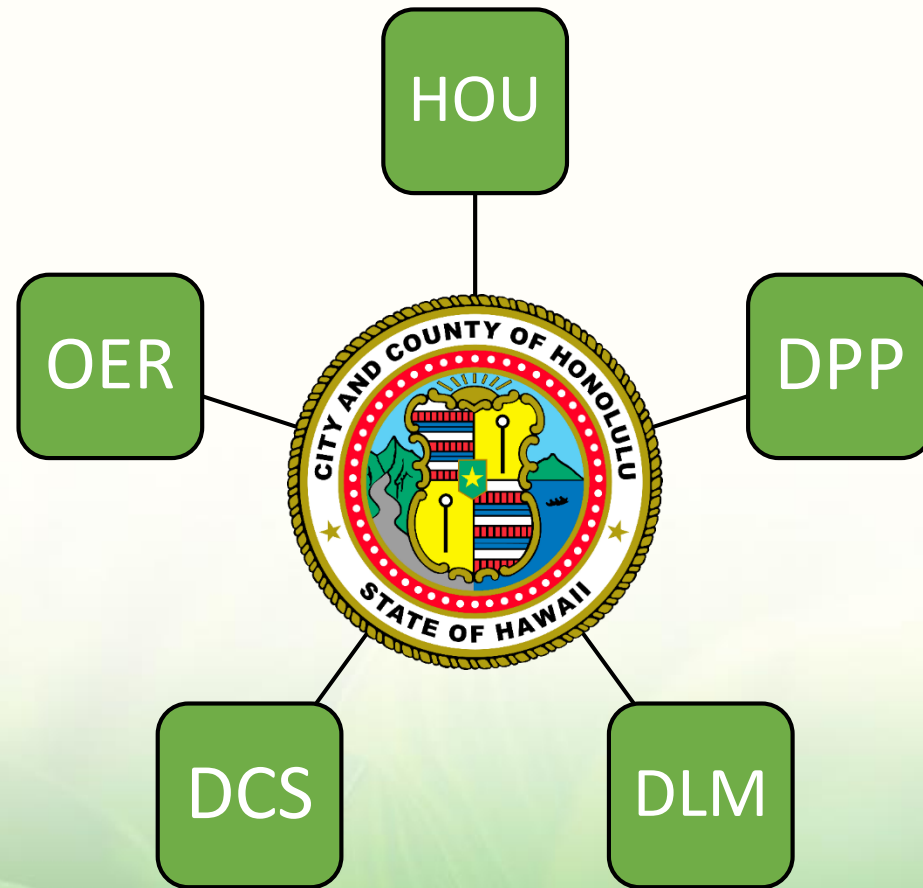


Department of Land Management

Affordable Housing: Acquisition Strategy

Presentation for City Council
August 24, 2021

Step 1: Interdepartmental Coordination



Step 2: Identify Goals

Increasing Inventory

- Identify Priority Geographic Areas
- Increase Variety (e.g., senior housing; homeless transitional housing)

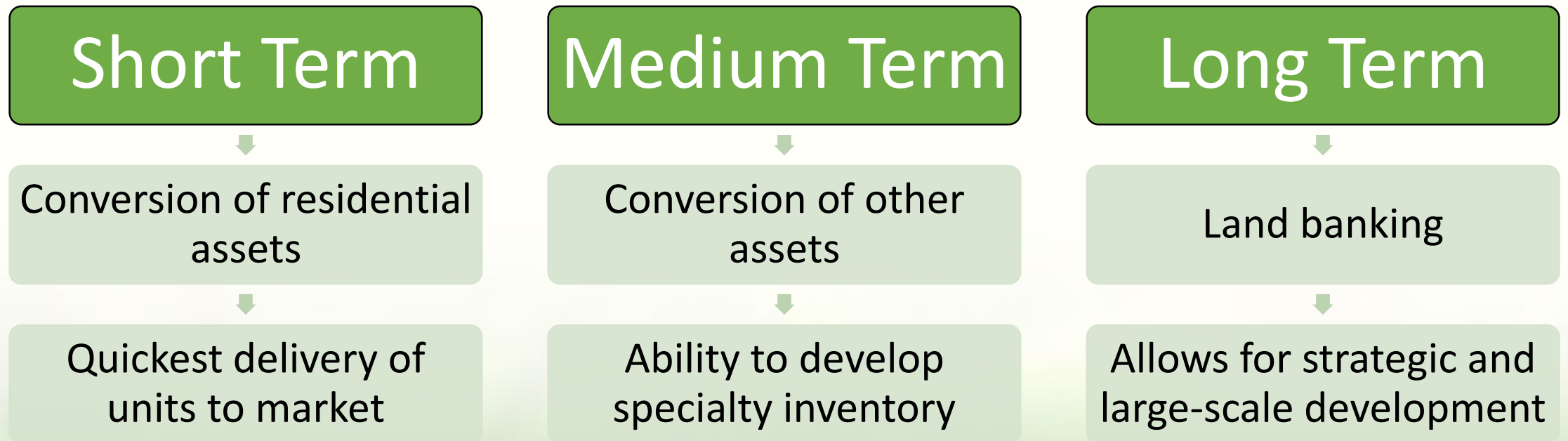
Identify Partnerships

- Private Developers
- Care Providers

Coordinate Disciplines

- Alignment with State and Federal Policies
- Maximizing Integration with other Social Determinants of Health

Step 3: Acquisition Strategy



Examples of Short, Medium, and Long-Term Affordable Housing Acquisitions



Mohala Mai

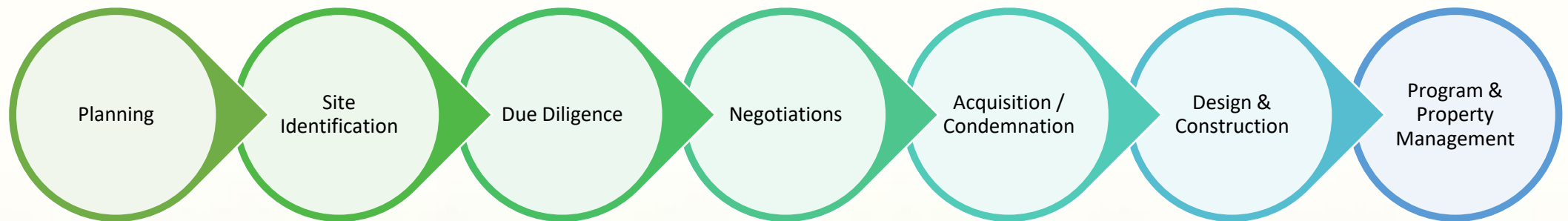


Homeless Resource
Center

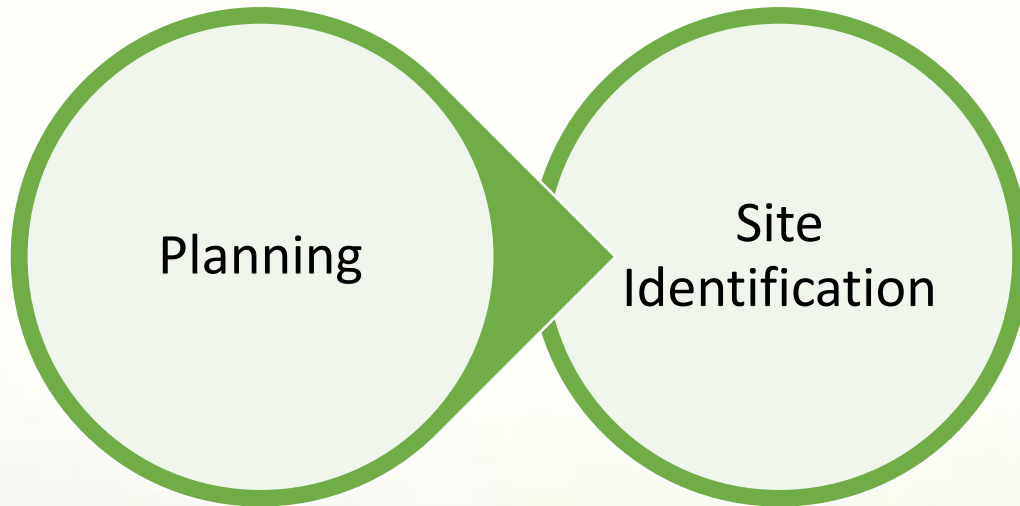


Dee-Lite Bakery

Step 4: Pre-Acquisition, Acquisition, and Post-Acquisition Process

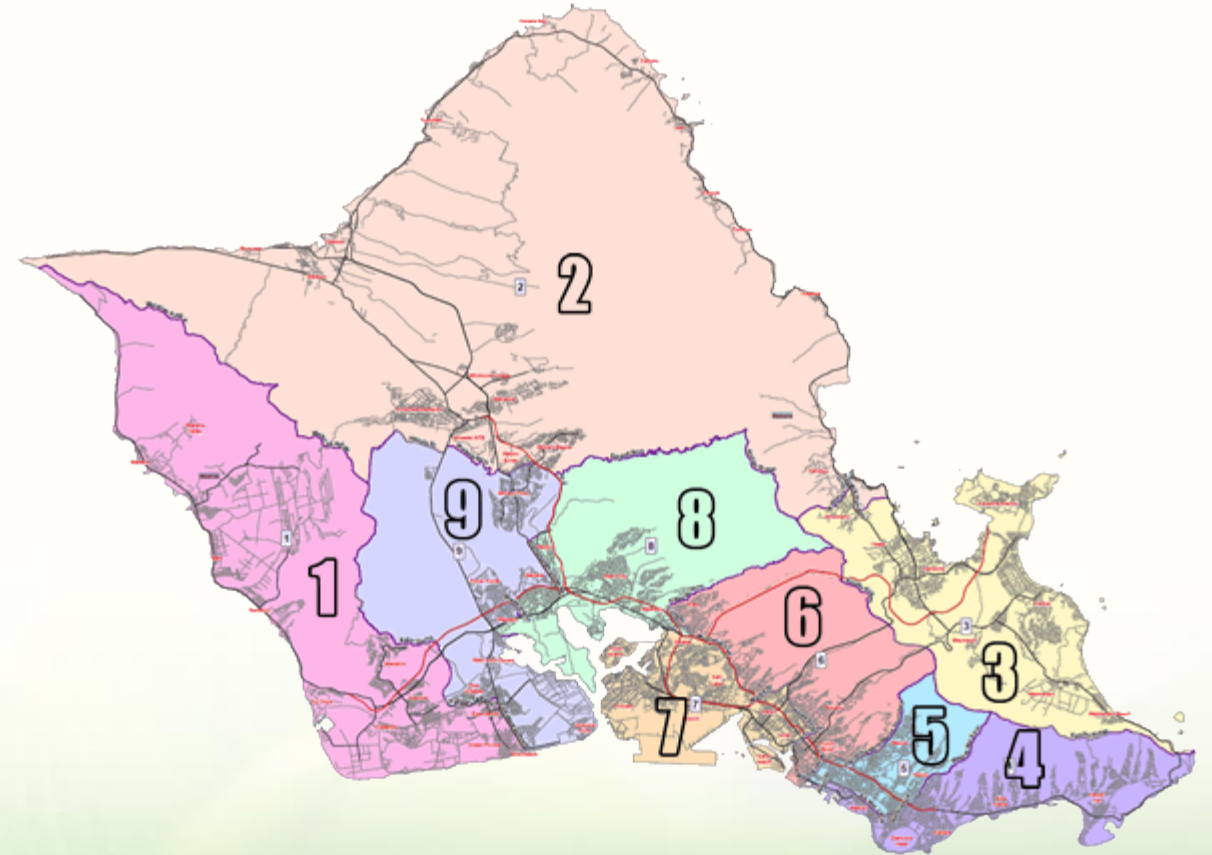


Pre-Acquisition Process

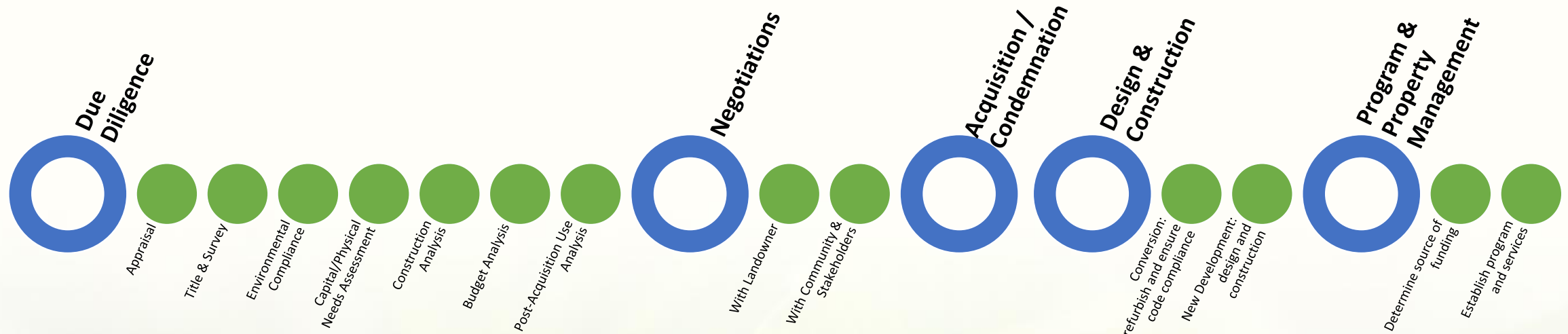


- Development of AH Strategy
- Creation of AH Incentives

- Suitability & Capacity Analysis
- Land Mapping Initiatives



Acquisition & Post-Acquisition Process



Mahalo!