



Leveraging Public Land for Housing Development.

Patrick Spence

National Association of Counties (NACo)

MISC. COM. 173(26)
EM HHP

What Counties for Housing Solutions is



A NACo INITIATIVE

Implementation, not theory.

A national peer-learning effort focused specifically on how counties can use the land they already own to deliver housing.

County-owned land · as the central focus

Housing feasibility · in real conditions

Peer learning · across 23 counties

Why counties develop underutilized land



UNDERUTILIZED ASSETS:
MANY PARCELS ARE
NOT GENERATING
VALUE



INFLUENCE UNIT MIX
(E.G., FAMILY-SIZED VS.
STUDIOS)



REVENUE-NEUTRAL OR
REVENUE-POSITIVE



ALIGN DEVELOPMENT
WITH POLICY GOALS



FLEXIBILITY: ABILITY TO
COMBINE HOUSING
WITH CIVIC AND
COMMERCIAL USES

What this work has meant in Honolulu

01

Cohort selection

Honolulu County selected as one of 23 communities in the Counties for Housing Solutions program.

02

Partnership with City staff

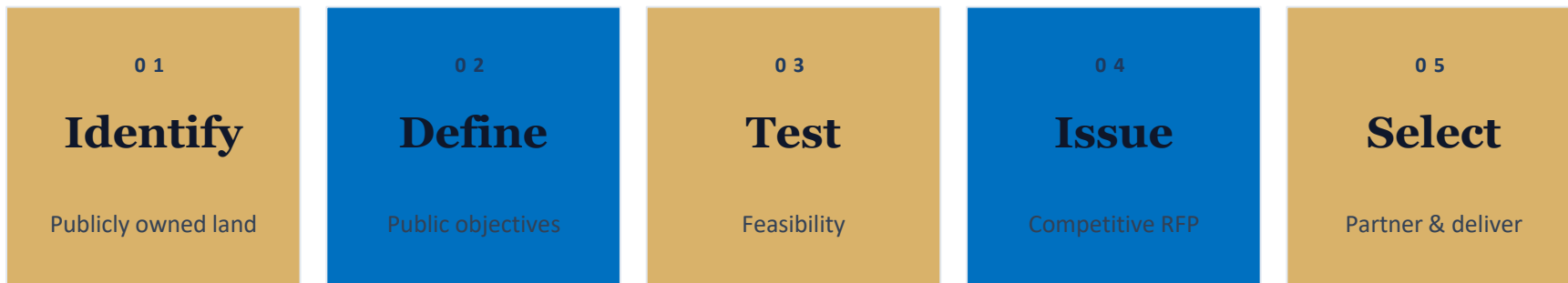
Collaboration with Honolulu housing and planning teams to define scope and apply the framework locally.

03

Real-site evaluation

Identification and feasibility analysis of actual publicly owned parcels — not hypothetical sites.

How other counties do this in practice



Counties define what they want. The market proposes how to deliver it.

Miami-Dade County has used this process to develop housing on county-owned land for over a decade through its Public Housing Agency.

Example: Miami MetroCenter



MIAMI-DADE COUNTY

A working precedent.

- LAND

County-owned (low-rise city office buildings)

- HOUSING

8,500 mixed-income units

- CIVIC USE

New county office space, recreation center; cultural arts campus

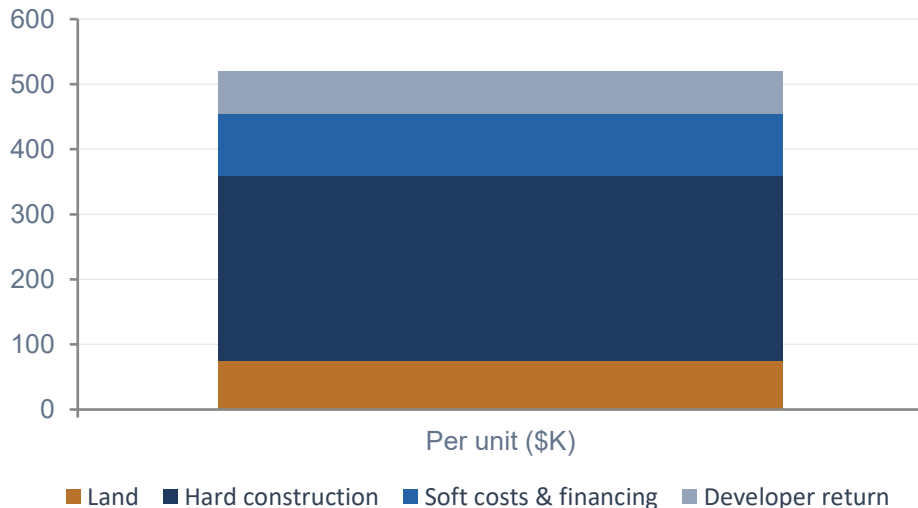
- OPERATOR

Public-private joint venture

- PROCESS

Competitive RFP

A private high-rise in Honolulu today



BASELINE COST STACK

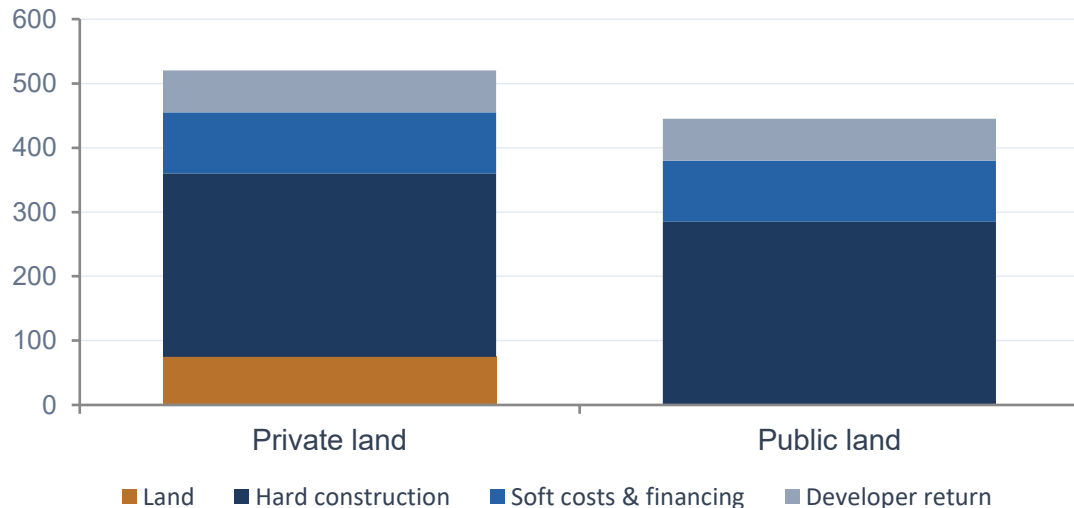
≈ \$520K

per unit, all-in (illustrative · 2025–2026)

- Land
- Hard construction
- Soft costs & financing
- Developer return

This baseline is why affordability fails by default — even before profit.

Same building, public land at zero cost



LAND COST REMOVED

≈ \$75K

per unit

Conservative — eliminating land cost also reduces financing exposure and equity needs, compounding the benefit.

Same building, same construction, same financing assumptions — only land cost changes.

Where the freed-up value can go

*≈ **\$145K per unit** of fiscal space — when land cost and normalized developer return are removed.*

1

Reduce rents

Subsidize affordable and workforce units within the same project — cross-subsidy at scale.

2

Generate revenue

Capture ongoing ground-lease income while retaining ownership of the land.

3

Fund civic uses

Pay for community facilities, child care, or commercial uses serving residents and neighbors.

Public land creates choices. Council decides how the value is allocated.

Rent feasibility by unit type



WHAT THE NUMBERS SHOW

Roughly 30% rent reduction across unit types — without subsidy.

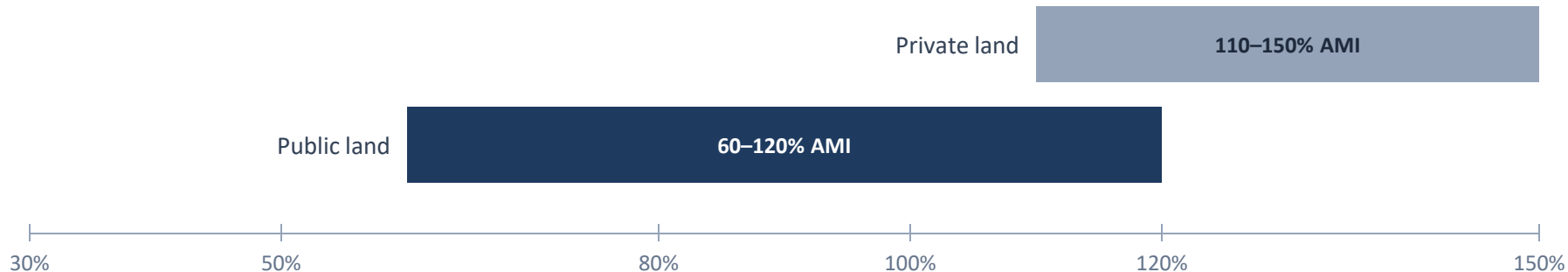
PARKING

Structured parking shown as a separate line item — not bundled into base rent. Actual cost varies by configuration.

Illustrative rents — based on Honolulu market comps and standard underwriting assumptions.

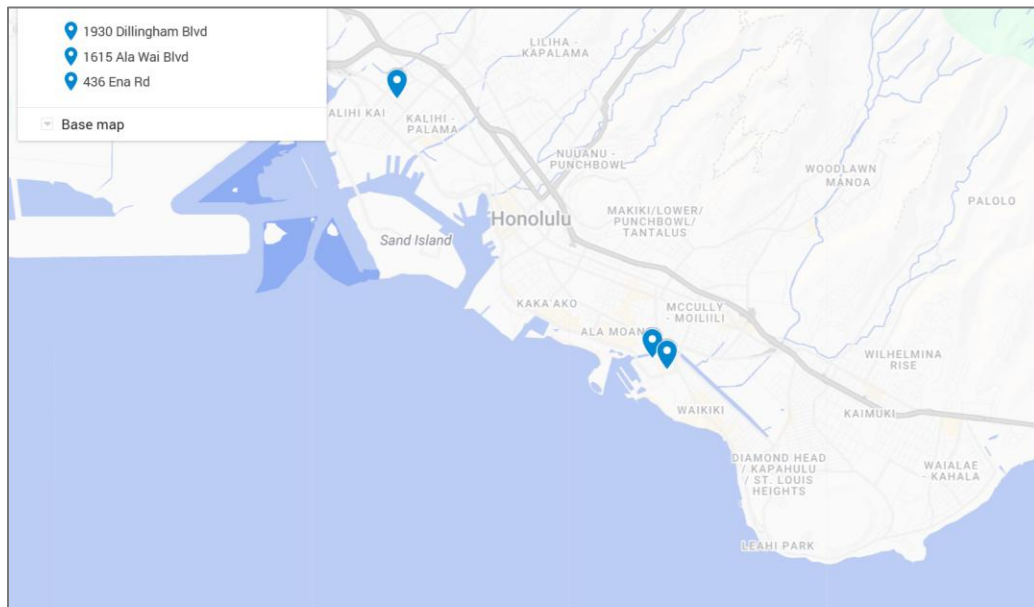
What this means for AMI bands

FEASIBLE AMI RANGE (NO ADDITIONAL SUBSIDY)



Public land moves the floor of feasibility — not just the average — without layered subsidy.

Sites evaluated before Pearlridge



THREE SITES CONSIDERED

- ① Dee-Light Bakery site
- ② Ala Wai Boulevard
- ③ Ena Road

Sites span Council districts and neighborhoods — not concentrated in any single area.

Why those sites didn't advance



Scale constraints

Parcels too small to absorb fixed costs or support meaningful unit counts.



Economic fragility

Feasibility broke down under realistic financing and rent assumptions.



Governance complexity

Fragmented ownership or coordinated approvals introduced unacceptable delivery risk.

What we learned from that process

Scale matters.

Contiguous ownership matters.

Transit adjacency alone is not enough.

Why PearlrIDGE emerged



FOUR REASONS IT CLEARS THE BAR

Single ownership

No parcel-assembly or governance friction.

Scale

Large enough to materially change project economics.

Transit adjacency

Connects to existing rail investment.

Community context

Compatible surrounding uses; permitting tractable.

Pearlridge: program and massing



PROGRAM ELEMENTS

- Residential
- Structured Parking
- Skyline Entrance
- Open Space
- New Roadway
- Improved Pedestrian Infrastructure

A uniquely Hawai'i opportunity



STATE-OWNED SCHOOL LAND

A different category of asset.

State ownership

Held by the Hawai'i Department of Education, not the City & County.

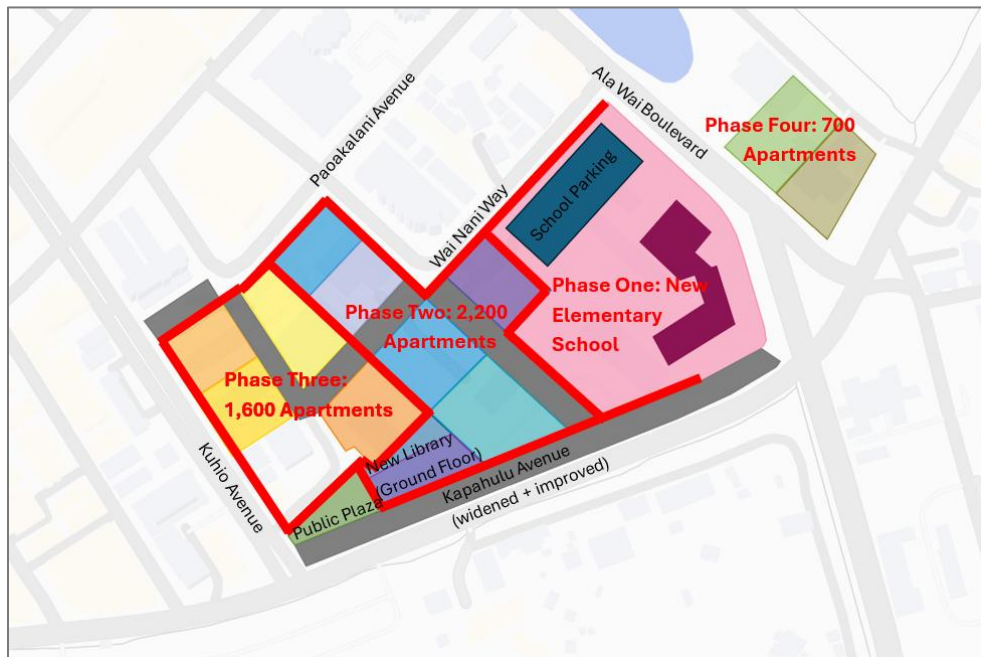
Central locations

Many parcels sit in the most demand-constrained neighborhoods on O'ahu.

Substantial scale

Individual sites are larger than nearly any single City-owned parcel evaluated.

Jefferson / Waikiki scenario



CONCEPTUAL PHASING

Illustrates upside, not a proposal.

- I School reconstruction**
Modern facility built first; education capacity preserved.
- II Housing delivery**
Substantial residential capacity at workforce bands.
- III Civic facilities**
Library, child care, public space embedded in the program.
- IV Infrastructure**
Streets, utilities, and pedestrian connections upgraded.

Value capture: land use + law + finance

Value capture isn't one mechanism — it's a stack. Each piece is necessary; none is sufficient on its own.



LAND USE

Density & program

Zoning must permit the unit count and uses needed to generate value. Without uplift, there is nothing to capture.



LAW

Ownership structure

Ground leases retain public ownership while transferring development rights — turning land into a recurring revenue source.



FINANCE

Revenue mechanism

Lease payments, TIF, or special assessments translate captured value into cash flow that funds infrastructure or affordability.

All three are necessary. None is sufficient on its own.

Three precedents, three different stacks

HONG KONG

Rail + Property

LAND USE

High-density mixed-use granted at MTR-owned station sites.

LAW

MTR holds long-term land grants; develops directly or through JV.

FINANCE

Property revenue and air-rights sales fund rail capex and operations.

TOKYO / SINGAPORE

Integrated planning

LAND USE

Station-area zoning planned together with rail alignment.

LAW

Public-private joint development agreements at each station.

FINANCE

Land lease income and station-retail revenues offset transit cost.

FLORIDA, USA

Brightline

LAND USE

Private rail with TOD entitled at corridor stations.

LAW

Private operator owns stations; municipalities support entitlements.

FINANCE

Real estate development around stations underwrites private rail.

The same value created by public land near transit can help fund the transit itself.

Next Steps

01



Audit publicly owned land

A systematic inventory of City and institutionally owned parcels with development potential.

02



Conduct feasibility analysis

Test the economics on the most promising parcels — Pearlridge first.

03



RFP & Pre-Development Conversations in Pearlridge

Talk to your local builders about what it would take to develop Pearlridge, and see what they propose

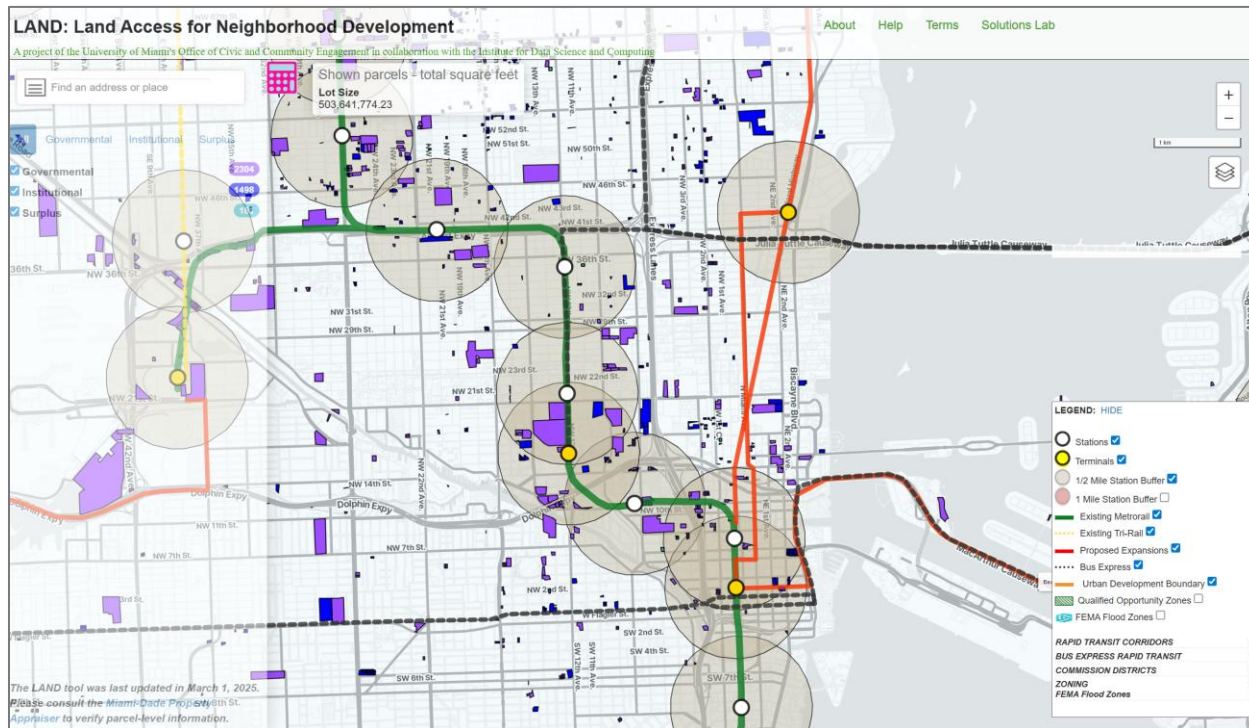
04



Open coordination with the State

Begin a longer-term dialogue on shared parcels and shared priorities.

Land Audit Example from Miami-Dade



CLOSING

**Counties can't control everything.
They can control land.
When they do, the math changes.**

Thank you · Questions and discussion.