

The [Draft Affordable Housing Strategy](#) (Sept. 2015) is the framework for the City's affordable housing (AH) programs and projects. Many actions are being implemented, as described below. This document is used by City staff to track implementation progress.

Mayor Caldwell is proposing a new focus on several of these initiatives, including the affordable housing requirement, financial incentives, project finance, and use of city lands for affordable housing projects (see *the sections in italics*). (Note order of sections changed from 9/15 AH Strategy)

1. Increase Workforce Housing Inventory

a) **Adopt Affordable Housing Requirement (AHR) Islandwide (2015-2016)**

- *New AHR being proposed by Mayor, based on a pro forma analysis assessing feasibility of the AHR and extensive housing working group meetings. An AHR ordinance will be submitted to City Council in March 2017; will require most projects to include a % of affordable housing, either on-site, off-site, or in-lieu fee. To be phased in in some areas.*
- [Residential Nexus Analysis](#) (Sept. 2015). This document provides information about new residential development impacts on the need for affordable housing.

b) **Amend the Unilateral Agreement Rules (2015-2016)**

- Existing [AH Rules for Unilateral Agreements](#) (Feb. 2010) currently apply to residential zone changes, requiring 30% of units as AH. UA rules for future zone changes may be revised to align with new AHR. One option proposed in affordable housing work group would allow developers with current UA rezoning agreements to 'opt in' to proposed AHR percentages in return for incentives like infrastructure finance assistance.
- *New Rules are being drafted to implement the new AHR policy, applicable islandwide, not just in rezoning.*

c) **Increase Affordable Housing Production and Adopt Benchmarks (2015)**

- *Mayor is proposing release of eight or more city properties, financial incentives, and over \$100 million annually to stimulate affordable housing production (see next section for details).*

2. Invest in Better Neighborhoods

a) **Implement a Housing Finance Toolkit to Stimulate Private Investment (2015)**

City's financial consultant is working on financial tools, infrastructure district, and community benefits formulas.

- **Reduce Fees to Lower the Cost of Affordable Housing Production**
Mayor introducing proposed sewer, building permit, and park dedication fee waivers along with AHR proposal. Two-year fee waivers for ADUs adopted by Council.
- **Adjust Real Property Tax Exemptions.**
Mayor proposing RPT exemptions for affordable rental properties; also waiver of RPT increases during construction for entire project (if it includes required affordable units).
- **Modify the Affordable Housing Fund.**
City Charter was amended in 2016 to make funding more usable by projects; increases required AMI from 50% to 60% and changed perpetuity requirement to 60 years.
- **Establish Infrastructure Finance Districts.**
Infrastructure master plan and finance district study under way in Iwilei/Kapalama area. Will include potential for finance districts in other areas. Completion 2017.
- **Create a Community Land Trust and/or Land Acquisition Fund**
Have had some discussions with local groups but need lead sponsor/foundation funding.
- **Creation of Transit Oriented Affordable Housing Fund (TOAH)**
Currently working with State agencies on potential for utilization of Dwelling Unit Revolving Fund account for each county with matching funding from each county coupled with potential foundation and bank funding (ongoing)
- **Maximize State and Federal Funding Mechanisms.**
Discussions under way with state agencies. Mayor is proposing to re-establish use of Private Activity Bond allocation (approx. \$109 million/year) to leverage 4% LIHTC for rental projects.

- Use HOME Funding to Build Affordable Housing. Concepts included in HUD Consolidated Plan update.
- Use CDBG Funding for Supportive Infrastructure. Concepts included in HUD Consolidated Plan update.
- b) Develop Housing in Catalytic TOD Projects (2015-2020)**
 - *Halewai'olu Senior Residences (Chinatown); development agreement approved by Council; ~\$49 million 18-story high rise, 151 units for seniors at or below 60% AML. Construction targeted for 2018, pending finalizing design and funding package.*
 - *Land acquired for Pearlridge Bus Transit Center and mixed-use development; preparing RFP to select development team. Could contain over 300 units of mixed-income housing.*
 - *Project in planning at Verona Village, with mixed income and affordable homes. RFP for development was issued in Feb 2017.*
 - Significant ongoing city support for state efforts such as Mayor Wright Housing, Aloha Stadium redevelopment, and many other state agency TOD/housing plans via Interagency TOD Council.
 - *Mayor proposing release of several city properties under RFP for affordable housing production, including:*
 - *17 acres of vacant land along the Kapolei Parkway.*
 - *11 acres in the final phase of West Loch.*
 - *10 acres of residential lands in Kalaheo.*
 - *7 acres at the old Aiea Sugar Mill.*
 - *18 acres near Leeward Community College, below the rail maintenance center.*
 - *Although mostly not City-owned, there are office properties in downtown Honolulu that could be retrofitted as residential projects. We are seriously examining potential conversions, such as Alii Place, where the City owns the land.*
 - *Lands surrounding Ala Moana Rail stop offer significant potential. Although not yet City-owned, the City is exploring a major bus transit center, significant commercial space and a residential tower adjacent to the rail station.*
- c) Rehabilitate Existing Housing (2015-2016, ongoing)**
Several efforts under way; see homeless services section. Potential to use rehab of existing units to satisfy AHR unit requirements is included as option in proposed AHR ordinance.
- d) Invest in Neighborhood Enhancements and Infrastructure (ongoing)**
 - Significant investment in TOD-related capital improvements and planning/engineering studies. Includes Kapalama Canal projects, rail access in Chinatown, Waipahu transit center, several other upcoming areas; Kekaulike St, Thomas Square and Ala Moana Park, Pearl Harbor Historic Trail; planning for Blaisdell Center.
 - *Over \$1.2 billion in sewer, water, roadway, parks, broadband, and other infrastructure projects is in planning or implementation in TOD areas (see TOD infrastructure list).*

3. Update Policies and Regulations to Promote Housing Production

- a) Adopt Neighborhood TOD Plans and Update Ordinances and Zoning (2015-2016)**
 - Waipahu and Pearl City-Aiea TOD Plans adopted, Kalihi and Downtown TOD Plans are in process of adoption by Council. Ala Moana TOD Plan at Council. Halawa and Airport Area Plans expected to be completed in 2017; East Kapolei TOD Plan in 2018.
 - *The [TOD Special District bill](#) (Bill 74) and [TOD Zoning](#) (Bill 76) currently before the City Council; will enable added height and density in return for community benefits (see Sec. 21-9.100-4 and Sec. 21-9.100-8(A)(1)(E) of link). Initially applies to Waipahu and West Loch; draft in progress for Pearl City/Aiea. Will be developed for other TOD Plan areas as those plans adopted.*
 - *Revisions to the Interim Planned Development-Transit (IPD-T) ordinance are at Council for adoption. These will add specific requirements on percentage of affordable housing required.*
- b) Expand Zoning for Multi-family and Accessory Dwelling Units (2015-2016)**
 - *Accessory Dwelling Unit Ordinance was passed in September 2015, allowing 400-800 SF ADUs on up to 105,000 residential lots (if infrastructure available and homeowners' associations allow); plus just over 100+ Country-zoned lots.*
 - *[ADU incentives bill](#) adopted by Council temporarily waives certain infrastructure fees and permanently removes park dedication requirements for ADUs. The bill is intended to facilitate*

implementation of the original [ADU bill](#). DPP is working with contractors and manufacturers to pre-approve 'master permits' for ADU production units to streamline approvals.

- DPP is working on small-lot ordinance and encouraging micro-unit development proposals.
- c) Incorporate Housing Strategy in the General Plan Update (2015)**
 - In process
- d) Revise Housing Construction Standards without Sacrificing Health and Safety (2015-2016)**
 - Discussions underway about code revisions and process improvements.
- e) Improve the 201H Process to Create More Accessible Affordable Housing (2015-2016)**
 - The Mayor's Office of Housing conducted a scan of current 201-H practices and options. Report and analysis completed; DPP discussing internally and with partners and industry.
- f) Support Growing and Aging in Place (2015-2016)**
 - City Age-Friendly policy adopted and principles being incorporated into projects, plans, and policies. Significant investment in rail access and complete streets improvements.

4. Increase Low-Income and Homeless Housing Options

- a) Acquire, Develop, Rehabilitate, or Lease Housing First Units (2015-2016, ongoing)**
 - IHS year 1 (Nov. 2014 - Oct. 2015) 176 people in 115 households placed into permanent supportive housing (including 35 children in 20 families). Over 95% retention rate; see independent UH study. IHS year 2 maintaining housing for those households, with goal of housing an additional 100 households (focus on chronic homeless veterans).
 - Hale Mauliola Navigation Center (Sand Island). The Center's goal is to coordinate services and permanently house households experiencing homelessness (see 2c below). 62 guests have been moved into permanent housing.
 - \$64 million in General Obligation bond funding provided by Council for acquisition/rehab.
 - Winston Hale Micro Units (Chinatown). Renovating 3,000 sf vacant city-owned two-story commercial building for six micro-units. Project completed November 2016.
 - 1506 Piikoi St., former private school acquired for \$5.5 mil in Nov 2015. Redeveloping two buildings into 42 micro unit studios, 1-, 2-, and 3-bdrm units for low income households experiencing homelessness. DCS/OSD working with community groups. Completion projected April 2017.
 - 86-537 Halona Rd. (Waianae); Former substance abuse facility/group home, vacant and dilapidated for many years, was demolished and developed into three modular units with services, for families experiencing homelessness on the Leeward Coast. Project completed Nov 2016.
 - 85-248 Farrington Hwy. (Waianae). 1.1 acre vacant parcel to be developed with up to 20 modular units for households experiencing homelessness. In concept/design; DCS/OSD working with community groups.
 - 431 Kuwili Street (Iwilei). Four-story former industrial building purchased for at least 35 units of permanent supportive housing, homeless services, and a hygiene cent (see 2c below). Council included \$2 million in capital funds and \$1 million in operational funds in FY2017 budget to operate the Iwilei hygiene center.
 - 1727 Beretania. Acquired a turn-key 24 unit apartment building for \$6.9 mil. The apartments, with the exception of two units that will be converted into ADA compliant units, are ready for rentals to low-income households experiencing homelessness, with a priority for households with a child and households with an employed household member. First tenants moved in last Friday.
 - Hale Mauliola Phase 2 Expansion. An additional 6 containers for a maximum capacity of 21 additional residents are being fabricated and will be ready in Feb 2017. Site work and unit delivery is set for April 2017.
 - Kahauiki Village. The City has leased an 11.3 acre site on Sand Island ("paintball site") to a private developer who will be developing a modular housing village of 200 rentals for homeless families. The City will contribute up to \$4 mil in backbone water and sewer infrastructure. The infrastructure construction will be overseen by DFM and will start Feb 2017.

- Halewaiolu Senior Housing. A 151-unit rental project for seniors by private developer in Chinatown. The City executed a Development Agreement with the developer in May 2016 and the developer is currently performing design and securing financing for the project.
- Other properties are being reviewed for possible acquisition for housing.
- b) Leverage HUD Funding to Implement Priority Projects (2015-2016, ongoing)**
 - HUD IDIS Housing Projects using CDBG and HOME Programs – five projects with 836 units (Villages of Moae Ku; Hale Mohalu II; Kooloauala Phase II; Hibiscus Hill Apartments; Kaneohe Elderly Apartments).
 - Support for Artist Lofts (Kakaako) project.
- c) Leverage and Coordinate Homeless Services (ongoing)**
 - Signed onto Mayor’s Challenge, Jan 2015. Provided permanent housing to 900 veterans (as of the end of 2016).
 - Pauahi Hale hygiene center (Chinatown), operated by Mental Health Kokua, in service for a year. Open 12 hours/day; serves 60 to 70 people/day.
 - Iwilei hygiene center (431 Kuwili Street). Recently purchased building for permanent supportive housing, homeless services, and hygiene center modeled after facilities in the Pacific Northwest. (see 2a above). The first floor hygiene center will have restrooms, showers, and laundry machines, with services on 2nd floor. Council included \$ \$1 million in operational funds in FY2017 budget to operate the Iwilei hygiene center.
 - Hale Mauiola Navigation Center (Sand Island); contract with the Institute for Human Services issued by DCS to operate the facility. The Center’s goal is to coordinate services and permanently house households experiencing homelessness. Site work completed by City DFM; 25 modular container units purchased and installed for 63 units to serve 83 guests (singles and couples); 130 guests have been placed into appropriate housing options..
 - Many other ongoing services in place
- d) Implement a Project-based Section 8 Voucher Program (2015)**
 - Under discussion.
- e) Coordinate with the HHFDC Low-Income Housing Tax Credit Program (2015-2016)**
 - Staff discussions ongoing with HHFDC

5. Coordinate Implementation and Measure Progress

- a) Establish an Office of Strategic Development (2015)**
 - Housing and Office of Strategic Development staffing were proposed but not funded. New Department of Land Management (for development and management of city assets) were created by charter amendment in 2016.
- b) Track Production and Inventory of Affordable Housing (2015, ongoing)**
 - Exploring software and technology options (such as HomeKeeper web app) for improving recordkeeping and income qualifications/tracking process.