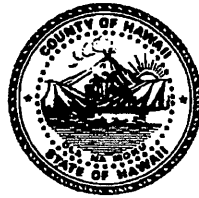


Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

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March 8, 2022

Maile Medeiros David, Council Chair
and Members of the Hawai'i County Council
Hawai'i County Council
25 Aupuni Street
Hilo, HI 96720

2022 MAR - 8 AM 10:38
COUNTY CLERK
COUNTY OF HAWAII

SUBJECT: Update to Comm. No. 639
Finance Committee Meeting – March 9, 2022

By means of this communication, I've attached an update to Comm. No. 639 regarding the Strategic Roadmap for Housing Development.

Should you have any questions, please contact me at (808) 961-8379 or by email at susan.kunz@hawaiicounty.gov.



Susan K. Kunz
Housing Administrator

2206askk

Comm. No. 639.1
Ref. To: P/FC
Ref. Date MAR - 9 2022



STRATEGIC ROADMAP FOR HOUSING DEVELOPMENT

Update to the Hawai'i County Council – Committee on Finance (Comm. No. 639)

March 9, 2022

The Hawai'i County Council unanimously approved Resolution 241-21 on November 3, 2021, which urged the Office of Housing and Community Development (OHCD) to conduct a study on the County's inclusionary zoning policy (Chapter 11) and to develop a strategic roadmap for housing development on Hawai'i Island.

Progress on the review of Chapter 11 - OHCD has executed a contract with Keyser Marston Associates (KMA), a real estate advisory firm out of Northern California. KMA's principals have 20-40 years of experience in affordable and market rate housing, transit-oriented development, asset management, infrastructure finance, land use strategies and public finance. KMA was contracted in accordance with HRS Section 103D-304, utilizing the Professional Services selection process.

Progress on the Strategic Roadmap for Housing Development - Recognizing the need for changes and actions on many fronts in addition to a comprehensive review of Hawai'i County's inclusionary zoning code, Chapter 11, the initial Road Map includes five major strategies for expanding availability and affordability of housing in Hawai'i County, as follows:

STRATEGY 1 – COMPREHENSIVE REVIEW AND UPDATE OF CHAPTER 11

STRATEGY 2 - CONSIDER CHANGES TO CHAPTER 23, SUBDIVISION CODE and CHAPTER 25, ZONING CODE

The Planning Department is currently in the process of a review of the General Plan, Community Development Plans and a comprehensive review and revision of its Chapter 23, Subdivision Code and Chapter 25, Zoning Code. KMA's analysis of the "Economics of Increased Density" in its Pro Forma work should provide guidance on the effect of increasing densities or reductions of minimum lots sizes on improving feasibility in residential development.

STRATEGY 3 - CONSIDER ESTABLISHMENT OF AN AFFORDABLE HOUSING FUND

- Consider the establishment of an Affordable Housing Fund with resources dedicated to increasing and preserving the supply of affordable housing in Hawai'i County.
- Evaluate potential options for generating funds to be dedicated to the new Affordable Housing Fund. Success of a new Affordable Housing Fund will depend on a consistent funding source with a committed base amount of annual funding.

STRATEGY 4 - USE OF COUNTY AND STATE-OWNED LANDS FOR AFFORDABLE HOUSING

STRATEGY 5 - CONSIDER PLANNING AND PERMITTING PROCESSES FOR AFFORDABLE HOUSING PROJECTS TO FAST TRACK ADMINISTRATIVE APPROVAL FOR 100% AFFORDABLE HOUSING PROJECTS

OTHER STRATEGIES FOR CONSIDERATION:

- Infrastructure
- Vacation rental regulations
- Financing tools
- Building codes
- Fees and exactions