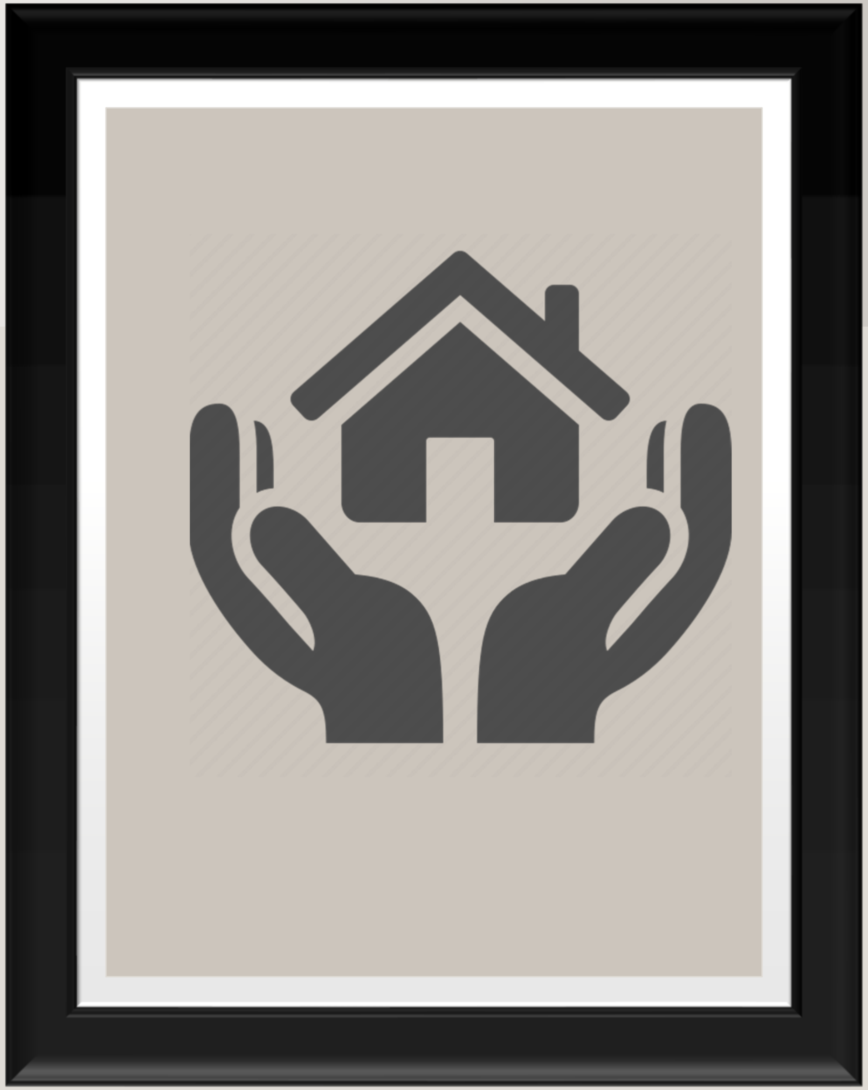
Communication Number 2022-02 Housing and 201H Presentation

HAWAII COUNTY OFFICE OF HOUSING & COMMUNITY DEVELOPMENT (OHCD)

PRESENTED TO:

CDP JOINT ACTION COMMITTEE

JANUARY 19, 2022



HAWAII COUNTY HOUSING NEEDS

- In 2019, the Office of Housing & Community Development partnered with SMS to conduct a Housing Planning Study.
- There is a projected need of **10,796** Affordable Housing units needed from 2020-2025 for households at 140% AMI or below

Table 34. Needed Housing Units by HUD Income Classification, Counties & State of Hawai'i, 2020-2025

	Total Units Needed, 2020 through 2025								
	HUD Income Classification								
	LT 30	30 to 50	50 to 60	60 to 80	80 to 120	120 to 140	140 to 180	180+	Total
Hawaii	3,475	1,356	373	2,285	2,143	1,163	1,198	1,309	**13,303**
Ownership Units	756	285	196	1,413	1,556	561	924	1,012	6,703
Single-Family	687	264	196	1,249	1,081	398	635	911	5,420
Multi-Family	69	21	0	164	474	164	289	102	1,283
Rental Units	2,719	1,071	178	872	587	601	274	297	6,600
Single-Family	1,225	443	49	514	307	384	251	215	3,389
Multi-Family	1,494	628	129	358	280	217	24	82	3,211

Figures based on 2019 SMS Housing Planning Study, found here: 2019 Hawaii Housing Planning Study - Laserfiche WebLink (hawaiicounty.gov)

HOUSING NEEDS BASED ON INCOME

Figure 11. Needed Housing Units by HUD Category and Income Classification, Counties & State of Hawai'i, 2020-2025

	Total Units Needed, 2020 through 2025								
	HUD Income Classification								
	LT 30	30 to 50	50 to 60	60 to 80	80 to 120	120 to 140	140 to 180	180+	Total
State of Hawaii	10,457	5,730	3,141	6,910	6,055	4,011	5,854	7,997	50,156
Honolulu	4,200	2,923	1,979	2,944	3,037	1,710	2,405	2,970	22,168
Maui	1,721	777	492	1,272	740	647	1,800	2,955	10,404
Hawaii	3,475	1,356	373	2,285	2,143	1,163	1,198	1,309	13,303
Kauai	1,060	674	297	408	136	492	451	763	4,281

		Total Units Needed, 2020 through 2025							
		Income Classification							
		Less than $30k	$30k to $45k	$45k to $60k	$60k to $75k	$75k to $100k	$100k to $150k	More than $150k	Total
State of Hawaii		10,123	5,679	5,591	5,730	7,191	8,762	7,080	50,156
	Honolulu	3,979	2,539	2,241	2,368	3,439	4,077	3,526	22,168
	Maui	2,039	1,174	1,279	1,143	1,734	1,822	1,213	10,404
	Hawaii	3,904	1,497	2,285	1,982	943	1,774	918	13,303
	Kauai	1,367	385	204	613	494	630	588	4,281

Source: Housing Demand Survey and Hawai'i Housing Model, 2019

- The needs in Hawaii County are significantly higher than the other neighboring islands
- Households of 80% AMI and below make up almost 70% of the total housing demand (up to 140%AMI)
- The estimated number of needed housing units does not include homeless households or households with special needs. Including units required to accommodate persons entering the housing market from a homeless or residential treatment facility would increase the number of needed units.

Figures based on 2019 SMS Housing Planning Study, found here: 2019 Hawaii Housing Planning Study - Laserfiche WebLink (hawaiicounty.gov)

IMPACTS OF LIMITED HOUSING OPTIONS

- Safe affordable housing can improve people's overall heath through safer environments and decreased stress, improved educational performance/outcomes for children, greater stability for household members, and a means to build wealth for homeowners
- More affordable housing options can also impact the community as a whole by reducing traffic, lower health care costs, lower crime rates, and reduce spending to homeless/social services

Statements based on ALICE 2020 REPORT: A Study in Financial Hardship in Hawaii | Aloha United Way (auw.org)

WHY NOT DEVELOP AFFORDABLE HOUSING?

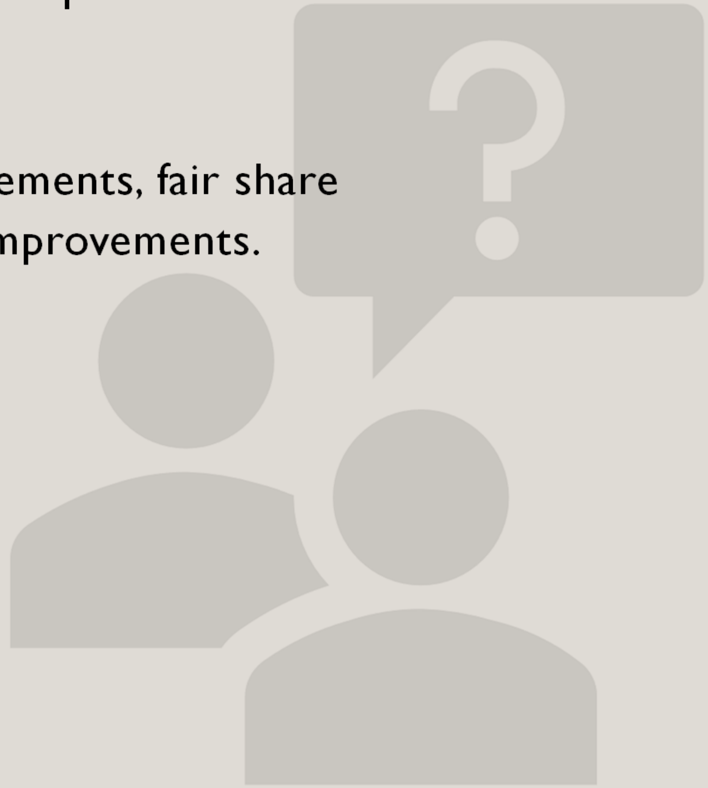
- The bottom line is that affordable housing is not as profitable as market-rate housing or transient housing such as vacation homes or condominiums.
- The OHCD works with developers by creating tools to make affordable housing projects financially feasible.
- One of the most commonly used tools is the 201H application

WHAT IS §201H-38 HRS?

- HRS §201H-38 allows for the OHCD to facilitate developer exemption requests in order to create more affordable housing projects.

- Common exemptions include permitting fees, re-zoning, planning requirements, fair share contributions, density restrictions, parking requirements, and roadway improvements.

- NOTE: Health & Safety measures may never be exempted.



WHAT IS THE PROCEDURE FOR A "201H APPLICATION"?

1. The developer must hold a public meeting to discuss the project with the community.
2. An application is completed by the developer and submitted to the OHCD office for review.
3. The application is distributed to State and County Departments for 30-days for review and comments.
4. The application is submitted to the Planning Committee.
5. If/When approved, the Planning Committee will send the application to County Council for final approval.

WHY WOULD A DEVELOPER WANT TO USE THE 201H APPLICATION?

REZONING CAN BE COMPLETED WITHOUT TRIGGERING PLANNING REQUIREMENTS

MULTIPLE EXEMPTIONS MAY BE REQUESTED UNDER THE SAME APPLICATION TO ACHIEVE BOTH COST SAVINGS AND SPECIAL CONDITIONS FOR A PROJECT.

EXAMPLE: A DEVELOPER MAY REQUEST TO REZONE, WAIVE PERMIT FEES, AND SETBACK REQUIREMENTS.

FAIR-SHARE CONTRIBUTIONS DO NOT APPLY.

REQUESTS ARE EXPEDITED. ONCE PRESENTED FOR THE PLANNING COMMITTEE AGENDA, A 45-DAY CLOCK IS INITIATED.

IF A DETERMINATION IS NOT MADE WITHIN 45-DAYS, THEN IT WILL BE DEEMED APPROVED ON THE 46TH DAY.

WHO IS ELIGIBLE FOR EXEMPTIONS?

- Private and non-profit developers may apply
- The project must not contravene any health and safety standards. At a minimum, the developer must present published compliance with Chapter 343, HRS, proof of potable water, an approved wastewater disposal system, proof that the project is outside of a flood zone and proof of FUDS (Formerly Used Defense Site) clearance when applicable.
- All 201H Applications trigger an affordable housing obligation. All 201H applicants are obligated to create affordable housing units that equate to 50%, plus 1 of the total amount of sale units, rentals, or lots of the entire project.

EXAMPLES OF 201H PROJECTS

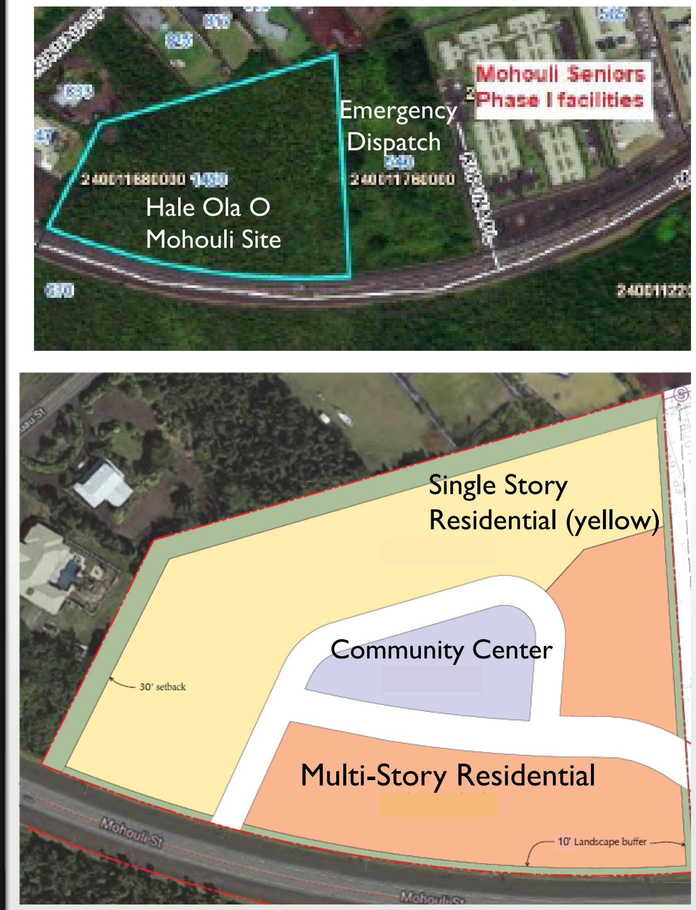
There were (3) 201H projects submitted proposals in 2021

- Honua'ula Living Community (100% Affordable)
- Hale Ola O Mohouli (100% Affordable)
- Waikoloa Village Center (100% Affordable)

HONUA'ULA LIVING COMMUNITY

The developer requested a change of zoning and waiver for permitting fees. The application was approved by County Council in September 2021. The multi-family facility will produce (112) one-, two-, three-, and four-bedroom units for renters with a household income below 60% of the Area Median Income (AMI)

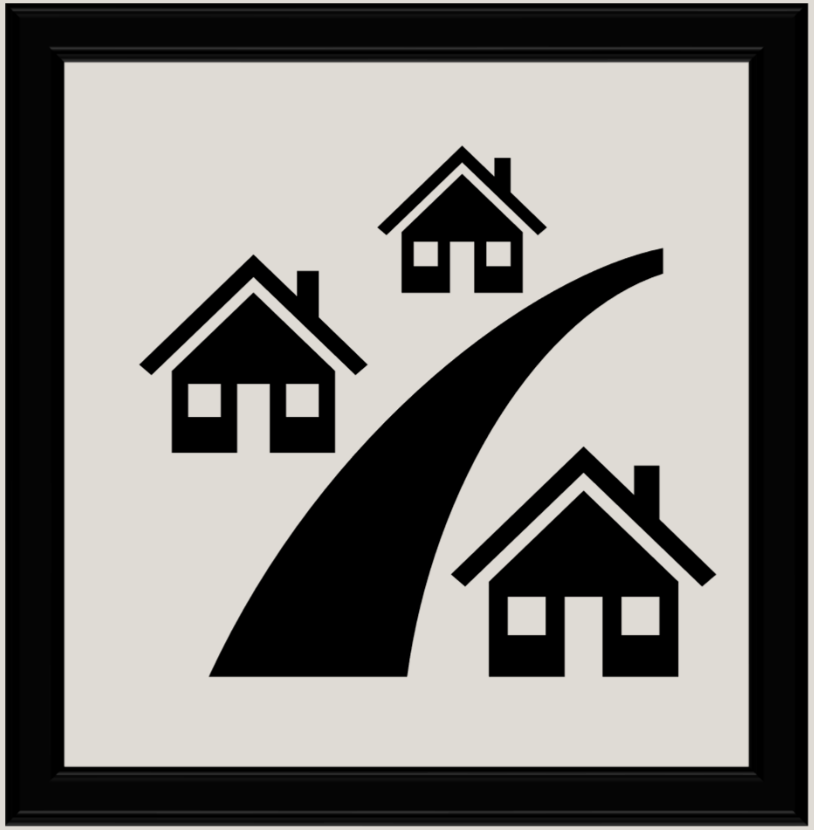
HALE OLA O MOHOULI



The developer has requested a change in zoning and a reduction of set-back between buildings. The project will be presented before the Planning Committee in February 2022. The "pocket neighborhood" concept will create 90 units (60 family & 30 Elderly) to renters with a household income below 60% AMI.

WAIKOLOA VILLAGE CENTER

This developer has requested exemptions which are currently being evaluated by OHCD. The 201H application was submitted in December 2021. This project uses a "self-subsidizing" concept for 200 affordable housing units by including commercial and light-industrial space. The household incomes for targeted renters are being evaluated.



STRATEGIC ROADMAP TO INCREASE AFFORDABLE HOUSING

Regulatory Reform: This includes a comprehensive review of Hawaii County's inclusionary zoning code, Chapter 11 Hawaii County Code (HCC) in partnership with a third-party consultant. Evaluation is expected to be completed in July 2022. OHCD is in communication with the Planning Department to similarly evaluate Chapter 23 HCC (Subdivisions) and Chapter 25 HCC. (Zoning)

Create a program to develop Affordable Housing on existing County and State-owned lands and acquiring new land for future projects. Building a County-owned affordable rental portfolio through acquisition of existing, or construction of, new homes for those in the lower AMI's with a contracted Property Management company for management of the rental portfolio.

Establishing a Housing Fund and seeking other sources of funding to promote affordable housing development.

THANK YOU FOR YOUR CONTINUED SUPPORT!

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