

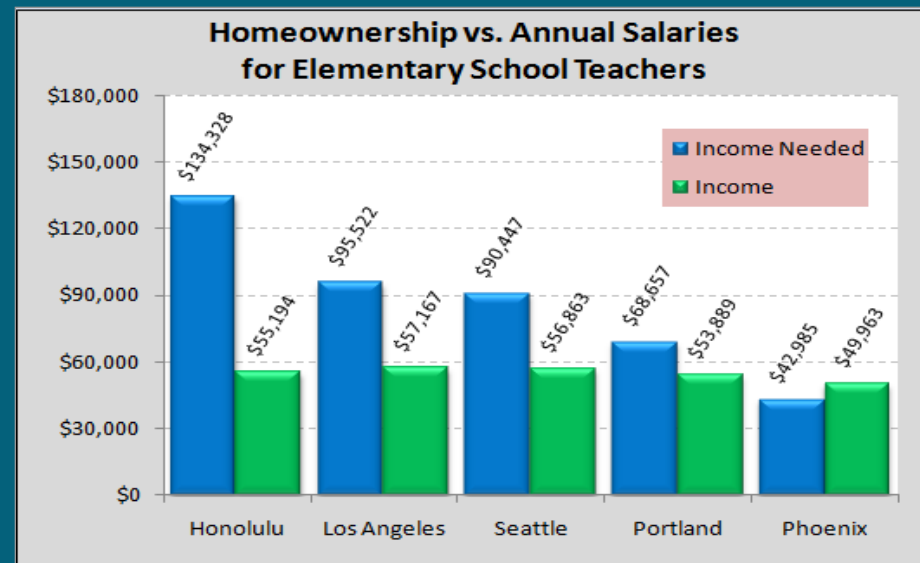
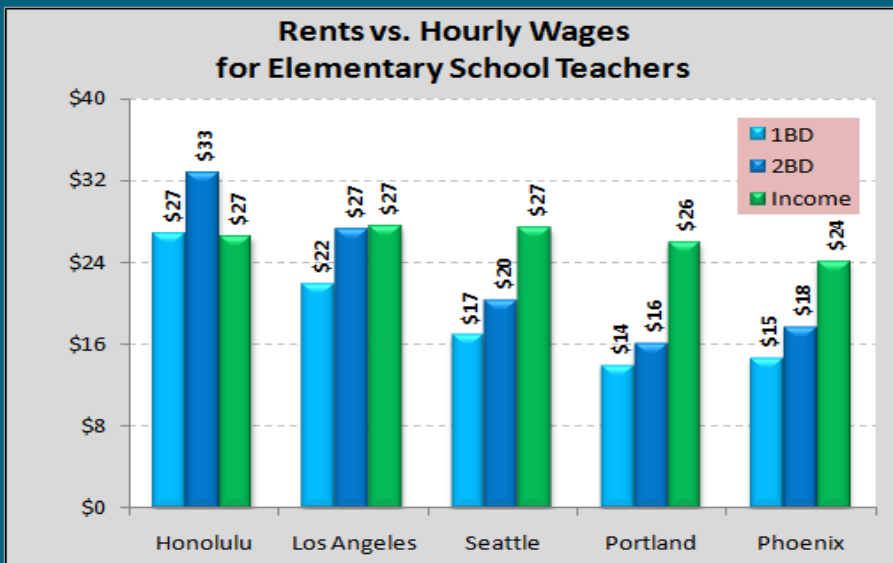
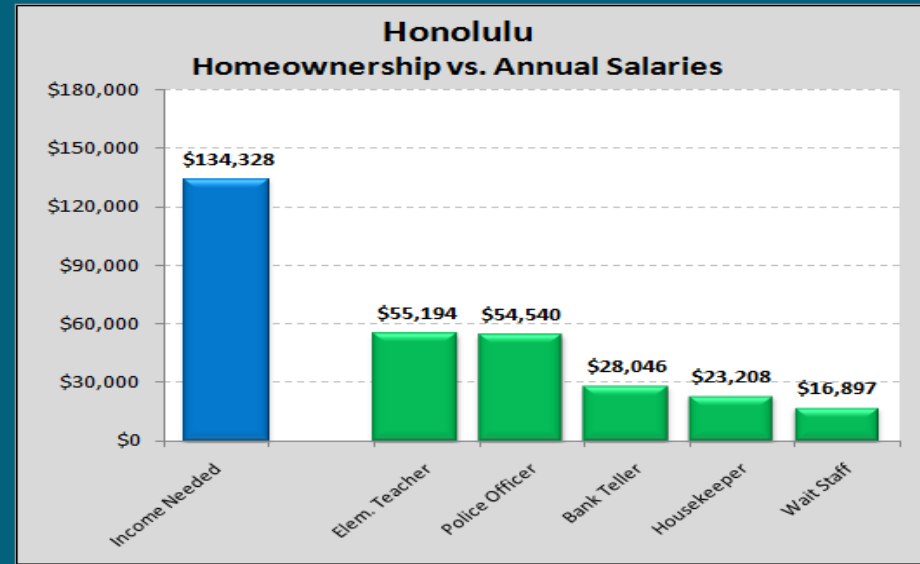
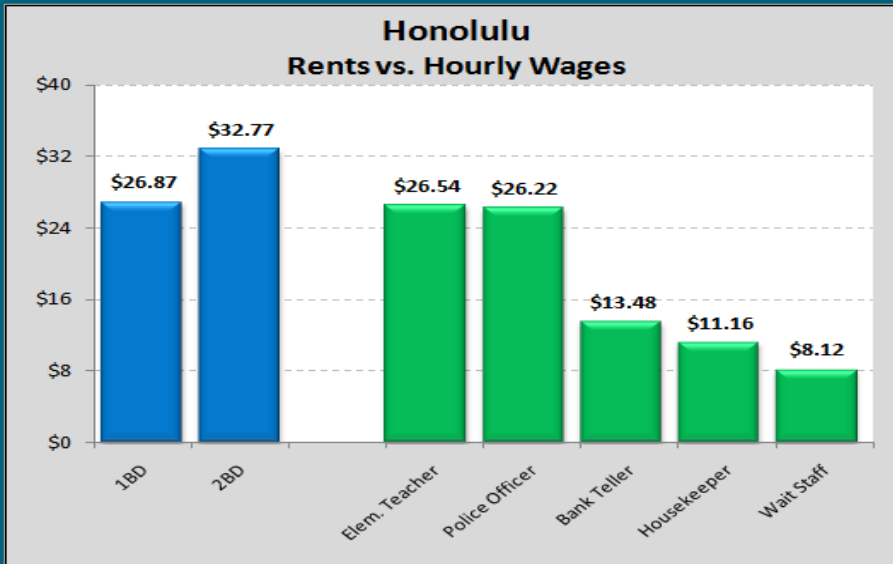


# Achieving Affordability A Transit-Oriented Housing Strategy

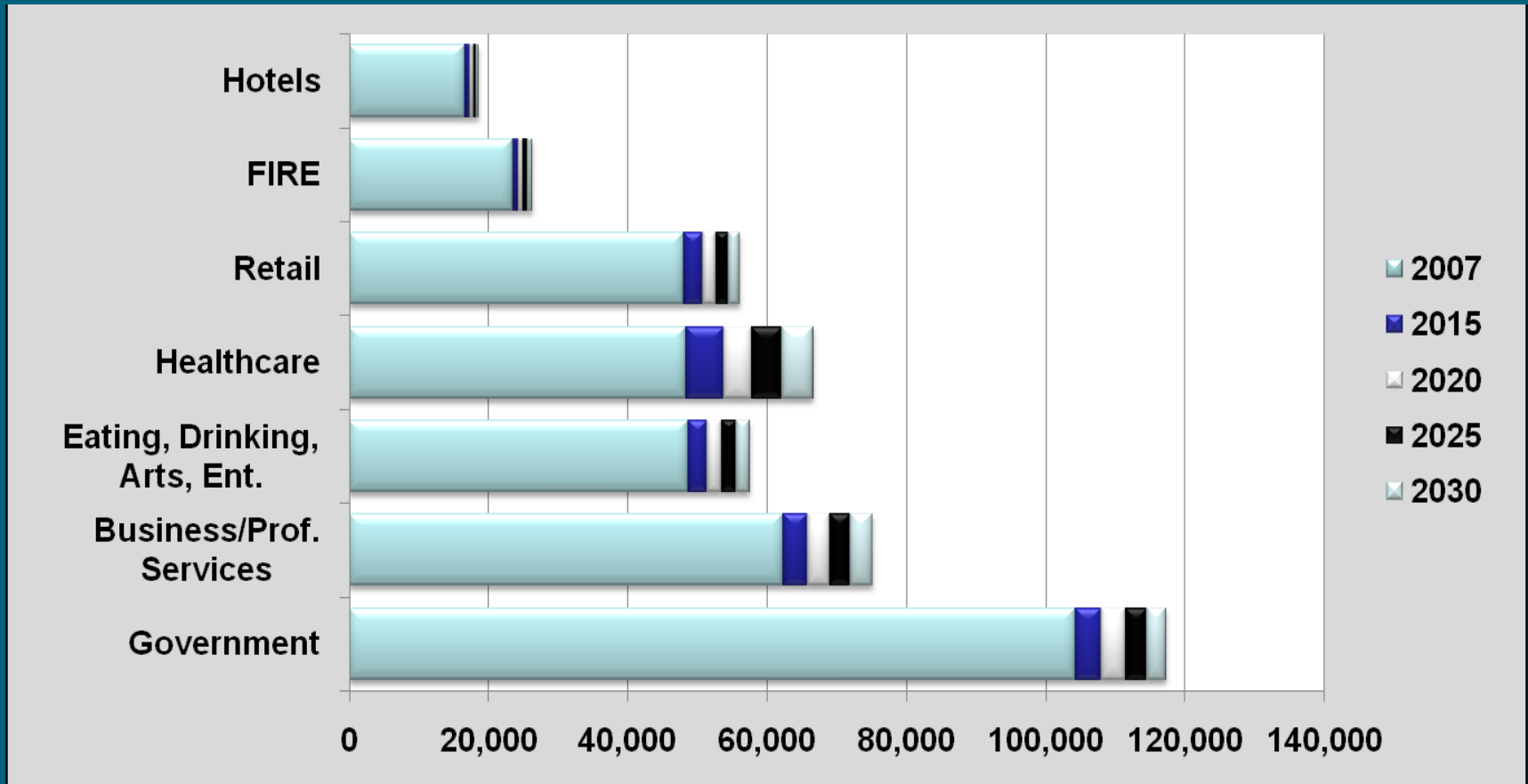


*get* **on** *BOARD!*  
Transit Oriented Development

# Affordable Housing Crisis



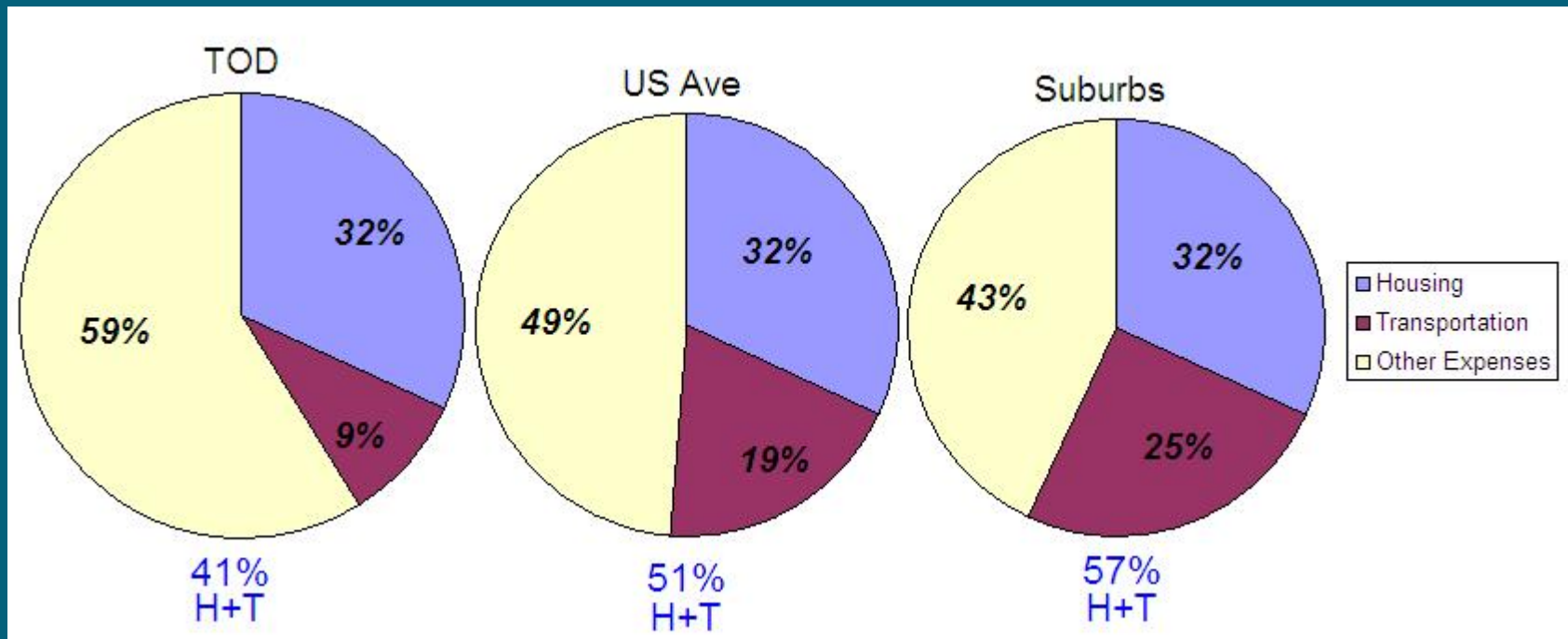
# Honolulu Jobs by Sector 2007-2030



Source: Honolulu Department of Planning and Permitting

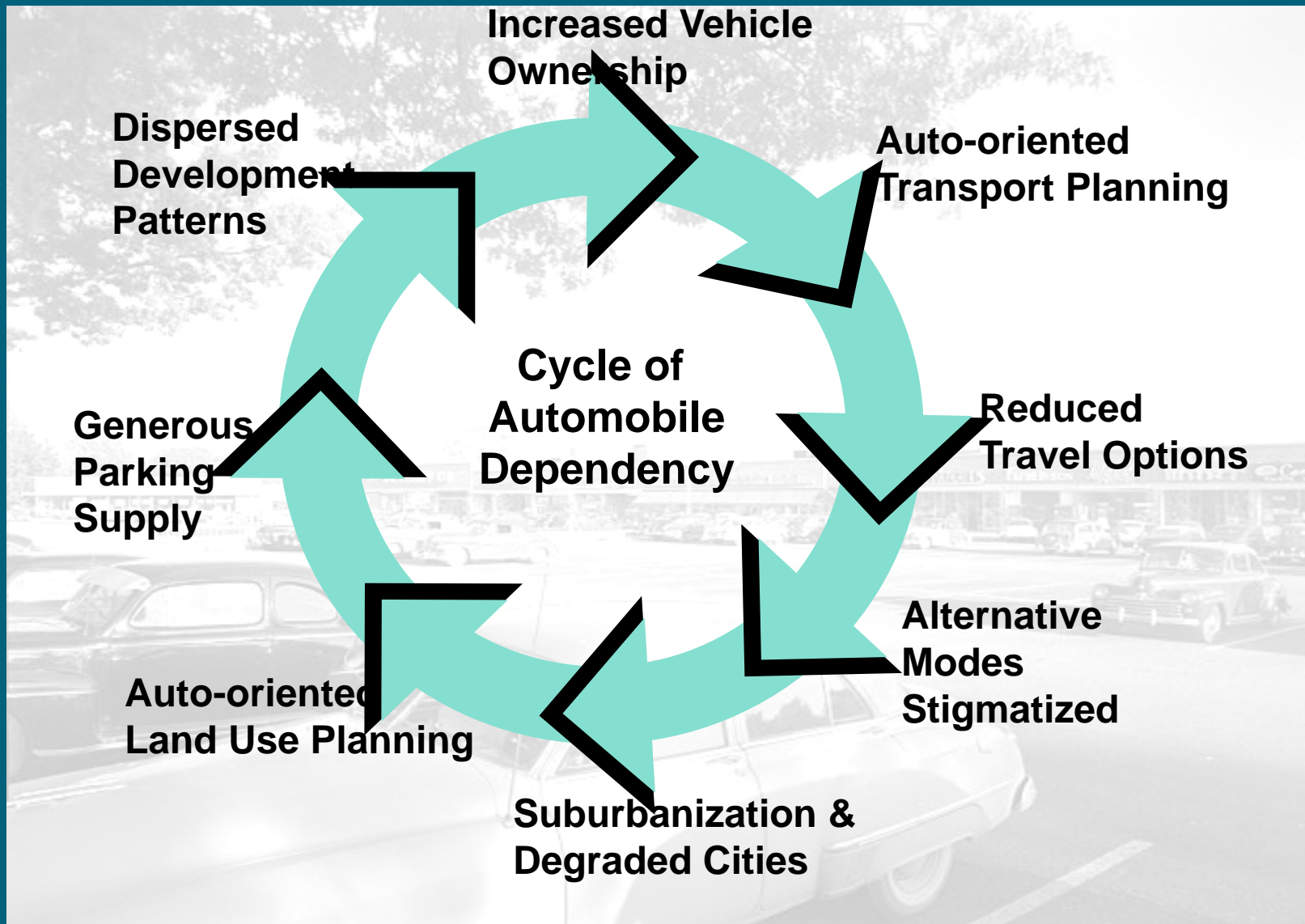
# Housing + Transportation Affordability

- Housing + Transportation Affordability = Less than 45% of gross monthly income

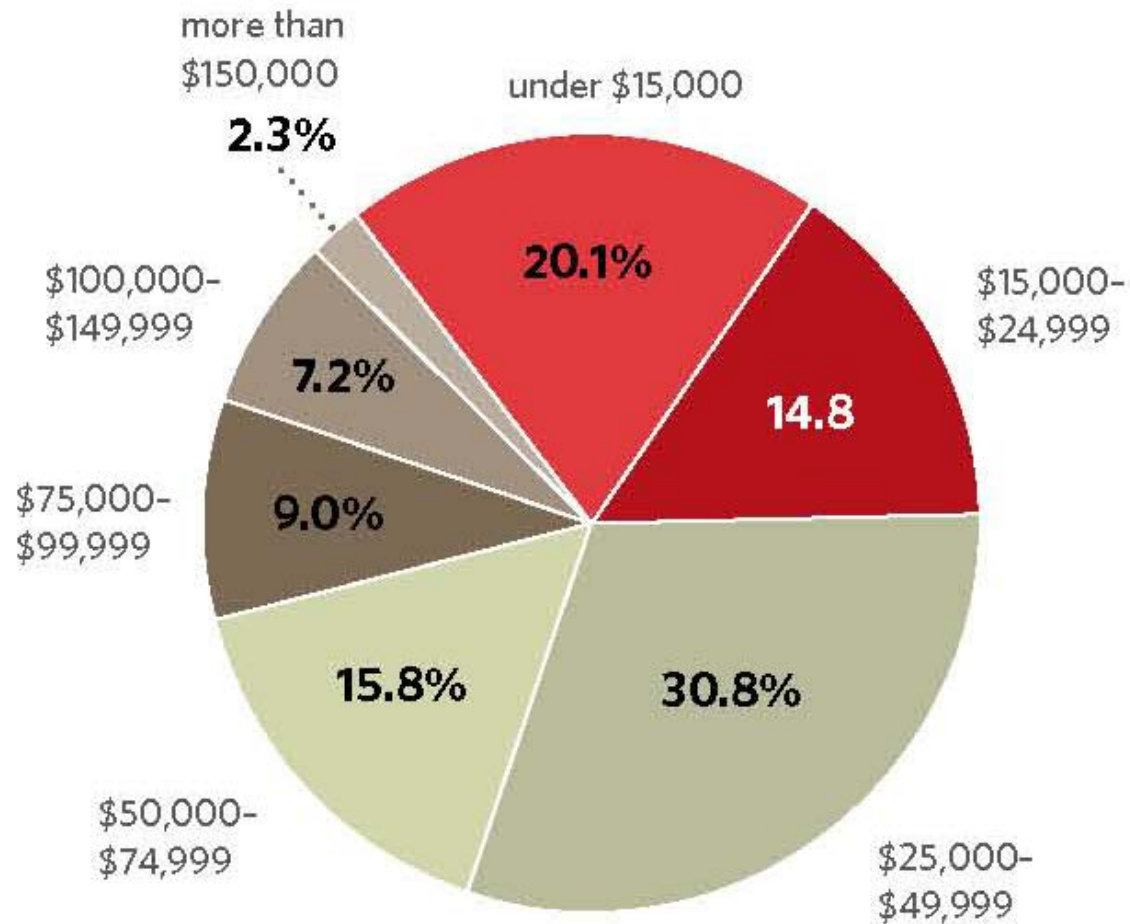


•Source: US DOT, Federal Highway Administration

# Cycle of Automobile Dependency and Sprawl



# Household Income of Transit Riders



Source: APTA, 2007

# Share of Zero-Vehicle Households in Top 100 Metropolitan Areas, by Income

## Zero-vehicle households

Low Income

**60%**

Middle Income

**24%**

High Income

**17%**

## Households with a vehicle

Low Income

**24%**

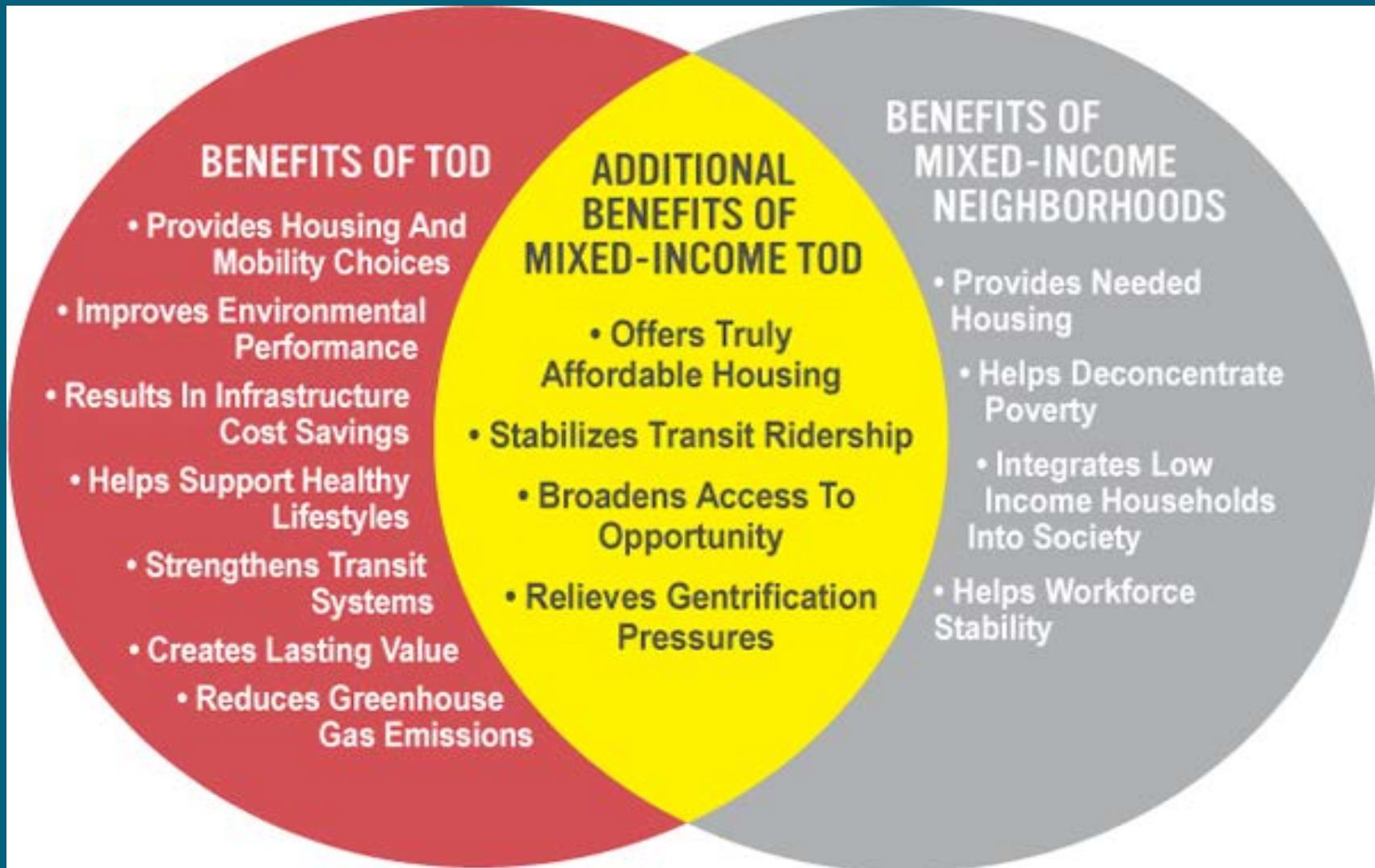
Middle Income

**34%**

High Income

**42%**

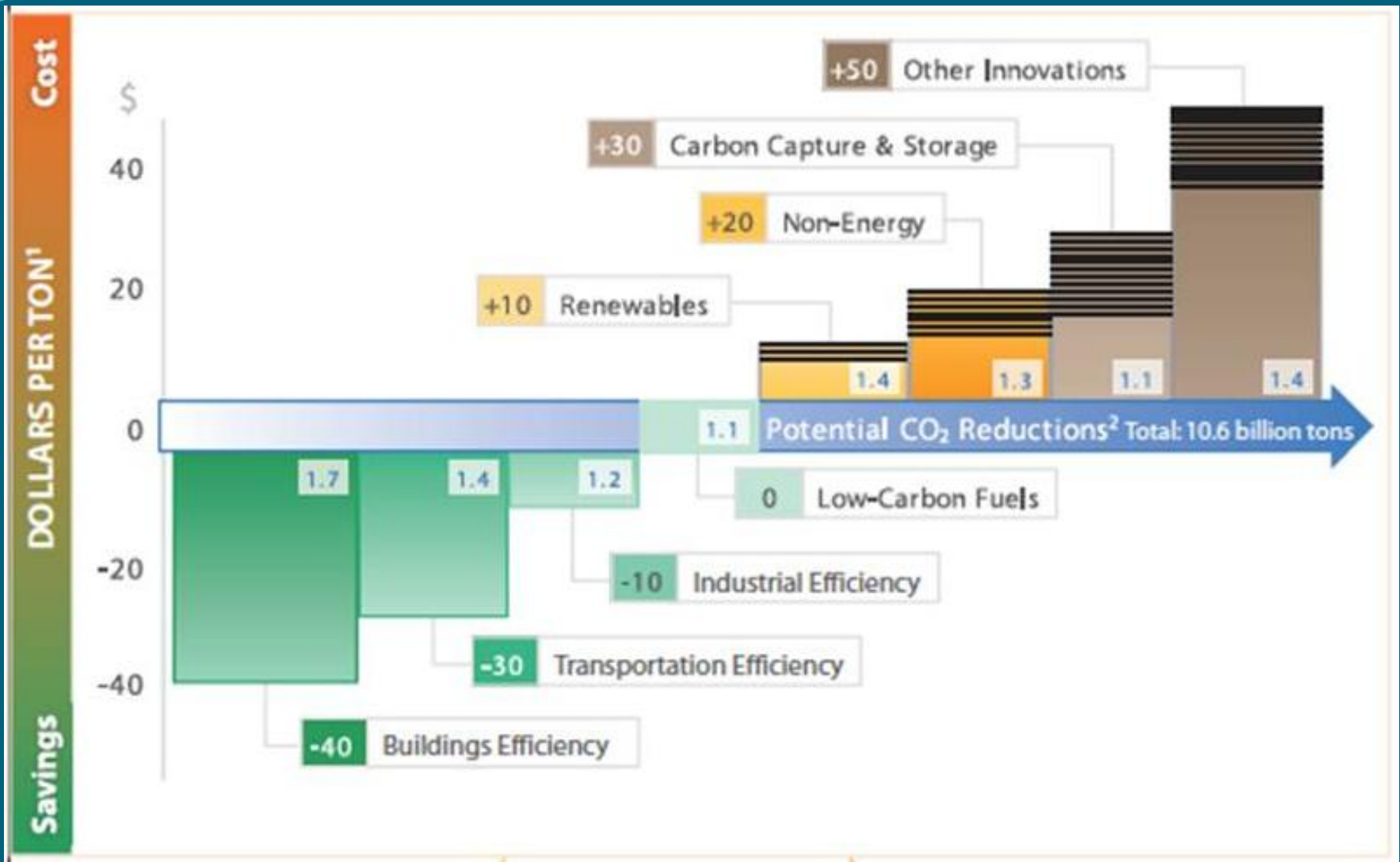
# Why Focus on Transit-Oriented Development?



Source: The Center for Transit-Oriented Development



# Cost Efficiency of Carbon Reduction Strategies



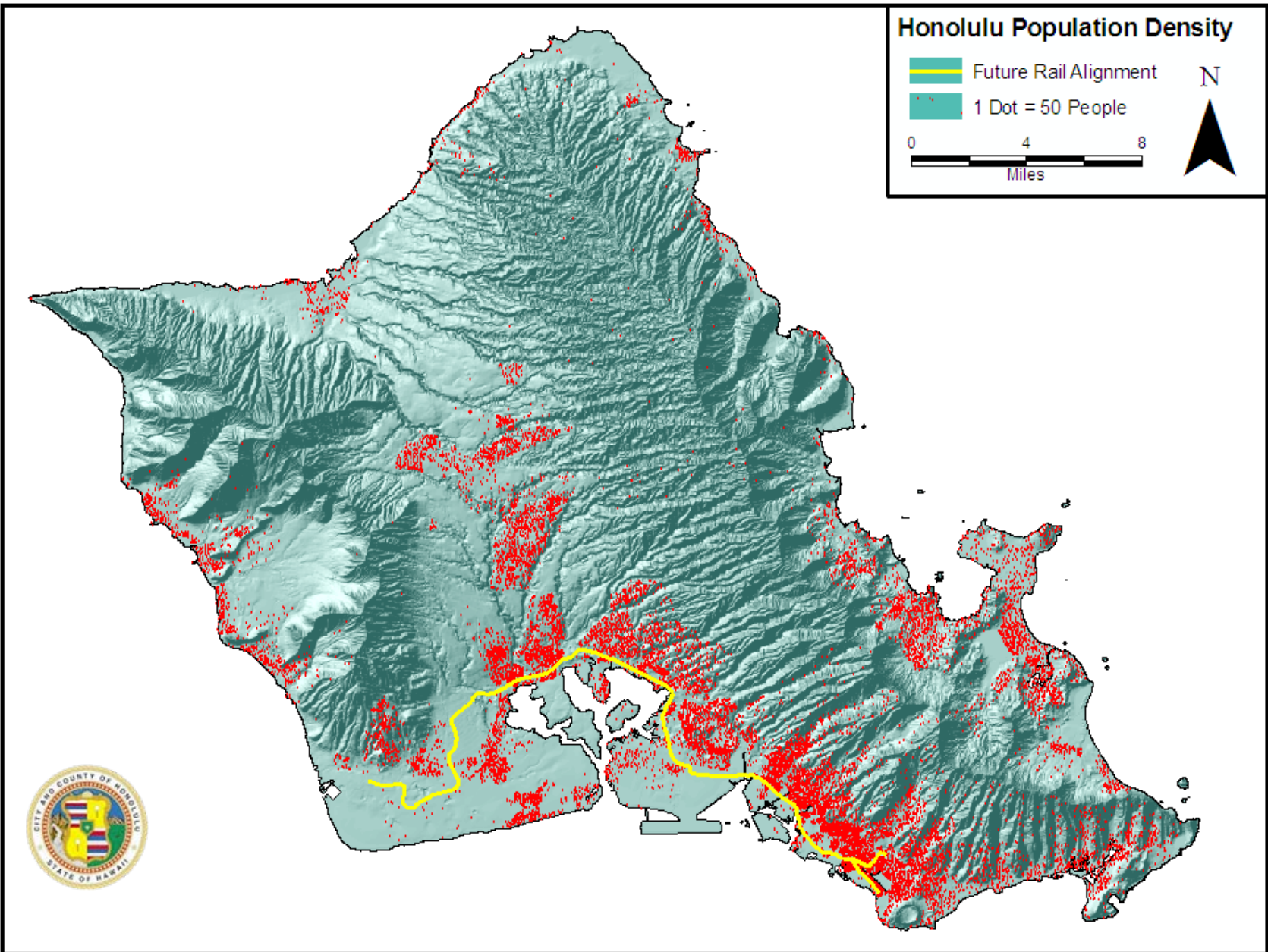
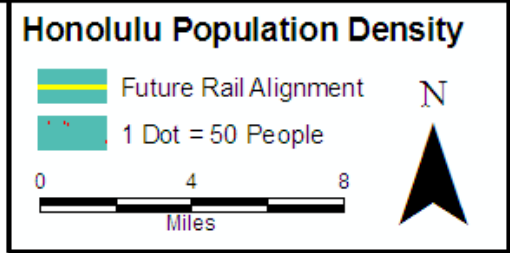
### Honolulu Population Density

— Future Rail Alignment

1 Dot = 50 People

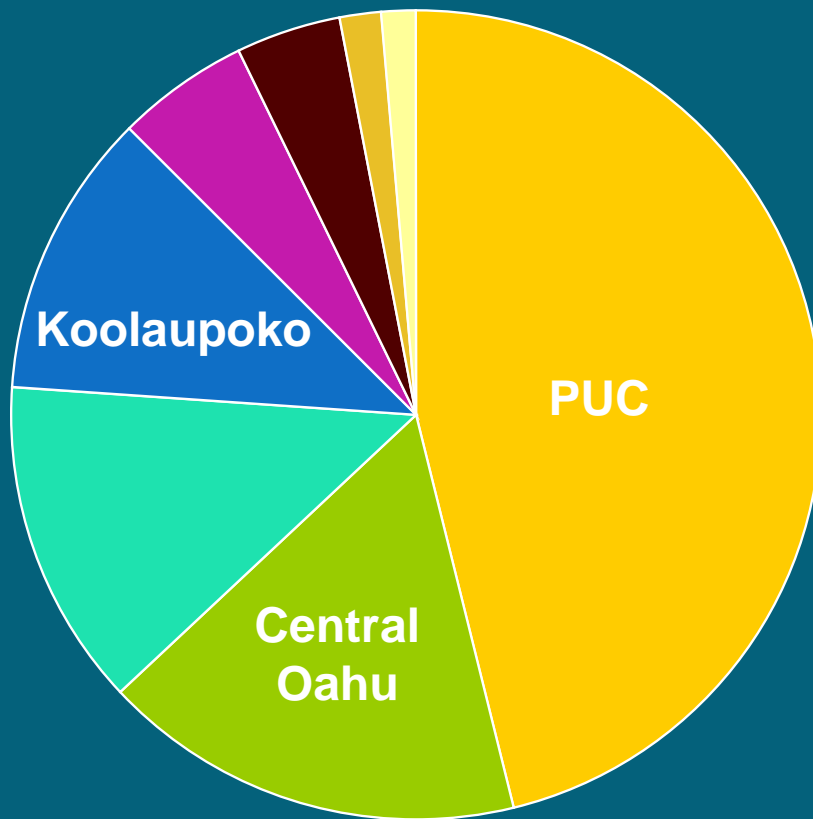
0 4 8  
Miles

N



# GP Population Demand and Distribution

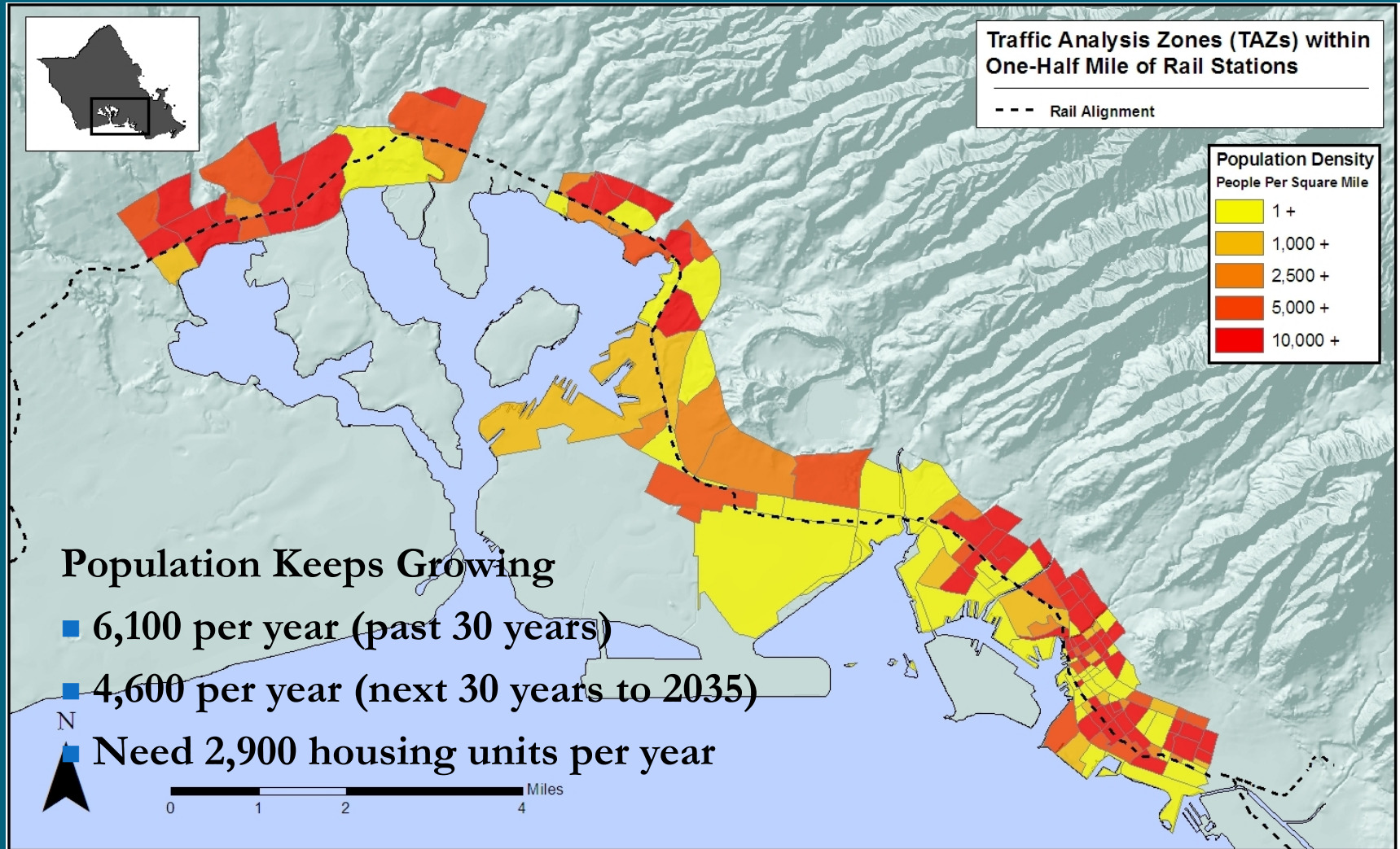
Demand by 2035: 102,000 Net Additional Housing Units



## GP Distribution Guidelines (%)

- 46.0 PUC
- 17.0 Central Oahu
- 13.0 Ewa
- 11.5 Koolaupoko
- 5.3 E. Honolulu
- 4.0 Waianae
- 1.7 N. Shore
- 1.4 Koolau Loa

# Rail Corridor Population Density

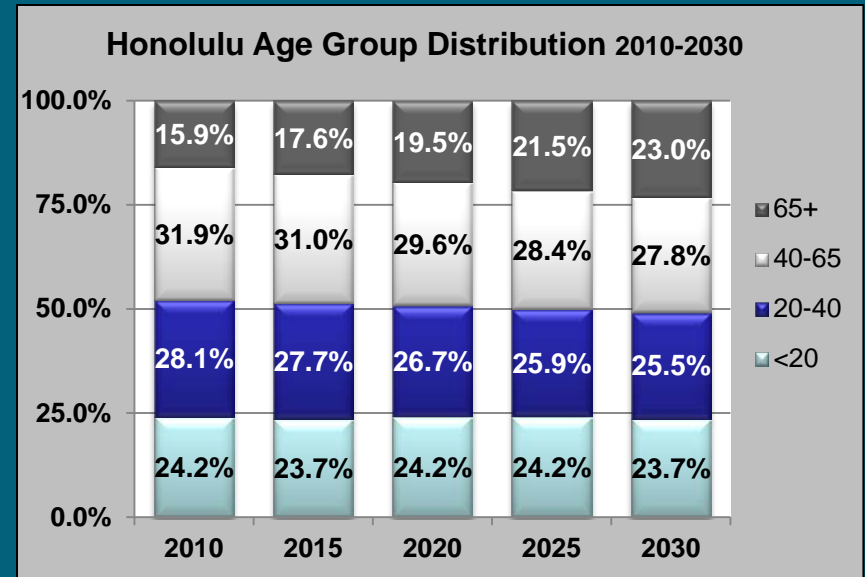


# Challenges for Multifamily Housing

- Housing Preferences –
  - 79% of Oahu residents looking to buy prefer SFH homes
  - 49% of Oahu renters prefer SFH (SMS, 2006)
- Higher Development Risk
  - Longer Construction Times
  - Less ability to mitigate risk with phased development
- Development Inertia – Banks and developers have perfected tract home development. It's what they're used to
- TOD is more complicated – includes numerous entities and often requires many layers of financing
- Negative conceptions about density (traffic, poverty, crime)
- Serious Infrastructure issues
  - Long term savings vs. short term financing challenges
  - City's debt service has risen significantly
- Insufficient public dollars to subsidize number of affordable housing units needed.

# Trends Favoring Multifamily Housing

- Rise of Generation Y – (mid 70's – mid 90's): smaller families, less auto-centric, greater preference for urban living
  - Retiring Baby-boomers: empty nesters, fewer drivers as they age
  - Rising oil prices
  - Sustainability awareness
  - Smart Growth movement
  - New push for H+T Affordability
  - SFH more expensive in Honolulu
    - Median SFH: \$595,000
    - Median Condo: \$308,750
- (Hawaii State Data Book, 2010)



# HUD Community Challenge Planning Grant

**\$40 million total – Honolulu received \$3m max grant + 20% match) to: Foster reform and reduce barriers to achieving affordable, economically vital, and sustainable communities.**

- **Development of master plans or comprehensive plans** that promote affordable housing co-located and/or well connected w/retail, businesses aligned w/..transportation plans;
- **Development & implementation of plans and strategies** that promote livability and sustainability;
- **Revisions to zoning codes, ordinances, building standards, or other laws to remove barriers.....;**
- **Revisions to building codes to promote ...energy efficiency.....;**
- **Strategies for creating or preserving affordable housing** for low, very-low, and extremely-low families or individuals.....;
- **Strategies to bring additional affordable housing** to areas that have few housing opportunities.....;
- **Planning, establishing, and maintaining acquisition funds and/or land banks for development, redevelopment, and revitalization for the development of affordable housing**

# Goal: Increase Workforce Housing Along the Rail Corridor

- Rail presents once-in-a-lifetime opportunity to improve workforce housing in Honolulu
  - \$5 billion public investment in transit will reshape how we live and travel and neighborhood TOD Plans will reshape physical space near transit stations
  - Limited timeframe to act as land costs as property values rise and transit stations are built out
  - Honolulu's housing crisis is complex, needs serious attention
- Ensure benefits of transit are shared by all segments of the community—especially workforce households
  - Reduced transportation costs and increased access to jobs and workforce mobility
  - Improved neighborhood livability and environmental sustainability



# TOD Affordable Housing Program Overview

## 1. Data Collection/Research:

- LUO Amendment Study (TOD Zoning)
- Housing Policy Study
- Property Inventory Study
- Development/Construction Cost Study

## 2. Governance & Partnership Building

- Executive Task Force
  - ✓ State Legislature and City Council Bill Packages

## 3. Catalytic Affordable Housing Project

- Technical Advisory Committee
- Partnership with Local Developers (Kamehameha Schools, Pier Management)
  - ✓ Remaining HUD Funds
  - ✓ \$5-7 million of private funds

# Data Collection & Research

## TOD LUO Amendment Study

- Apply changes suggested in Neighborhood TOD Plans into zoning
- Special overlay zones
- Lower parking requirements
- Greater mix of uses
- Height limit specifications

## Property Inventory Study

- Create a database with an inventory of all existing affordable housing units along the rail corridor
- Baseline numbers to measure progress
- Inventory of all vacant/under utilized properties along the rail corridor
- Give an idea of where development opportunities exist

# Data Collection and Research (cont.)

- **Strategic Policy Plan**
- Build on Previous Housing Studies
- Make policy recommendations to remove barriers to, encourage affordable housing development/preservation
- Recommendations for TOD best practices

⇒ 2008 Comprehensive Housing Strategy for the C&C of Honolulu, Mayor's Affordable Housing Advisor Group

⇒ 2008 Report of the Governor's Affordable Housing Regulatory Barriers Task Force

⇒ Nine additional studies and reports conducted between 1991 and 2006 by federal, state, and local agencies

## State-level Recommendations

- ⇒ Change purpose of the Land Use Commission to long-term planning
- ⇒ Modify Low Income Housing Tax Credit allocation and requirements

## County-level Recommendations

- ⇒ Establish county-level Office of Housing and provide a single government point-of-contact for housing development (Ongoing)
- ⇒ Increase long-range housing planning capability at DPP
- ⇒ Streamline the entitlement process to reduce length, cost
- ⇒ Revise rules for Unilateral Agreements to 140% of AMI, transfer/sale of housing credits, and enhancement credits. (Complete)
- ⇒ Fee-based expedited third-party review by private consultants (Complete)
- ⇒ Plan/budget for infrastructure investment with Honolulu High-Capacity Transit Corridor Project and TOD

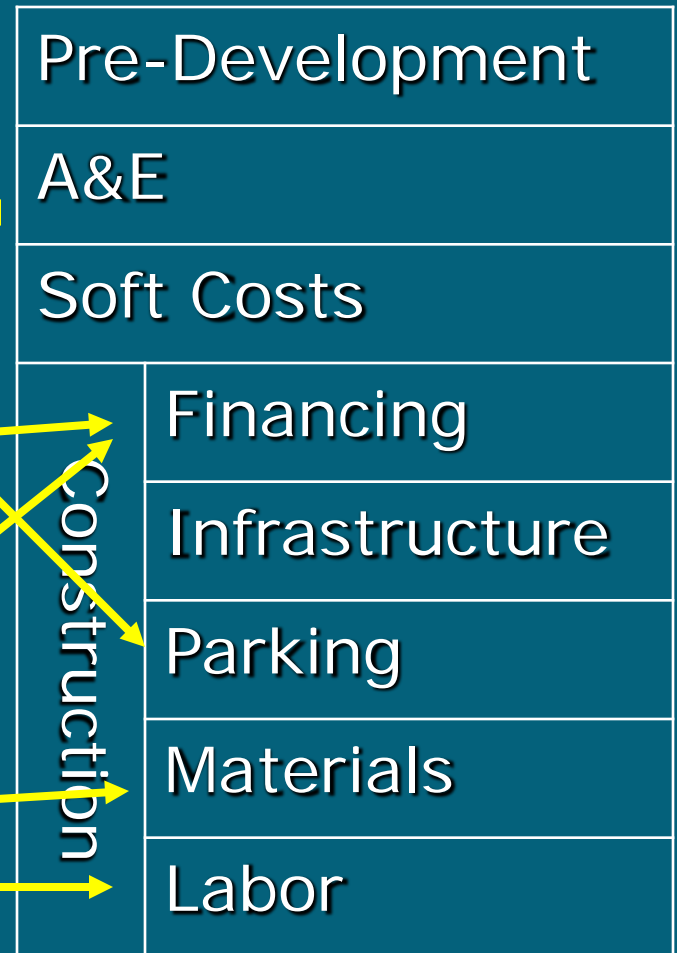
# Date Collection and Research (cont.)

- Development/Construction Cost Study
  - Attack the Pro-forma
  - Examine opportunities for savings
    - Financing (interim & permanent)
    - Architecture and Design
    - Labor
    - Materials
  - Construction technologies and best practices
    - Modular
    - Low Impact Development (cheaper infrastructure)



# Development Costs – Areas of Opportunity

- ◆ Creating a streamlined entitlement process
  - Reduced risk
  - Lower financing costs
  - Faster delivery of units
- ◆ Reduced Parking (\$30k-\$50k/structured stall)
- ◆ Financing Mechanisms (DURF)
- ◆ Modular Construction
  - Lower Architecture & Engineering Costs?
  - Faster delivery? = lower financing costs, better timing (supply – demand)
  - Lower Material Costs?
  - Fewer labor hours/unit? = lower labor costs



# Build On Multiple State, Local Housing Studies

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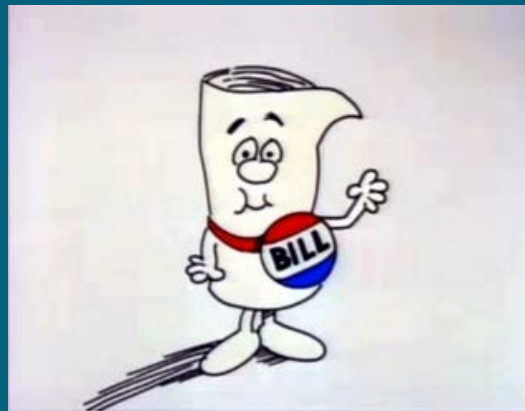
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# Executive Task Force

- ◆ Representatives from State and County Agencies which deal with housing issues
- ◆ Representatives from the development community
- ◆ Examine the Housing Policy Study
- ◆ Turn policy recommendations into State Legislature and City Council Bills



# Technical Advisory Committee

- ◆ Subgroup of Executive Task Force
- ◆ Take all the policies, strategies from the studies and Executive Task Force
- ◆ Work to develop a catalytic affordable housing project using-
  - ◆ Properties identified in the inventory study
  - ◆ Strategies/best practices identified in the development/construction cost study
  - ◆ HUD and private funds



# Catalytic Project

- ◆ Maximize affordable housing units
- ◆ Minimize development costs per unit
- ◆ High density near transit
- ◆ Test the policies/strategies identified through the program
- ◆ Demonstrate “Replicability”

*Mahalo!*

[www.honolulu-dpp.org](http://www.honolulu-dpp.org)

