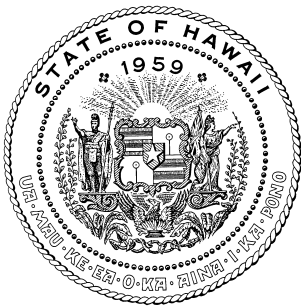


# Report to the 2016 Hawaii State Legislature:

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Pursuant to Section 201H-202(f), Hawaii Revised Statutes,  
Relating to Rental Housing Revolving Fund Project Awards.



Prepared by:  
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Department of Business, Economic Development & Tourism

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Section 201H-202, Hawaii Revised Statutes (HRS), requires the Hawaii Housing Finance and Development Corporation (HHFDC) to "describ[e] the projects funded and, with respect to rental housing projects targeted for persons and families with incomes at or below thirty per cent of the median family income, its efforts to develop those rental housing projects, a description of proposals submitted for this target group and action taken on the proposals, and any barriers to developing housing for this target group" (§201H-202(f)).

Pursuant to Part VI of Act 237, Session Laws of Hawai'i 2015, the subject of this report, the Rental Housing Trust Fund, was reclassified as a revolving fund and renamed the Rental Housing Revolving Fund (RHRF) as of July 1, 2015. Henceforth, all references to this fund and program shall be to the RHRF.

In Calendar Year 2015, HHFDC received 10 project applications seeking loans for up to \$79,876,352 in RHRF funding. HHFDC made six RHRF project awards totaling \$44,588,316. These six awardees will add an additional 491 units to the statewide affordable rental inventory.

The following project received an award of Low-Income Housing Tax Credits and Hula Mae Multifamily revenue bonds in 2014, but received a RHRF award in January 2015.

<b>PROJECT</b>	<b>LOCATION</b>	<b>RHRF REQUEST</b>	<b>RHRF AWARD</b>	<b>UNIT COUNT</b>	<b>30% MFI UNITS</b>
<b>Kulana Hale at Kapolei</b>	<b>Kapolei, Oahu</b>	<b>\$10,684,322</b>	<b>\$10,684,322</b>	<b>154</b>	<b>8</b>

The following project **applications** were received during the first of two 2015 competitive funding rounds. Five projects, which are in **boldface** below, received RHRF awards.

<b>PROJECT</b>	<b>LOCATION</b>	<b>RHRF REQUEST</b>	<b>RHRF AWARD</b>	<b>UNIT COUNT</b>	<b>30% MFI UNITS</b>
<b>Ainahau Vista II</b>	<b>Honolulu, Oahu</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>62</b>	<b>6</b>
East Kapolei II LD2 – Family Phase 1 (option a – 4% LIHTC/HMMF)	Ewa Beach, Oahu	\$7,220,000	0	75	
East Kapolei II LD2 – Family Phase 1 (option b – 9% LIHTC)	Ewa Beach, Oahu	\$13,000,000	0	75	
Hale Kewalo	Honolulu, Oahu	\$10,600,000	0	128	
Hale Mahaolu Ewalu	Pukalani, Maui	\$2,400,000	0	39	
Kamakana Villages Family Phase 1 (option a – 4% LIHTC/HMMF)	Kailua-Kona, Hawaii	\$10,375,000	0	85	

PROJECT	LOCATION	RHRF REQUEST	RHRF AWARD	UNIT COUNT	30% MFI UNITS
<b>Kamakana Villages Family Phase 1 (option b = 9% LIHTC)</b>	<b>Kailua-Kona, Hawaii</b>	<b>\$15,618,240</b>	<b>\$15,618,240</b>	<b>85</b>	<b>20</b>
<b>Kamakana Villages Senior</b>	<b>Kailua-Kona, Hawaii</b>	<b>\$2,880,000</b>	<b>\$2,880,000</b>	<b>85</b>	<b>17</b>
<b>Meheula Vista II</b>	<b>Mililani, Oahu</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>75</b>	<b>8</b>
Meheula Vista III	Mililani, Oahu	\$7,095,933	0	75	
Mohouli Heights Sr. Neighborhood Phase 2 (option a – 4% LIHTC/HMMF)	Hilo, Hawaii	\$10,079,027	0	60	
<b>Mohouli Heights Sr. Neighborhood Phase 2 (option b – 9% LIHTC)</b>	<b>Hilo, Hawaii</b>	<b>\$405,754</b>	<b>\$405,754</b>	<b>30</b>	<b>6</b>
Na Lei Hulu Kupuna	Honolulu, Oahu	\$3,739,085	0	76	
	<b>Total*</b>	<b>\$70,739,012</b>	<b>\$33,903,994</b>	<b>337</b>	<b>57</b>

*\*RHRF request total includes only the larger of the two RHRF financing options for East Kapolei II LDA 2 Phase, and only the actual awarded option for Kamakana Family Phase 1, and Mohouli Heights Sr. Neighborhood Phase 2. Unit Count and 30% MFI unit totals are for awarded project applicants only.*

The following RHRF project applications were received during the second 2015 competitive funding round. HHFDC anticipates making project awards for the second funding round in early 2016.

PROJECT	LOCATION	RHRF REQUEST	UNIT COUNT
East Kapolei II LDA 2 Family Phase 1**	Ewa Beach, Oahu	\$7,770,000	75
Hale Kewalo**	Kapolei, Oahu	\$10,684,322	154
Kenolio Apartments	Kihei, Maui	\$6,500,000	186
Na Lei Hulu Kupuna**	Honolulu, Oahu	\$1,500,000	76
Ola Ka 'Ilima Artspace Lofts**	Honolulu, Oahu	\$3,250,000	84
	Total*	\$29,704,322	

*\*\*Reapplied to second competitive funding round.*

All projects receiving RHRF awards are meeting the required set aside of 5% of total units for households at or below 30% of the median family income (MFI), and the remaining units do not exceed 60% MFI.

HHFDC continues to work with its consultant to determine how to better use its financing resources to address the affordable housing need statewide, and to adopt best practices for affordable rental housing financing. Any RHRF policy change recommendations will be reported to the Legislature in the 2017 Report to the Legislature.