

LINDA LINGLE
GOVERNOR



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IN REPLY REFER TO:

AFFORDABLE HOUSING TASK FORCE

"Where our workers will live"

State Capitol Auditorium

August 17, 2004

9:00 a.m. to 12:00 p.m.

AGENDA

Purpose: To find near-term solutions to the affordable housing crisis in Hawaii.

Outcome: To come up with recommendations and implementation strategies for addressing the affordable housing crisis.

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| I. | Registration | 8:30 a.m. – 9:00 a.m. |
| II. | Welcome/Overview of Process | 9:00 a.m. |
| III. | Work Period -- break-out groups | 9:30 a.m. |
| | Group 1 – Acceleration of regulatory and permitting processes and other incentives for development of affordable housing | |
| | Group 2 – Infrastructure issues | |
| | Group 3 – Incentives for affordable housing financing | |
| IV. | Break | 11:00 a.m. to 11:10 a.m. |
| V. | Reconvene Plenary Session | 11:10 a.m. |
| VI. | Remarks by Governor Lingle | 11:45 a.m. |
| VII. | Thank yous and Announcements | 12:00 p.m. |

Working Groups

Group 1 – Conference Room 016

Acceleration of regulatory and permitting processes and other incentives for the development of affordable housing

The two-tier system of state and county land use approvals is often cited as a major barrier to the development of affordable housing. Developers of large residential projects may take 7-10 years to complete the entitlement process. The Regulatory/Developer Incentives Working Group will identify ways to compress and streamline the land use entitlement and permitting process, as well as identify other workable incentives to stimulate affordable housing production.

Group 2 – Conference Room 212

Infrastructure issues

The lack of major off-site infrastructure, such as water, sewer, roadway and drainage systems, is another barrier to the development of affordable housing. In the past, the federal government funded infrastructure development. Currently, housing developers are required to install infrastructure, the cost of which is passed on to housing consumers. The Infrastructure Working Group will identify ways to address this issue including financing schemes for infrastructure development.

Group 3 – Conference Room 325

Incentives for affordable housing financing

Gap financing is critical to developing new, affordable rental units. Generally, tax credits can cover 50% of the project costs, private financing covers 25% of the project costs, and gap financing is needed for the final 25% of project costs. The Financing Working Group will identify alternative schemes to provide for gap financing, as well as other mechanisms to finance the development of affordable housing.