DBEDT

THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
S T A T E   O F   H A W A I I

DRAFT HHFDC YEARLY ACTIVITY PLAN (YAP) - FY '08 (6-26-07)

Division/Attached Agency: Hawaii Housing Finance and Development Corp.

Program Name: HHFDC

Program ID: BED 160

I.   PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem(s), issue(s) and/or opportunity(ies) your program is attempting to respond to. Identify the participants (individuals, companies, industry sectors, etc.) engaged in this problem, issue and/or opportunity.

Shortage of housing affordable to working and lower income families.
Participants: Housing industry including for profit & nonprofit developers; lenders; employers; housing advocacy and trade groups; federal, state and county government; housing consumers.

Need and partners: Specify the need for government intervention. Provide supporting evidence. Identify any partners you will be working with to address the problem, issue and/or opportunity.

Market forces, alone, will not deliver necessary housing.
The Hawaii Housing Policy Study, 2006 Update estimates the statewide need for approximately 23,000 affordable and workforce housing units (approximately 16,400 rental and 6,400 for-sale units) for the five-year period from 2007-2011. As there are many barriers to housing development, government intervention is needed to facilitate workforce housing production.
HHFDC will partner with the participants identified above to address the problem.

Desired results (outputs, outcomes and impacts): Identify desired results, what success will look like, by describing what you expect to achieve near (0-2 years) and long-term (2-6 years).

Desired results will be measured by successfully attaining unit delivery production goals as follows:
2007: 290 new units
2008-2009: 2,400 new or preserved housing units
2010-2012: 3,700 new or preserved housing units

Influential Factors: List the factors you believe will influence your ability to impact the problem or opportunity. (Things that support success and barriers to success.)

Influential factors include program promotion; strong leadership/advocacy; political will; resources (money, land, human resources); and a functional land use entitlement and permitting process that supports workforce and affordable housing development. Significant barriers to success include county government regulations that inhibit timely entitlement together with availability of approvals and permits for workforce and affordable housing.

Strategies: List the general successful strategies or "best practices" that have helped other programs achieve the kind of results your program promises.

Successful strategies include a combination of "carrots" and "sticks" to encourage the new development or preservation of affordable housing. "Carrots" include density bonuses; fast-tracking of land use approvals and construction approvals and permits; and the provision of resources such as low-interest loans or grants to finance development and developable land. "Sticks" include inclusionary zoning and housing exactions. Another successful strategy is the mobilization of stakeholders to promote practical and functional housing initiatives while deterring ineffective and futile initiatives.

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Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work.

The identified strategies address the major barriers to the development or preservation of housing and incentivize the provision of housing that is affordable to our workforce as well as high-end housing. A consortium of housing stakeholders can influence and shape public policy.

II.   PROGRAM IMPLEMENTATION

Resources: Describe the resources or influential factors available to support your program.

<u>Financing resources:</u> Tax-exempt single family and multi-family revenue bonds, low-income housing tax credits, limited special funds to make interim or permanent loans or grants, exemptions from general excise taxes.

<u>Development resources:</u> Developable land, Chapter 201H development powers (expedited land use processing and certain exemptions from planning, zoning, subdivision and construction requirements).

Activities: Describe each of the activities you plan to conduct within your program.

Provide financing and development resources to facilitate housing development.
Partner with stakeholders such as homeless and housing advocacy groups, county administrators, and industry organizations to promote housing.
Actively seek opportunities for housing development.
Evaluate internal practices, procedures and administrative rules for housing programs; revise as needed.

Outputs: For each program activity, identify what outputs you aim to produce

Development agreements for development of state or private land.
Interim construction or permanent loan agreements.
Network of development and advocacy partners to obtain additional tools and resources to support housing development, as well as to improve the government land use and permitting processes.
Additional development projects.
Simplified/responsive procedures and rules to allocate state resources.

Outcomes: Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

<u>2008-2009:</u> 2,400 new or preserved housing units; streamlined internal procedures and rules; additional resources to facilitate housing development including real property and funds for the Rental Housing Trust Fund (RHTF) and Dwelling Unit Revolving Fund (DURF).

<u>2010-2012:</u> 3,700 new or preserved housing units; additional resources to facilitate housing development including real property and funds for the RHTF and DURF; incremental improvement of land use and permitting processes.

Impact: Describe the lasting impact you anticipate.

Increased supply of workforce and affordable housing.
Housing affordability (shrinking affordability gap).
Housing near jobs, schools, and other social infrastructure.
Government land use and permitting processes that support workforce housing.

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III.	PROGRAM EVALUATION

Focus Area: From your program logic model, list the components of the most important aspects of your program.

Availability and level of resources; user-friendly programs (expedient, simple to use, responsive to needs); effectiveness of programs measured by number and type of units produced/preserved and level of affordability.

Audience: Identify the key audiences for each focus area. Who has an interest in your program?

Producers: Housing industry stakeholders including for profit and nonprofit developers, lenders, housing service providers, construction trade groups, public officials and government agencies.
Consumers: Employers, housing advocacy groups, and housing consumers.

Questions: For each focus area and audience, list the questions they may have about your program.

Producers/consumers: How do the programs work; what is the cost of participation (e.g., fees, time, and opportunity costs); how will programs help me to achieve my goals (or is it worth my time and effort participating or supporting); what are the outcomes.

Information Use: For each audience and question you have identified, identify the ways you will use the evaluation information.

Revise, overhaul, end or create housing programs. Data to support additional funding for programs.

Indicators: Describe what information can be collected that would convey the status of your program.

Number of housing units completed or preserved; level of affordability; number of Hula Mae loans or MCCs originated; level of funding.

IV.	ALIGNMENT

How is your program linked to DBEDT's six strategic objectives?		
1.	**X**	Workforce Housing
2.	**X**	Workforce Development
3.	**X**	"Energy For Tomorrow"
4.		"Global Links/Export of Goods and Services"
5.		The Creation Of An "Innovation Infrastructure"

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6.		Improve Hawaiʻi's Small Business Environment

If your program is not linked to any of the six objectives, explain why it is still important.

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