

STATE OF HAWAII

ROUND 1 AWARD: \$6,631,950



Overview: To expand housing supply and lower housing costs, HUD's Office of Community Planning and Development awarded **\$6.6 million to the State of Hawaii**. This grant funding will be used to identify and remove barriers to affordable housing production and preservation.

The State of Hawaii has the highest housing costs in the nation and will need 50,156 new units by 2025 to address the housing demand. The State has taken considerable actions to advance housing supply through land use reform, development financing, and assistance to low-income homebuyers.

PRO Housing funding will enable Hawaii to establish a statewide infrastructure bank, increase staff capacity, and address local regulations.

Inadequate Infrastructure

- Hawaii faces challenges in keeping up with needed investments in infrastructure to support new housing development. Constructing new infrastructure is costly, timely, and complicated by environmental concerns.

Local Regulations

- The median permitting process across the State is nearly 161 days and 458 days in Hawaii County.

Housing Policies

- The State notes that there is a need to evaluate county housing policies to streamline affordable housing development.

LOCAL BARRIERS TO HOUSING IDENTIFIED BY HAWAII

RECENT ACTIONS TO BOOST HOUSING SUPPLY LOCALLY

The State of Hawaii

- Governor Josh Green, M.D. signed three Emergency Proclamations which addressed critical barriers to expanding affordable housing — providing flexibility for housing development, expediting processes, and building local capacity.
- In 2023, secured more than \$600 million for affordable housing and homelessness services for Fiscal Year 2024 - 2025.
- In 2023, announced the Ka Lei Momi Redevelopment Project, to build over 10,000 additional units of which 90% will serve households making at or below 120% Area Median Income.
- Formed a preliminary plan to use \$600 million in appropriations in 2022 to build an estimated 2,700 homestead lots.
- Established a Transit-Oriented Development Council.



ANTICIPATED IMPACT OF PRO HOUSING FUNDING

as contemplated in grant application

Invest in Housing Enabling Infrastructure

- The State will establish a Statewide Infrastructure Bank to fill existing financing gaps. Through PRO Housing, Hawaii will fund housing enabling infrastructure to boost supply.
- The Infrastructure Bank can issue bonds, originate loans, make grants, and mobilize sources of public and private capital to finance projects including: water and wastewater, roads and bridges, energy efficiency and renewable energy, and brownfield remediation.

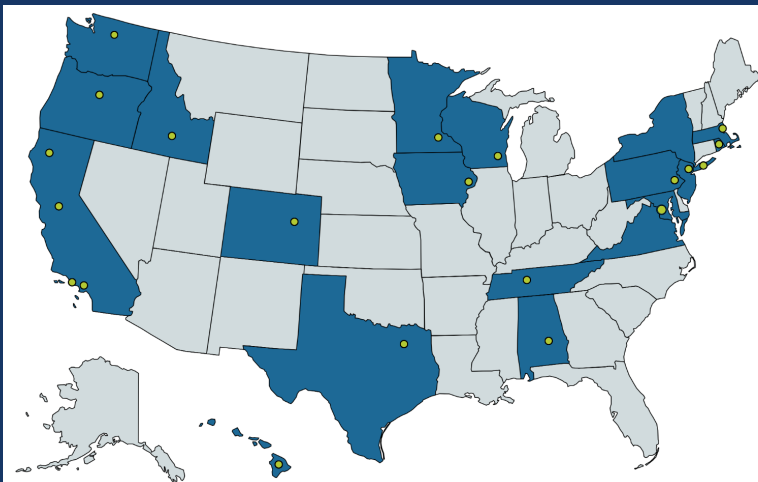
Support Transit-Oriented Development

- Based on recommendations from the State Transit-Oriented Council, specific infrastructure and infrastructure financing mechanisms to increase affordable housing supply across the State's four main counties.
- Investments will include wastewater improvements, building an infrastructure financing mechanism, designing infrastructure improvements for the Hawaii Public Housing Authority's Kahekili Terrace project, and designing wells, reservoir, sewer, and roads.

Build Local Capacity

- The State will expand capacity to work with counties that are updating their local housing regulations for housing production, identify effective land use policies, and preserve affordable housing stock.
- To build local capacity, the State intends to enhance staffing to address much needed administrative needs and the implementation of proposed activities.

HUD AWARDED \$85 MILLION TO 21 APPLICANTS THROUGH ROUND 1 OF THE PRO HOUSING COMPETITION



- PRO Housing provides first-of-its-kind funding to identify and remove barriers to housing production and preservation.
- The competition prioritizes communities that demonstrate an acute need for affordable housing.
- Successful applications demonstrated local actions — such as updates to land use policies, developer incentives, financing, and innovative strategies — to address barriers and boost housing supply.