

YEARLY ACTIVITY PLAN (YAP) - FB '09 – FY11

Division/Attached Agency:

Program Name:

Program ID:

I. PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem, issue and/or opportunity your program is attempting to respond to.

There is a shortage of housing affordable to working and lower income households. In 2006, just over 40% of Hawaii residents were paying less than 30% of their monthly income for housing. That level is used as rule of thumb for housing affordability. Unfortunately, many more households are cost burdened -- nearly 13% paid 30-40% of their income for housing and 26% paid more than 40% of their income for housing.

Expanding affordable housing opportunities will help to address the existing housing problem and enable the State to develop, retain and attract a workforce with the skill-sets required for an innovation-driven and globally-competitive economy by leading efforts to build a new 21st Century workforce development system.

Need and partners: Provide quantitative evidence to show the scope and nature of the problem or opportunity you are working on. Identify partners you will be working with to address the problem, issue and/or opportunity. Describe why government should be part of the solution.

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 2007-2011. As there are many barriers to housing development, government intervention is needed to facilitate workforce housing production.
 HHFDC will partner with housing industry stakeholders including for profit and non-profit developers; lenders; employers; realtor associations; housing advocacy and trade groups; federal, state and county governments; and housing consumers.

Desired results (outputs, outcomes and impacts): What will success look like? Describe what you expect to achieve in the short-term (0-2 years) and long-term (2-6 years).

The five-year goal is 5,000 new or preserved housing units. Since FY2006, over 1,900 new or preserved units were delivered. Short-term success follows:
 FY2008-09: 400 housing units
 FY2009-10: 1,850 housing units

Influential Factors: List the factors you believe will support or hinder your ability to impact the problem or opportunity.

Influential factors include program promotion; strong leadership/advocacy; political will; resources (including 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 land use entitlements and approvals and issuance of necessary permits.

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Strategies: List the “best practices” that have helped other programs achieve the kind of results your program promises.

Create workforce and affordable housing units in high-quality living environments by developing state lands; expediting approvals and permits; providing incentives and financing tools for private sector partners; and advocating for land use and housing policy changes. Maximize federal partnerships and funding.

Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work. Use “If - then” statements, i.e. “if _____ then _____ happens.”

If the State intervenes in the housing market by implementing the above identified strategies, then we can increase the housing supply, enhance housing opportunities for Hawaii’s workforce and lower income households, and stimulate the economy.

II. PROGRAM IMPLEMENTATION

Resources: Describe the resources available to support your program.

Financial resources: Tax-exempt single family and multi-family revenue bonds, low-income housing tax credits, limited special funds to make interim construction or permanent loans or grants, federal housing and economic stimulus grants, and exemptions from general excise taxes.

Development resources: 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 to promote housing.

Actively seek opportunities for housing development.

Aggressively seek federal funding and maximize federal partnerships.

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.

Annual production in the number of workforce and affordable housing units created or retained.

A 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.

Simplified/responsive procedures and rules to allocate state resources.

Additional federal funding for housing initiatives.

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

FY2008-09: 400 new or preserved housing units; \$23 million in federal funds to support housing initiatives and mitigate home foreclosures; \$50 million in state GOB funds for the Rental Housing Trust Fund (RHTF) and Dwelling Unit Revolving Fund (DURF); streamlined internal procedures.

FY2009-10: 1,850 new or preserved housing units; at least \$3 million in federal funds; \$50 million in state GOB funds for the RHTF and DURF; incremental improvement of land use and permitting processes.

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Impact: Describe the lasting impact you anticipate.

An increased supply of workforce and affordable housing that supports an increasing quality of life in Hawaii.
 Enhanced accessibility to housing in high-quality living environments.
 Shrinking affordability gap.
 Government land use and permitting processes that support the responsible development of workforce and affordable housing.

III. PROGRAM EVALUATION

Indicators: Describe what SMART ('specific; measurable; action-oriented; realistic; and timed') indicators can be collected that would convey the status of your program.

Development agreements for development of state or private land.
 Interim construction or permanent loan agreements.
 Number of housing units developed or preserved.
 Number of Hula Mae loans or Mortgage Credit Certificates originated.
 Total federal/state funds received.

IV. ALIGNMENT

Is your program linked to DBEDT's nine strategic objectives?		
1.	X	Hawaii Five Point Economic Plan
2.		Hawai'i Clean Energy Initiative
3.		Hawai'i Innovation Initiative
4.		Global Links
5.		Economic research and data analysis
6.		Hawai'i Open for Business
7.	X	Workforce Housing
8.		Planning and Land Use
9.		World Class Infrastructure

Emerging Industries: Does your program impact Hawai'i's emerging industries?	YES	
	NO	X

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V. APPROVALS

a. Karen Seddon _____ 2/13/09
Submitted by - Print Name Submitted by - Signature Date

b. APPROVED DISAPPROVED _____ 2/13/09
Division/Agency Head - Signature Date

c. APPROVED DISAPPROVED _____
Director - Signature Date