

How Many Units Affected by Inclusionary Housing?

Questor Lau, AIA

Objective: To provide an understanding of the scope of Honolulu’s proposed affordable housing requirement¹ (or inclusionary housing policy), this paper provides an assessment of how many apartment units have been created, based on building permit data (2005-16) provided by the city’s open data portal.²

Findings:

While most building permits for new apartment buildings have less than 10 units, they are generally part of a larger development that would, in aggregate, be required to comply with the proposed inclusionary housing requirements. For example, even if all permits issued for a multi-phased development were less than 10 units each, the inclusionary housing requirement would apply to the entire “project concept”. The proposed Bill would require the entire project to provide 10% units as affordable for-sale or 5% as affordable rental units (on-site, within non-TOD station areas).³

Out of all new apartment buildings issued building permits from 2005-16, only 5 buildings (Table 2 – units highlighted in yellow) would not be subject to the City’s proposed affordable housing requirement, within HCDA’s jurisdiction, or a publicly subsidized housing project.

Background and Analysis:

The current language of Bill 58 CD1, Honolulu City Council’s proposed affordable housing requirement, would apply to:

- “(1) New construction of or substantial rehabilitation of ten or more dwelling units developed under a **single or unified project concept**, on one or more zoning lots;
- (2) Any subdivision of land creating ten or more zoning lots for residential use in residential, apartment, apartment mixed use, country, or agricultural zoning districts;” and
- (3) Conversion of other uses into for-sale dwelling units containing ten or more dwellings.

The Bill requires private sector developers of multifamily units, planned development and cluster housing to set aside (without direct government subsidy) a portion of all units created, for low and moderate-income households – a policy known as inclusionary housing. A companion affordable housing incentives bill⁴ has also been introduced, which waives certain developer fees but only for the affordable units.

Based on building permit data provided by the City’s open data website (permits issued 2005-16), the first step was to identify how many new apartment buildings were within HCDA’s Kakaako Community Design District (KCDD)⁵ or considered a publicly subsidized housing project (“public/HCDA” units) and how many were (“private/non-HCDA”). The next step was to look closer at how many units were created within each new apartment building and identify on a per-unit basis, how many units within new apartment buildings were public/HCDA units and how many were private/non-HCDA. Table 1 summarizes the results.

¹ This paper reviews the language in [Bill 58](#) (2017), CD1.

² Honolulu [Open Data](#).

³ Some exclusions apply – see Bill 58 latest version for details.

⁴ [Bill 59](#) (2017), CD1

⁵ Projects located within the HCDA district would be subject to the state’s reserved housing requirements.

Table 1: Comparison of New Apartment Development: “Eligible” vs “Public/HCDA”

Year	Units			Buildings		
	public/HCDA units	private/non-HCDA units	private/non-HCDA unit %	public/HCDA bldgs	private/non-HCDA bldgs	private/non-HCDA bldg. %
2005	720	1,055	59%	1	145	99%
2006	381	89	19%	3	4	57%
2007	742	1,145	61%	16	87	84%
2008	297	508	63%	22	33	60%
2009	78	170	69%	19	10	34%
2010	72	954	93%	1	57	98%
2011	489	501	51%	1	19	95%
2012	372	350	48%	16	32	67%
2013	1,144	361	24%	4	34	89%
2014	84	523	86%	1	15	94%
2015	1,558	1,127	42%	27	61	69%
2016	945	783	45%	5	48	91%
	6,882	7,566	52%	116	545	82%

While 82% of all new apartment buildings created from 2005-16 were private/non-HCDA, only 52% of units created within these new apartment buildings were private/non-HCDA units. What this data shows is that most private/non-HCDA apartment development is small scale. Specifically, 459 out of 545 (84% of new apartment buildings)⁶ contained fewer than 10 units.⁷ However, the inclusionary housing requirement would still apply to nearly all these new apartment buildings because they were part of a larger development or the same “project concept” of 10 or more units.

This is shown in Table 2, which takes a closer look at the number of units rolled-up by TMK and project name. It shows that nearly all units under the same project name are over 10 units and would therefore be subject to the proposed affordable housing requirements. Essentially, if Bill 58 CD1 were enacted in 2005, with few exception, the affordable housing requirement would apply to nearly all new apartment development created between 2005-16, except those projects highlighted in yellow, Table 2.

Table 2: New Apartment Buildings Issued a Permit (2005-2016) Aggregated by TMK

Current TMK	Project Name	type_	Number of Units	Number of New Apt Bldgs	Construction Valuation
43058020	3Y EPIC HAWAII LLC	eligible	4	1	\$ 235,000
21054025	400 KEAWE	KCDD	95	1	\$ 17,573,000
21047004	801 South Street	KCDD	410	1	\$ 61,250,000
21047003	801 South Street	KCDD	635	1	\$ 105,000,000
23003073	909 Kapiolani	KCDD/public	227	1	\$ 32,400,000
26016056	Ala Wai Garden Plaza - SBI Hawaii Property One	eligible	44	1	\$ 5,700,000
26013022	Allure Waikiki	eligible	291	1	\$ 71,000,000
21030052	BP Bishop Trust Estate - GE Hawaii Block A2 (leasee)	KCDD	209	1	\$ 40,000,000

⁶ A further detailed breakdown of units created by permit was not provided, as there were over 600 records.

⁷ In comparison, of the apartment buildings that were either publicly subsidized or located in Kakaako and permitted between 2005-16, 56 out of 116 (48%) contained fewer than 10 units.

Table 2: New Apartment Buildings Issued a Permit (2005-2016) Aggregated by TMK

Current TMK	Project Name	type_	Number of Units	Number of New Apt Bldgs	Construction Valuation
73004024	California Dreaming	eligible	42	1	\$ 250,000
21009011	Capitol Place	eligible	394	1	\$ 54,000,000
95093014	Castle & Cooke Homes - COURTYARDS AT MILILANI MAUKA	eligible	260	36	\$ 22,371,164
11065033	COUNTRY CLUB VILLAGE 6	eligible	269	1	\$ 15,500,000
22020022	Craigside Retirement Residence	eligible	170	1	\$ 16,150,000
87010030	DAGS - Villages of Maili Phase I	public	90	6	\$ 4,750,000
21051043	DLNR - Halekauwila Place LP (lessee)	KCDD/public	5	1	\$ 2,500,000
21051042	DLNR - Halekauwila Place LP (lessee)	KCDD/public	199	1	\$ 20,000,000
42001070	DR Horton-Schuler Homes	eligible	60	2	\$ 11,000,000
91163004	EWA HOMES II LP	eligible	76	5	\$ 13,400,000
91163002	EWA HOMES III LP	eligible	52	3	\$ 12,803,420
91163001	EWA HOMES LP	eligible	64	4	\$ 11,200,000
43059094	HALE ILIMA	eligible	24	1	\$ 4,051,593
39008068	Hale Ka Lae - Avalon Development	eligible	269	2	\$ 67,460,000
86001035	HALE WAI VISTA	eligible	216	4	\$ 24,000,000
91017072	HALOA AT HO'OPIILI	eligible	140	19	\$ 29,354,525
23029062	HAUOLI LOFTS	eligible	9	1	\$ 2,500,000
39008016	HAWAII KAI PENINSULA,THE	eligible	223	2	\$ 34,900,000
89002001	Hawaiian Home Lands - Nanakuli Village Center	public	12	1	\$ 1,000,000
89020001	Hawaiian Home Lands - Nanakuli Village Center	public	36	3	\$ 3,015,000
97019035	HHFDC -- Hale Mohalu II	public	332	4	\$ 26,700,000
85027071	HHFDC - Kahikolu Ohana Hale O Waianae	public	75	7	\$ 8,334,768
91016036	HHFDC - Kapolei Pacific	public	72	9	\$ 9,000,000
91016167	HHFDC - MALU'OHAI PACIFIC LTD PARTNERSHIP (lessee)	public	72	1	\$ 6,200,000
94017062	HHFDC -- Mokuhoa Vista	public	70	1	\$ 11,500,000
91017114	HHFDC - Mutual Housing and Kooloaula LP	public	120	10	\$ 12,970,982
91017115	HHFDC - Mutual Housing and Kooloaula LP	public	188	21	\$ 21,499,400
91016152	HHFDC - Pacific Housing Oahu Corp	public	60	13	\$ 7,750,000
24012026	HHFDC - PIIKOI VISTA L.P.	public	47	1	\$ 4,000,000
26024070	HHFDC - Tusitala Vista	public	107	2	\$ 9,400,000
91016153	HHFDC-Senior Residence at Kapolei 2 (lessee)	public	20	4	\$ 1,570,000
24006020	Holomua	eligible	178	1	\$ 27,480,000
42001059	Ka Malani at Kailua	eligible	153	6	\$ 40,730,943
21054032	KALOKO'ELI PROPERTIES LLC	KCDD	88	1	\$ 21,500,000
91148013	Kapolei Properties - FOREST CITY KAPOLEI APTS (lessee)	eligible	93	3	\$ 11,571,000

Table 2: New Apartment Buildings Issued a Permit (2005-2016) Aggregated by TMK

Current TMK	Project Name	type_	Number of Units	Number of New Apt Bldgs	Construction Valuation
91148014	Kapolei Properties - FOREST CITY KAPOLEI APTS (lessee)	eligible	98	3	\$ 11,571,000
91148015	Kapolei Properties - FOREST CITY KAPOLEI APTS (lessee)	eligible	154	4	\$ 15,428,000
91148016	Kapolei Properties - FOREST CITY KAPOLEI APTS (lessee)	eligible	154	4	\$ 15,428,000
91123115	KE NOHO KAI TOWNHOMES	eligible	15	3	\$ 2,053,440
91016196	KEALAKAI AT KAPOLEI - PHASE I	eligible	140	18	\$ 8,423,500
21030051	Keauhou Place	KCDD	423	1	\$ 114,378,470
21048008	KEOLA LAI	KCDD	352	1	\$ 96,000,000
91056005	KO OLINA HILLSIDE VILLAS	eligible	144	24	\$ 21,497,400
91056013	KO OLINA HILLSIDE VILLAS	eligible	174	24	\$ 21,708,000
91134062	LEI PAUKU AT HOAKALEI	eligible	6	1	\$ 1,256,642
91134063	LEI PAUKU AT HOAKALEI	eligible	6	1	\$ 1,256,642
91134057	LEI PAUKU AT HOAKALEI	eligible	10	2	\$ 2,093,329
91134059	LEI PAUKU AT HOAKALEI	eligible	10	2	\$ 2,183,189
91134058	LEI PAUKU AT HOAKALEI	eligible	12	2	\$ 2,627,934
91134060	LEI PAUKU AT HOAKALEI	eligible	12	2	\$ 2,602,964
91134061	LEI PAUKU AT HOAKALEI	eligible	16	3	\$ 3,557,247
27031004	LEIALOHA PARKSIDE	eligible	9	1	\$ 700,000
27006050	LILLIE Y KAYA FAMILY LIMITED LIABILITY	eligible	3	1	\$ 550,000
26017068	LOFT @ WAIKIKI	eligible	36	1	\$ 10,000,000
87023060	MAILI BEACH PLACE	eligible	33	10	\$ 4,340,000
91160058	MANAWA AT MEHANA	eligible	80	10	\$ 16,575,120
95002060	MEHEULA VISTA	eligible	76	1	\$ 9,200,000
23010028	MOANA PACIFIC	KCDD	720	1	\$ 95,000,000
11012027	Moanalua Hillside	eligible	504	4	\$ 25,050,000
87044004	Nanakuli Senior Apartments	eligible	40	1	\$ 3,995,000
91016159	Nanala at Mehana	eligible	100	10	\$ 9,888,470
91016178	NOHONA AT KAPOLEI	eligible	58	9	\$ 6,393,540
91016145	NOHONA AT KAPOLEI	eligible	60	9	\$ 6,581,024
91016191	NOHONA AT KAPOLEI	eligible	93	14	\$ 10,085,000
95093013	NOHONA AT MILILANI MAUKA	eligible	120	18	\$ 13,038,849
91016219	NOHONAI AT KAPOLEI	eligible	83	14	\$ 9,095,000
92019071	OCEAN RIDGE AT MAKAKILO	eligible	68	14	\$ 7,781,342
91160051	OLINO AT MEHANA	eligible	272	41	\$ 55,210,800
23003105	Pacifica Honolulu	KCDD	489	1	\$ 27,045,000
24013090	Pensacola Chelsea Condominium	eligible	35	1	\$ 2,600,000
94017058	PLANTATION TOWN APARTMENTS	public	330	2	\$ 26,000,000
91160063	POHAKALA AT MEHANA	eligible	67	12	\$ 18,426,000
94128010	PUBLIC STORAGE	eligible	1	1	\$ 56,000
91016160	PULEWA AT MEHANA	eligible	120	16	\$ 18,144,960
26018087	Ritz Carlton	eligible	309	1	\$ 83,771,396
15007002	SENIOR RESIDENCE AT IWILEI	eligible	60	1	\$ 20,127,000

Table 2: New Apartment Buildings Issued a Permit (2005-2016) Aggregated by TMK

Current TMK	Project Name	type_	Number of Units	Number of New Apt Bldgs	Construction Valuation
95012020	SIXTY PARKSIDE	eligible	48	4	\$ 6,400,000
91012040	SPINNAKER PLACE TOWNHOMES	eligible	296	63	\$ 26,690,774
91126022	ST FRANCIS RESIDENTIAL CARE COMM - Franciscan Vistas Ewa (lease)	eligible	150	6	\$ 11,250,000
85028046	State of Hawaii Seawinds Apt	public	48	14	\$ 5,580,000
21044049	Symphony	KCDD	370	1	\$ 72,755,000
21055041	THE COLLECTION	KCDD	465	3	\$ 156,690,150
26012067	The Cove Waikiki	eligible	117	3	\$ 11,048,000
21010026	The Pinnacle	eligible	60	1	\$ 9,500,000
26011001	The Watermark	eligible	212	1	\$ 4,500,000
91012058	TOWN HOMES AT FAIRWAYS EDGE INCR I	eligible	216	47	\$ 20,390,830
91134030	TOWN HOMES AT KA KAMAKANA AT HOAKALEI	eligible	18	3	\$ 2,549,856
91154082	TOWN HOMES AT KA KAMAKANA AT HOAKALEI	eligible	30	5	\$ 4,228,125
91146121	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	10	2	\$ 1,394,666
91146123	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	10	2	\$ 1,394,666
91146124	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	10	2	\$ 1,394,666
91147165	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	10	2	\$ 1,394,409
91146122	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	12	2	\$ 1,691,250
91147164	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	12	2	\$ 1,704,109
91146024	TOWN HOMES AT KA MAKANA AT HOAKALEI	eligible	16	3	\$ 2,240,291
27002010	TRB Partnership	eligible	4	1	\$ 1,060,000
27028054	WAIALAE HALE HOLDINGS LP	eligible	12	1	\$ 4,900,000
23001127	Waiea at 1118 Ala Moana (Howard Hughes)	KCDD	171	1	\$ 136,000,000
23006017	WAIHONUA	KCDD	345	1	\$ 109,900,000
91160047	WAKEA AT MEHANA	eligible	114	16	\$ 23,080,000
Grand Total			14,448	662	\$ 2,323,027,847

The total number of apartment units reported each year in this paper is slightly less than totals listed in DPP's annual permit reports and DBEDT's Data Book (2005-2016). It is hypothesized that one reason is because Table 1 does not include hotel units that could also be used as permanent dwellings (i.e., Trump Tower units have this flexibility, allowed by zoning and the condominium declaration). Although residential use is possible, the highest and best use and likely tax classification of these units would be

hotel use, not residential. Dormitories and assisted living units should also not be counted, however, there were instances in the data⁸ where they were counted as apartment units.

The analysis and data contained in this paper has not been vetted by the Department of Planning and Permitting and is subject to verification.

⁸ Some conflicting information between the open data site and DPP's website were identified. For example, the open data site indicated that permit number 711260 for BYU-Hawaii created 31 new dwelling units, however DPP's website correctly indicates that no dwelling units were created.