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Rail project is expected to bolster low-income housing

The state agency that manages public housing for low-income Hawaii residents is hoping to add thousands of housing units along the planned Honolulu rail route, including 2,140 rentals through the redevelopment of Mayor Wright Housing in Palama, as the state struggles with a shortage of affordable housing and high rate of homelessness.

In total, 10 transit-oriented development projects identified by the Hawaii Public Housing Authority could add up to 10,600 new housing units in the coming years, according to authority Director Hakim Ouansafi, who briefed state lawmakers on plans during a joint hearing before the House and Senate Housing Committees at the state Capitol on Thursday.

The briefing came a year after the Legislature passed Act 127, which set a goal of developing at least 22,500 affordable rental units by 2026 to keep up with demand. Act 127 painted Hawaii's housing situation in stark terms: "Without sufficient affordable rental housing, the future social, community and economic consequences for Hawaii may be dire."

On Thursday, state Sen. Will Espero (D, Ewa Beach- Iroquois Point), chairman of the Senate Housing Committee, said the state needs to move forward aggressively if it's going to meet those goals. "Right now, from what I am seeing, they are going to be difficult to meet," he said.

He noted that households earning 60 percent of the area median income, or \$60,350 for a household of four, were facing a saturated market, leading to overcrowded living conditions and homelessness.

Of the 10 projects that the state public housing office has identified as development opportunities, three are in some stage of development.

The biggest is the redevelopment of Mayor Wright Homes, a 364-unit public housing complex that has been plagued over the years with unsanitary and dilapidated conditions. The housing authority has partnered with Hunt Development Group to develop high-density high-rises that could accommodate as many as 2,500 apartments.

All of the apartments would remain rentals in perpetuity, according to housing officials. However, one-third of them would be rented at market rate. The rest would be a mix of subsidized public-housing units, Section 8 apartments, and units reserved for low-income or workforce housing. The

environmental impact statement for the project is underway, and the project could be completed by 2022.

The project's inclusion of market-rate housing has stirred some controversy.

"I understand the market-rate units being necessary, but in our community meetings none of that was discussed with the members," said state Rep. Daniel Holt (D, Chinatown-Iwilei-Kalihi), who suggested that it had bred distrust in the community.

Housing officials say that the market-rate units are necessary to make the project financing work.

Steve Colon, president of Hunt's development division in Hawaii, stressed that the rents wouldn't be like those of luxury condos in Kakaako.

The state public-housing authority has also partnered with Michaels Development Group to redevelop Kuhio Park Terrace. However, the second phase of the project — which could add more than 200 affordable housing units to the market — has been delayed by years because of disputes between state housing officials and the developers.

Housing officials have also partnered with the Retirement Housing Foundation, a nonprofit housing agency, to redevelop the parcel that is the site of the housing authority's offices. That project could add about 800 housing units to the market.