UH Housing
Informational Fair
Notes and Presentations
October 30, 2017
Participating Vendors

Wells Fargo Home Mortgage
Cirrus Asset Management
UH Federal Credit Union
Hawai‘i HomeOwnership Center
   DR Horton
   NARPM
   Bank of Hawai‘i
   Locations
Better Homes and Gardens Real Estate Advantage Realty
   Allstate Insurance - Thomas Choi Agency
   American Mutual Group
   PrimeLending
   Smart Money Inc.
Century 21 All Islands Fine Homes & Estates
Kamm & Partners of Keller Williams Honolulu
   HomeStreet Bank
   Compass Home Loans
   The Block 803 Waimanu
University of Hawaiʻi
Informational Housing Fair
October 30, 2017

JESSE K. SOUKI, EXECUTIVE DIRECTOR AND CEO
STATE OF HAWAIʻI - DBEDT
HAWAIʻI COMMUNITY DEVELOPMENT AUTHORITY
The Hawai‘i Community Development Authority is a public entity created by the Hawai‘i State Legislature to establish community development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition. The Authority’s work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawai‘i’s people.
HCDA oversees three community development districts:

- Kaka‘ako
- Kalaeloa
- He‘eia
What does HCDA do?

The Authority is granted various powers by the legislature.

These include the power to regulate zoning, planning, and use; assess and collect fees from landowners for the planning, design, and construction of public facilities; acquire and condemn property; and develop real property.
Reserved Housing Program

Mandatory Program

- 20% of units in new projects are designated Reserved Housing
- Bonus FAR 20%
- No public facilities dedication requirement for Reserved Housing FAR
- Buyback and shared equity provisions
HCDA Housing Rules

Workforce Housing Program

Voluntary Program

• 75% of units in new projects are designated Workforce Housing
• Bonus FAR 100%
• No public facilities dedication requirement for bonus FAR
• Proposed buyback and shared equity provisions
Workforce Housing & Reserved Housing Programs

For low to moderate income families 80-140% AMI

Family of Four $83,700 to $121,250

High School Teacher ($56,730) + Accountant ($60,440)

Housekeeper ($35,630) + Administrative Assistant ($52,420)

Childcare worker ($19,980) + Crane Operator ($76,830)

2017 HCDA AMI
Kakaʻako total housing production 5,557 units, with 2,261 or about 40% affordable

Since December 2014

3,210 units completed
890 under construction
Pending 1,457
23 Housing Projects Completed Before 2015

1133 Waimanu RH
909 Kapi'olani Blvd. M
Halekauwila Place 665 Halekauwila RH
Hawaiki Tower 88 Piikoi St. M
Hoku 1288 Ala Moana M
Honuakaha 545 Queen St. S R M
Imperial Plaza 725 Kapi'olani Blvd. M

Keola La'i 600 Queen St. RH
Ko'olani 1177 Queen St. M
Moana Pacific 1288 Kapi'olani Blvd. M
Na Lei Hulu Kupuna 610 Cooke St. S R M
Nauru Tower 1330 Ala Moana M

One Archer Lane 801 S. King St. M
One Waterfront 425 South St. M
Pacifica Honolulu 1009 Kapi'olani Blvd. RH M
Pohulani 626 Coral St. S R
Royal Capitol Plaza 876 Curtis St. RH M
Rycroft Terrace 1550 Rycroft St. RH
Six Eighty Ala Moana R

Vanguard Lofts 720 Kapi'olani Blvd. M
Wahonua at Kewalo 1189 Waimanu St. M

RH – Reserved housing
M – Market rate
S – Senior requirements
R – Rental
10 Kaka‘ako Housing Projects Completed 2015 - 2017

- **400 Keawe**
  - 95 units, 20 RH

- **801 South Street A**
  - 635 units, 467 WF
  - [www.801southst.com](http://www.801southst.com)

- **801 South Street B**
  - 410 units, 308 WF
  - [www.801southstbuildingb.com](http://www.801southstbuildingb.com)

- **Anaha**
  - 1108 Auahi St.
  - 318 units
  - [http://anahawardvillage.com/](http://anahawardvillage.com/)

- **Flats at Pu‘unui**
  - 440 Keawe St.
  - 88 Rentals
  - [www.440keawe.com](http://www.440keawe.com)

- **Keauhou Place**
  - 500 South St.
  - 423 units, 85 RH
  - [www.keauhouplace.com](http://www.keauhouplace.com)

- **Keauhou Lane**
  - 502 Keawe St.
  - 209 units RH
  - [www.keauhoulane.com](http://www.keauhoulane.com)

- **Symphony Honolulu**
  - 888 Kapi‘olani Blvd.
  - 388 units, 100 RH
  - [www.symphonyhonolulu.com](http://www.symphonyhonolulu.com)

- **The Collection**
  - 601 Auahi St.
  - 467 units
  - [www.thecollectionhonolulu.com](http://www.thecollectionhonolulu.com)

- **Waiea**
  - 1118 Ala Mona Blvd.
  - 177 units
  - [http://waieawardvillage.com](http://waieawardvillage.com)
Under Construction

**A'eo** - 1001 Queen St.
466 units
www.wardvillage.com/aeo

**Ke Kilohana** - 404 Ward Ave.
424 units, 375 RH
kekilohana.com
1,457 Units Planned in Kakaʻako

41% are expected to be affordable

609 units for those earning at or below 140% of AMI

317 units aimed at those earning at or below 60% of AMI
Pre-sale and register interest

Gateway Towers
1100 Ala Moana Blvd., 236 units
www.wardvillage.com/gateway

The Block
803 Waimanu, 153 units, 143 RH
http://theblock803.com to apply
http://theblock803.com/hcda-reserved-housing/

‘A‘ali‘i
987 Queen St., 751 units, 150 RH
Register interest at
www.aaliiwardvillage.com
HCDA Pending Housing Projects

Hale Kewalo
128 rental units, 27 one- and 72 two-bedroom units, 60 percent or less of AMI, about $40,260 for a single person or $57,480 for a family of four. Satisfies the Nauru reserved housing requirements. Partnership with HHFDC. Partial land lease from HCDA.

Ola Ka Ilima Artspace Lofts
84 rental units targeted at those who earn between 30 to 60 percent of AMI. The one-, two- and three-bedroom units are between 792 and 1483 sq. ft. HCDA provided the land via a 65-year lease.

Nohona Hale
At 630 Cooke Street, 105 micro-unit rentals, 98 units for residents that earn 60 percent or less of AMI, with estimated rent at about $750. Five units are earmarked for those earning 30 percent or less of AMI, or $21,150 with estimated rent of about $345 per month. HCDA project.
Mahalo

For more information visit:

dbedt.hawaii.gov/hcda

HawaiiCommunityDevelopmentAuthority
Affordable Housing
City Plans and Programs
Harrison Rue
UH Housing Fair 10/30/17
What we’ll talk about today

• City Roles in Housing Production
• Housing Needs and AMI/Home Price Guidelines
• Affordable Housing Strategy
• TOD Opportunities
• Affordable Housing Requirement (proposed)
• Accessory Dwelling Units (ADUs) and Micro-units
City Roles in Housing Production

• Permitting:
  — Require % of affordable units when rezoning
  — Require AH in return for density/height in TOD
  — Accessory dwelling unit (ADU) ordinance

• Incentives: zoning, fee waivers, height/density

• Infrastructure: sewer, water, roads, parks

• Investment and finance:
  — AH Fund, HUD funding, Bond funding
  — Housing First/Homeless
  — Use of city lands
  — Down payment assistance
Oahu needs more than 24,000 additional housing units to meet demand.

- **Over 18,000 or 75% of demand** is for households earning less than 80% of AMI.
- **Just 10% of demand** is for households earning 140% AMI and up.

### Latent Demand by Income Group (2012-2016)

<table>
<thead>
<tr>
<th>AMI Group</th>
<th>&lt; 30% AMI plus HPIT</th>
<th>&lt; 50% AMI</th>
<th>&lt; 80% AMI</th>
<th>&lt; 120% AMI</th>
<th>&lt; 140% AMI</th>
<th>140+% AMI</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum AMI (family of 4)</strong></td>
<td>$28,750</td>
<td>$47,900</td>
<td>$76,650</td>
<td>$114,980</td>
<td>$134,140</td>
<td>&gt;$134,140</td>
<td></td>
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<tr>
<td><strong>Ownership Units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-family</td>
<td>887</td>
<td>277</td>
<td>1,499</td>
<td>643</td>
<td>752</td>
<td>1,143</td>
<td>5,201</td>
</tr>
<tr>
<td>Multi-family</td>
<td>963</td>
<td>392</td>
<td>539</td>
<td>286</td>
<td>294</td>
<td>565</td>
<td>3,039</td>
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<tr>
<td><strong>Rental Units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-family</td>
<td>134</td>
<td>69</td>
<td>183</td>
<td>0</td>
<td>0</td>
<td>287</td>
<td>673</td>
</tr>
<tr>
<td>Multi-family</td>
<td>4,022</td>
<td>2,811</td>
<td>2,047</td>
<td>1,047</td>
<td>515</td>
<td>502</td>
<td>10,944</td>
</tr>
<tr>
<td>Homeless</td>
<td>4,712</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>4,712</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>10,718</td>
<td>3,549</td>
<td>4,268</td>
<td>1,976</td>
<td>1,561</td>
<td>2,497</td>
<td>24,569</td>
</tr>
</tbody>
</table>

* Hawaii Housing Planning Study, 2011, prepared by SMS Research and Marketing Services, Inc.
* City & County of Honolulu, Homeless Point-in-Time Count 2014, assumes all earn less than 30% AMI.
## Home Price/AMI Guidelines

<table>
<thead>
<tr>
<th>AMI</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>$43,980</td>
<td>$50,260</td>
<td>$56,540</td>
<td>$62,780</td>
<td>$67,830</td>
<td>$73,830</td>
<td>$80,390</td>
<td>$86,930</td>
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<tr>
<td>80%</td>
<td>$58,600</td>
<td>$67,000</td>
<td>$75,350</td>
<td>$83,700</td>
<td>$90,400</td>
<td>$97,100</td>
<td>$103,800</td>
<td>$110,500</td>
</tr>
<tr>
<td>100%</td>
<td>$73,300</td>
<td>$83,800</td>
<td>$94,200</td>
<td>$104,600</td>
<td>$113,100</td>
<td>$123,000</td>
<td>$134,000</td>
<td>$144,900</td>
</tr>
<tr>
<td>120%</td>
<td>$87,950</td>
<td>$100,510</td>
<td>$113,090</td>
<td>$125,560</td>
<td>$135,670</td>
<td>$147,660</td>
<td>$160,780</td>
<td>$173,860</td>
</tr>
<tr>
<td>140%</td>
<td>$102,610</td>
<td>$117,270</td>
<td>$131,940</td>
<td>$146,480</td>
<td>$158,280</td>
<td>$172,270</td>
<td>$187,580</td>
<td>$202,840</td>
</tr>
</tbody>
</table>
Affordable Housing Strategy

Mayor’s implementation priorities

• **Affordable Housing Requirement** (phased in)
• **Financial Incentives** – fee waivers for sewer, park dedication, building permits, real property taxes
• **Leverage City Lands** – nine properties identified; will be RFP’d to private developers and nonprofits
• **Rental housing finance**: $100M/year in private activity bonds to leverage 4% low income tax credits

• **TOD Zoning and Infrastructure Investments**
• **Accessory Dwelling Units** and Incentives
• **Housing First** and Shelter Initiatives
TOD Implementation Strategy
East Kapolei TOD Plan

• Walkable village-scaled development around 3 stations
• Four major land owners
• Includes ‘main street’ district near UHWO
Walkable campus district
Mixed-Use Development on LCC Parking Lot (Phased)
Mixed-Use Development on LCC Parking Lot (Phased)
Mixed-Use Development on LCC Parking Lot (Phased)
Mixed-Use Development on LCC Parking Lot (Phased)
Mixed-Use Development on LCC Parking Lot (Phased)
C. DEVELOPMENT OF OPEN SPACE ADJACENT TO CAMPUS

For Illustrative Purposes Only
$2.9M
2010 Dollars

Proposed mixed-use, mixed-income housing over new bus transfer station

Pearlridge Station

Live Work Play Aiea approved mixed use development
Vision:
“Develop the Pearl Harbor Historic Trail as a world-class heritage and recreational corridor that enhances the communities from Aiea to Nanakuli.”
Halawa Area TOD Plan

1. Stadium Visibility along Hwy
2. Mixed Use Gateway at Station
3. Salt Lake Blvd Redirection
4. 200-300 Room Hotel
5. Critical Mass
6. Bike and Ped Improvements
7. Transportation Improvements
8. Parking Strategy
HALAWA AREA DRAFT TOD PLAN
Iwilei-Kapalama Landowners
Kapalama Canal
Kapalama Canal

Concept from TOD Plans
Redevelopment of industrial/commercial neighborhood
Concept from TOD Plans
Redevelopment of industrial/commercial neighborhood
Affordable Housing Requirement (Bill 58(2017))

### TOD Areas

**On-Site Construction**
- **Rental:** 15% of units up to 80% AMI
- **For-Sale:** 20% of units up to 120% AMI (1/2 to 100%)

**Off-Site Construction**
- **Rental:** 15% of units up to 80% AMI
- **For-Sale:** 25% of units up to 120% AMI (1/2 to 100%)

**In-lieu Fee or Land Dedication**
- Cash contribution or improved land
- Proposed fee: $45 per finished sq. ft.

### Islandwide (Outside TOD Areas)

**On-Site Construction**
- **Rental:** 5% of units up to 80% AMI
- **For-Sale:** 10% of units up to 120% AMI (1/2 to 100%)

**Off-Site Construction**
- **Rental:** 5% of units up to 80% of AMI
- **For-Sale:** 15% of units up to 120% AMI (1/2 to 100%)

**In-lieu Fee or Land Dedication**
- Cash contribution or improved land
- Proposed fee of $27 per finished sq. ft.

Phasing: The requirement would be phased-in over 3 years. See AHR handout for more information on phasing.

Note: AMI = Area Median Income
30-Year Affordability Period

30-Year Affordability
If 200 units/year = 6,000 units

Reset (on resale) to a new 30-year period continues to increase supply

10-Year Affordability
If 200 units/year = 2,000 units
ADU Ordinance 15-41

- Signed into law on September 14, 2015, by Mayor Kirk Kirk Caldwell.
- Allows ADUs as a permitted use in Residential and Country zoning districts.
- Incentives ordinance waives park dedication, permit fees, wastewater facilities charges (up to $9 – 10k)
Interior ADU

Source: City of San Francisco
Garage Conversion ADU

Source: City of San Francisco
Detached ADU

Source: City of San Francisco
Basic Requirements

- **Maximum Size (Floor Area):**
  - 400 square feet for lots with an area of 3,500 to 4,999 square feet
  - 800 square feet for lots with an area of 5,000 square feet or more

Source: City of Santa Cruz
SROs and Micro-Units

An SRO “aPodment” building in Seattle, WA geared toward young professionals. Units are 170 sq. ft. on average.

To make the most of limited space, some micro-units use convertible furniture, such as the above design with a Murphy bed that transforms into a dining table.

This “aPodment” unit includes a private bath with shower. Full kitchen facilities are shared.

Images from Reimaging Housing in Hawai‘i | Hawai‘i Appleseed Center for Law and Economic Justice (2013)
Micro-Unit Trends
Tiny, well-designed units incorporated into larger multi-unit buildings
Mahalo!
Department of Planning and Permitting
Mayor’s Office of Housing
Department of Community Services
Department of Land Management
Department of Budget and Fiscal Services

www.honolulu.gov/housing/default.html
University of Hawaii
INFORMATIONAL HOUSING FAIR

October 30, 2017
HHFDC Mission

Increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development.
GOALS

1. Build more affordable housing statewide and in Kaka’ako.

2. Leverage HHFDC resources to build more affordable housing.

3. Facilitate the development of rentals to serve the 60% AMI and 80+% AMI income groups.

4. Explore the statewide development of workforce/affordable housing in transit oriented developments near transit stations.

5. Reduce regulatory barriers to expedite the delivery of affordable homes.
GUIDING PRINCIPLES

1. Be good stewards of the resources entrusted to HHFDC.
2. Be transparent.
3. Be a facilitator (in line with mission).
4. Be collaborative.
Hawaii Housing Finance and Development Corporation

Continuum of Housing

<table>
<thead>
<tr>
<th>Unsheltered (homeless)</th>
<th>Emergency/ Transitional</th>
<th>Public Housing &lt;50% AMI</th>
<th>Affordable Rentals 60% AMI</th>
<th>“First Time” Homeowner &lt;140% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS</td>
<td>HPHA</td>
<td>HHFDC/HCDA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HHFDC’s financing programs are geared towards assisting households earning 60%-140% of the area median income (AMI), set by the U.S. Department of Housing and Urban Development, which annually establishes income limits for different housing programs. The housing needs of lower income groups will be addressed by collaborating with the HPHA and County housing agencies.

### 2017 Area Median Income Limits by County for a Family of 3

<table>
<thead>
<tr>
<th>AMI</th>
<th>Oahu</th>
<th>30%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
<th>140%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$28,260</td>
<td>$56,520</td>
<td>$75,360</td>
<td>$94,200</td>
<td>$113,040</td>
<td>$131,880</td>
</tr>
<tr>
<td>Hawaii</td>
<td></td>
<td>$20,010</td>
<td>$40,020</td>
<td>$53,360</td>
<td>$66,700</td>
<td>$80,040</td>
<td>$93,380</td>
</tr>
<tr>
<td>Kauai</td>
<td></td>
<td>$23,040</td>
<td>$46,080</td>
<td>$61,440</td>
<td>$76,800</td>
<td>$92,160</td>
<td>$107,520</td>
</tr>
<tr>
<td>Maui</td>
<td></td>
<td>$23,250</td>
<td>$46,500</td>
<td>$62,000</td>
<td>$77,500</td>
<td>$93,000</td>
<td>$108,500</td>
</tr>
</tbody>
</table>

All figures based on 2017 HUD guidelines.
Since its inception in 2006, the HHFDC has assisted in the development of over 8,100 units statewide.

Hale Mohalu II  The master planned project in Pearl City consists of 164 senior and 168 family rentals on approximately 4.7 acres of state land for those earning ≤60 percent AMI.
In the immediate future, the HHFDC is concentrating on projects already in the planning and production pipeline to accelerate the delivery of homes that people can afford.

At the same time, we are working with other State and County agencies to identify lands near transit stations for transit-oriented development (TOD) opportunities.

Keauhou Lane 209-unit mixed use workforce rental project with ground floor restaurant and retail space and five floors of residential units. Keauhou Lane will also provide a direct connection to the planned Civic Center Rail Station.
Development Tools

Real Property
A portfolio of property is made available to developers through the Request for Proposals (RFP) process.

Chapter 201H
HHFDC may develop, on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of housing projects which are exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon.

General Excise Tax Exemptions
HHFDC may approve and certify for exemption from GET any qualified person or firm involved with a newly constructed or moderately or substantially rehabilitated project meeting specific income limit and eligibility criteria.
Financing Tools

Hula Mae Multi-Family Bonds
Provides low interest rate financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of rental housing projects.

Low-Income Housing Tax Credits
Federal and state tax credits that may be used for a dollar-for-dollar offset (tax credit) in income tax liability for 10 years or may be syndicated to generate substantial project equity.

Rental Housing Revolving Fund
Provides equity gap low-interest loans to qualified owners and developers for the development, construction, acquisition or preservation of affordable rental housing.

Dwelling Unit Revolving Fund
Provides loans for the acquisition of real property; development and construction of residential, commercial and industrial properties; interim and permanent loans to developers; and to finance regional state infrastructure in conjunction with housing and mixed-use TOD projects.

Homebuyer Resources

Mortgage Credit Certificates

The MCC program provides eligible first-time homebuyers with a direct tax credit against their federal income tax. The amount of credit is equivalent to 20% of the annual interest paid on a mortgage.

As of June 30, 2017, the MCC program has assisted 5,397 families in purchasing their first homes.

In Aug. 2017, $50 million in MCCs will be available to assist approx. 625 homebuyers.

The Ige Administration has a production target of 10,000 housing units by 2020.

HHFDC’s production plan (6/30/17) will deliver 54 projects totaling 5,600 units by Fiscal Year 2020.

**Planned Production**

Hale Kewalo 128-unit family rental project in Kakaako, near the planned Ala Moana Rail Station. The one-, two and three bedroom units are targeted at families earning 30 to 60 percent of AMI.
Moving forward, the HHFDC remains focused on strengthening financing tools, streamlining procedures, and working collaboratively with public and private sectors to seek sustainable solutions to deliver affordable housing inventory for current and future generations in Hawaii.
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Executive Director
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Honolulu, Hawaii 96813

Phone: (808) 587-0641
Fax: (808) 587-0600
Email: craig.k.hirai@hawaii.gov

Home Buying Basics

UH Housing Fair 2017
Agenda

• Home Buying Flowchart
• Types of Agents
• How to Find Representation
• How to Interview Agents
• Multiple Listing Service (MLS)
• Comparative Market Analysis (CMA)
• Purchase Contract
• Review
Home Buying Flow Chart

**PREPARE EARLY**
- Homebuyer Education
- Coaching
- Homeownership Assistance
- Determine affordable mortgage payment

**VISIT LENDERS**
- Pre-qualified/approved
- Compare 4 lenders
- Look for good relationships

**FIND A REAL ESTATE PROFESSIONAL**
- Reference check?
- Licensed?
- Represents your best interests

**OFFER ACCEPTED & ESCROW OPENED**
- Title Search
- Home & Termite Inspections
- Appraisal
- Loan Approval
- Homeowners Insurance
- Satisfy contingencies

**ESCROW CLOSING**
- Sign documents with notary
- Cashier’s Check to Escrow
- Final Settlement Statement

**MAKE AN OFFER ON A HOME!**
Make an Offer on a Home!

Congratulations you are a HOME OWNER!!!
Who we are...

- Professional trade association of licensed real estate brokers and agents *(not all real estate licensees are members of the Honolulu Board of REALTORS®)*

- REALTORS® adhere to a strict Code of Ethics and are subject to mandatory continuing education

- REALTORS® also belong to the State and National Association of REALTORS®
A REALTOR’S VALUE

- Negotiation skills
- Local market knowledge
- Price guidance
- Access to a network of lenders, appraisers and other industry professionals
- Marketing expertise
- Paperwork know-how
- Support after closing
Types of Real Estate Agents

• Listing Agent
  • Represents the seller
  • Has a contract with a seller
  • Advertises property
  • Represents seller when offer is made

• Buyer’s Agent
  • Represents the best interests of the buyer
  • Usually gets paid through split commission

• Dual Agency
  • Both agents licensed by the same parent company
  • Buy and seller have their own representation

• Dual Agent
  • Represents both buyer and seller
  • Can be done, but not recommended
How to Find Representation

• Ask friends/family for recommendation
• Check National Referral websites: www.realtor.org, www.realtor.com
• Honolulu Board of REALTORS®
  website: www.hicentral.com
How to Interview & Select a REALTOR

• Professionally licensed
  • www.ehawaiigov.org/serv/pvl

• Familiar with your area

• Experience with 1st time homebuyers

• Check references - 3 people they’ve represented

• Better Business Bureau
  • www.hawaii.bbb.org
Online Property Search (open to the public)

- [www.hicentral.com](http://www.hicentral.com)
- REALTOR listings & rentals
Multiple Listing Service (MLS)

• What is the MLS?
• Who uses the MLS?
• Can I have access to the MLS?
• What kind of information does it provide?
  • Square footage – under roof & total
  • # of rooms – what kind of rooms
  • Garage, carport, parking space
  • Included appliances
  • Amenities
  • School information
  • Pet Friendly Status
  • Property Taxes
  • Maintenance & Association Fees
What is a CMA and what does it indicate?

Comparative Market Analysis

• What is it?
• Who provides the information?
• How does the CMA affect what I will be offering the seller?
What is a Purchase Contract?

• Do I have to fill it out myself?
• What is earnest money? And, do I lose it if something goes wrong?
• How long is my offer to purchase good for?
• What are contingencies?
• Disclosures & Inspections
• How do I follow all of the timelines?
• How does the Purchase Contract protect me as a buyer?
Home Buying Basics Workshop

Questions
MORTGAGE BASICS

&

How to Shop for a Loan
AGENDA

• What are the first steps?
• What do lenders consider?
• What documents do we need to provide?
• Investigate loan products
• What is a 1003 loan application?
• What’s next?
HOME BUYING FLOW CHART

PREPARE EARLY
- Homebuyer Education
- Coaching
- Homeownership Assistance
- Determine affordable mortgage payment

VISIT LENDERS
- Pre-qualified/approved
- Compare 4 lenders
- Look for good relationships

FIND A REAL ESTATE PROFESSIONAL
- Reference check?
- Licensed?
- Represents your best interests

ESCROW CLOSING
- Sign documents with notary
- Cashier’s Check to Escrow
- Final Settlement Statement

OFFER ACCEPTED & ESCROW OPENED
- Title Search
- Home & Termite Inspections
- Appraisal
- Loan Approval
- Homeowners Insurance
- Satisfy contingencies

Congratulations you are a HOME OWNER!!!

MAKE AN OFFER ON A HOME!
QUALIFYING FOR A MORTGAGE

Start Preparing Early

- Home Buyer Education & Coaching
  - Hawaii HomeOwnership Center
- Reduce debt
- Build savings
- Improve credit scores
- Learn about resources available
  - City and County of Honolulu
  - HUD
  - USDA
QUALIFYING FOR A MORTGAGE

Once you have prepared and put yourself in a good financial position to qualify for a loan, it’s time to shop around and select the best option for your family.
FIRST STEPS... HOW TO SHOP FOR A LOAN

• Look for mortgage loan professionals at banks, credit unions, mortgage companies or financial companies
• Get referrals (ask around)
• Look in newspapers
• Check references
• Be careful of internet & phone solicitations

Shop around - look for good relationships and not just rates.
WHAT DO LENDERS CONSIDER?

It’s very similar to what you would want to know if you were lending money…

What are some questions that you would ask before lending me money?
WHAT QUESTIONS WOULD YOU ASK BEFORE LENDING ME MONEY?

• Do you have a job?
• What’s your income?
• How long have you had this job?
• Do you have savings?
• How have you handled past credit debt?
• Do you pay your bills on time?
• Do you owe anyone else money?
• What are you going to buy?
• How long will you take to pay back the money?
WHAT DO LENDERS CONSIDER?

- Lender’s View of 4 Cs
  - Capital
    - Bank / Investment Statements
    - Sufficient Reserves
  - Credit History
    - Credit Report/Scores
    - Non-traditional credit
  - Collateral
    - Appraisal Report
    - Loan To Value Calculation
  - Capacity
    - W-2s, pay stubs, ratio analysis
INVESTIGATE LOAN PRODUCTS

- Conventional 15- or 30-year fixed
- Adjustable Rate Mortgage (ARM)
- Mortgage Insurance
- Beware of:
  - Pre-payment penalties
  - Negative amortization
  - Deals too good to be true…probably are
COMPARE LOAN PRODUCTS

• What are points, interest rates, and APRs?
• How do they affect my loan decision?
• Consider visiting at least 4 lenders
• Be sure to compare “apples to apples”
  (i.e. APR vs. APR, % rate to % rate, etc.)
WHAT’S A 1003 LOAN APPLICATION?

Uniform Residential Loan Application
(Form 1003)

• Verification of income
• Verification of your assets
• Information about the purchase
• Your current debt
PREPARING FOR THE FUTURE

- Seek help and prepare early.
- Home Buyer Education & Coaching
  - Are you eligible for homeownership assistance?
- Develop a budget.
- Start saving to build reserves.
- Pay down existing debt.
- Visit a few lenders to compare.
- Look for good relationships because price isn’t always your best option.
- Be committed to reaching your dreams.
ARE THERE ANY QUESTIONS?
Buyer Assistance Programs

University of Hawaii
Housing Informational Fair
Home Buying Flow Chart

PREPARE EARLY
• Homebuyer Education
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Congratulations you are a HOME OWNER!!!
Mark Nasca

Loan Officer
NMLS #404989 (UHFCU #421550)
(808) 983-5565
mnasca@uhfcu.com
Mortgage Credit Certificate
State of Hawaii

Down Payment Loans
City & County of Honolulu

Marie Imanaka, Market Manager

PrimeLending
A PlainsCapital Company

Home Loans Made Simple
What is MCC?

Mortgage Credit Certificate

The Mortgage Credit Certificate, better known as MCC, was authorized by Congress in 1984 as a means of providing housing assistance to homebuyers that meet certain eligibility requirements.

The Hawaii Housing Finance and Development Corporation is the Issuer of MCCs in Hawaii.

The MCC reduces the amount of federal income tax you pay, and thus increases the income available to qualify for a mortgage payment.
In addition to the itemized deduction for interest paid on your federal income tax return, homeowners with MCC are allowed to take 20% of the interest paid annually as a **direct tax credit**, resulting in a dollar for dollar reduction of your annual federal income tax liability.

The amount of your credit cannot exceed the amount of your federal income tax liability. Unused mortgage credit can be carried forward for three years to offset future income tax liability.

This reduction in federal taxes may increase the income your lender uses to qualify for your mortgage.
MCC - QUALIFICATIONS

MUST BE USED FOR PRIMARY RESIDENCE
The home you buy must be used as your principal residence.

NO PRIOR OWNERSHIP
You cannot have an ownership interest in a principal residence at any time during the last three years.

INCOME LIMITS (C&C of Honolulu)

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Income Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 or less</td>
<td>$125,520</td>
</tr>
<tr>
<td>3 or more</td>
<td>$146,440</td>
</tr>
</tbody>
</table>

PURCHASE PRICE LIMIT (C&C of Honolulu)

$663,882
TERM OF MCC
The MCC will remain in effect for the life of your mortgage loan, so long as the home remains your principal residence. The amount of your annual mortgage credit will be calculated on the basis of 20% of the total interest paid on your mortgage loan for that year.

FEES
There is a $25 Application Fee and $400 Processing Fee to obtain your MCC. Loans must be closed within 90 days of issuance of a MCC Conditional Commitment.

YOUR LOAN
You are free to seek financing from any lender; however, MCCs are available only through participating lenders, listed on HHFDC’s website.

RECAPTURE TAX
The federal government considers the MCC tax credit a subsidy, and as such, you may be subject to federal “recapture tax” under certain circumstances.
Down Payment Loan

Utilizing HOME Investment Partnership Act funds from the U.S. Department of Housing and Urban Development, The City and County of Honolulu’s Down Payment Loan Program was established to provide zero interest loans to qualified Oahu buyers that need down payment assistance.
QUALIFICATIONS

MUST BE USED FOR PRIMARY RESIDENCE
The home you buy must be used as your principal residence 5-10 years, depending on the loan amount, and be located on Oahu. Upon sale or transfer, unless the new owner is income-eligible, the borrower must pay the City a specified percentage of the loan balance, reduced for each full year of occupancy.

NO PRIOR OWNERSHIP
You must be a first time home buyer and you must complete a HUD Certified Homebuyer Education course prior to application.

INCOME LIMITS

<table>
<thead>
<tr>
<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Limit</td>
<td>58,600</td>
<td>67,000</td>
<td>75,350</td>
<td>83,700</td>
<td>90,400</td>
<td>97,100</td>
<td>103,800</td>
<td>110,500</td>
<td>117,200</td>
<td>123,880</td>
</tr>
</tbody>
</table>

MAXIMUM RATIOS

- 35%/50%

PURCHASE PRICE LIMIT

- $523,000

MINIMUM FICO

- 675
C & C of Honolulu Down Payment Loan

LOAN TERMS

LOAN AMOUNT
$40,000 is the maximum loan amount, subject to availability of funds.

INTEREST RATE & FEES
Interest rate is 0% and there are no fees for this loan program.

PAYMENT
Monthly payment is based on a 20-year amortization term. Lower minimum payments may be allowed for certain credit qualified borrowers. For a $40,000 the payment would be $166.67 per month.

APPLICATION PROCESS
Inform your first mortgager lender that you are interested in a down payment loan from the City & County of Honolulu. After loan approval, your lender will submit a loan file to the City for approval. You must complete the homebuyer education prior to your loan file submission to the City.

RECAPTURE
Recapture tables apply based upon the loan amount and term of ownership apply.
HELPFUL LINKS


Questions?

Mahalo for your attention and time!
<table>
<thead>
<tr>
<th>1bd, 1 ba, 1pk</th>
<th>Sf</th>
<th>Ave rent</th>
<th>DOM</th>
<th>$/ sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>532sf</td>
<td>$1413</td>
<td>35</td>
<td>$2.66</td>
</tr>
<tr>
<td>2017</td>
<td>547sf</td>
<td>$1454</td>
<td>33</td>
<td>$2.66</td>
</tr>
<tr>
<td>Change</td>
<td>+2.9%</td>
<td>-5.7%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>2bd, 1 ba, 1+pk</td>
<td>Sf</td>
<td>Ave rent</td>
<td>DOM</td>
<td>$/ sf</td>
</tr>
<tr>
<td>----------------</td>
<td>------</td>
<td>----------</td>
<td>-----</td>
<td>-------</td>
</tr>
<tr>
<td>2016</td>
<td>624 sf</td>
<td>$1573</td>
<td>41</td>
<td>$2.52</td>
</tr>
<tr>
<td>2017</td>
<td>681 sf</td>
<td>$1650</td>
<td>39</td>
<td>$2.42</td>
</tr>
<tr>
<td>Change</td>
<td>+4.9 %</td>
<td>- 4.9 %</td>
<td>- 3.9 %</td>
<td></td>
</tr>
</tbody>
</table>
### MCCULLY – MOIILI 96826

<table>
<thead>
<tr>
<th>3bd, 2 ba, 1+pk</th>
<th>Sf</th>
<th>Ave rent</th>
<th>DOM</th>
<th>$/sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1277sf</td>
<td>$2673</td>
<td>62</td>
<td>$2.09</td>
</tr>
<tr>
<td>2017</td>
<td>1247sf</td>
<td>$2646</td>
<td>41</td>
<td>$2.12</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>- 1.0 %</td>
<td>- 33.9 %</td>
<td>+1.4 %</td>
</tr>
</tbody>
</table>

Change = - 1.0% for Ave rent, -33.9% for DOM, +1.4% for $/sf.
<table>
<thead>
<tr>
<th>1bd, 1 ba, 1pk</th>
<th>Sf</th>
<th>Ave rent</th>
<th>DOM</th>
<th>$/sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>611 sf</td>
<td>$1858</td>
<td>28</td>
<td>$3.04</td>
</tr>
<tr>
<td>2017</td>
<td>622 sf</td>
<td>$1905</td>
<td>26</td>
<td>$3.06</td>
</tr>
<tr>
<td>Change</td>
<td>+2.5 %</td>
<td>-7.1 %</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
### ALA MOANA / KAKAAKO 96814

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2bd, 1 ba, 1+pk</td>
<td>Sf</td>
<td>Ave rent</td>
<td>DOM</td>
<td>$/sf</td>
</tr>
<tr>
<td>2016</td>
<td>777 sf</td>
<td>$ 1953</td>
<td>30</td>
<td>$ 2.51</td>
</tr>
<tr>
<td>2017</td>
<td>820 sf</td>
<td>$ 1918</td>
<td>36</td>
<td>$ 2.34</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>- 1.8 %</td>
<td>+20.0 %</td>
<td>- 6.8 %</td>
</tr>
<tr>
<td>3bd, 2 ba, 1+pk</td>
<td>Sf</td>
<td>Ave rent</td>
<td>DOM</td>
<td>$/sf</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>----------</td>
<td>-----</td>
<td>------</td>
</tr>
<tr>
<td>2016</td>
<td>1325 sf</td>
<td>$4521</td>
<td>40</td>
<td>$3.41</td>
</tr>
<tr>
<td>2017</td>
<td>1632 sf</td>
<td>$4885</td>
<td>54</td>
<td>$2.99</td>
</tr>
<tr>
<td>Change</td>
<td>+8.1 %</td>
<td>+35.0 %</td>
<td>-12.3 %</td>
<td></td>
</tr>
<tr>
<td>lbd, 1 ba, 1pk</td>
<td>Sf</td>
<td>Ave rent</td>
<td>DOM</td>
<td>$/ sf</td>
</tr>
<tr>
<td>----------------</td>
<td>--------</td>
<td>----------</td>
<td>-----</td>
<td>-------</td>
</tr>
<tr>
<td>2016</td>
<td>636 sf</td>
<td>$ 1560</td>
<td>36</td>
<td>$ 2.45</td>
</tr>
<tr>
<td>2017</td>
<td>569 sf</td>
<td>$ 1505</td>
<td>32</td>
<td>$ 2.64</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>- 3.5 %</td>
<td>- 11.1 %</td>
<td>+ 7.8 %</td>
</tr>
<tr>
<td>2bd, 1 ba, 1+pk</td>
<td>Sf</td>
<td>Ave rent</td>
<td>DOM</td>
<td>$/ sf</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----</td>
<td>----------</td>
<td>-----</td>
<td>-------</td>
</tr>
<tr>
<td>2016</td>
<td>760 sf</td>
<td>$ 1676</td>
<td>42</td>
<td>$ 2.21</td>
</tr>
<tr>
<td>2017</td>
<td>717 sf</td>
<td>$ 1745</td>
<td>37</td>
<td>$ 2.43</td>
</tr>
<tr>
<td>Change</td>
<td>+4.1 %</td>
<td>- 11.9 %</td>
<td>+9.9 %</td>
<td></td>
</tr>
</tbody>
</table>
## MAKIKI – MANOA 96822

<table>
<thead>
<tr>
<th>3bd, 2 ba, 1pk</th>
<th>Sf</th>
<th>Ave rent</th>
<th>DOM</th>
<th>$/ sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1646 sf</td>
<td>$ 2989</td>
<td>64</td>
<td>$ 1.82</td>
</tr>
<tr>
<td>2017</td>
<td>1518 sf</td>
<td>$ 2922</td>
<td>40</td>
<td>$ 1.92</td>
</tr>
<tr>
<td>Change</td>
<td>-</td>
<td>- 2.2 %</td>
<td>- 37.5 %</td>
<td>+ 5.5 %</td>
</tr>
<tr>
<td>Type of Tenancies</td>
<td>Week-to-Week</td>
<td>Month-to-Month</td>
<td>Lease</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
<td>----------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>1. Return of security deposit (one year to bring action by tenant for return of deposit)</td>
<td>14 days after rental termination of rental agreement**</td>
<td>14 days after termination of rental agreement**</td>
<td>14 days after termination of lease agreement.</td>
<td></td>
</tr>
<tr>
<td>2. Notice of rent increase</td>
<td>15 days notice*</td>
<td>45 days notice*</td>
<td>It is recommended that either landlord or tenant give notice of intent prior to lease expiration.</td>
<td></td>
</tr>
<tr>
<td>3. Notice of termination of rental*</td>
<td>10 days notice</td>
<td>45 days written notice from landlord to tenant. After 45 days written notice from the landlord, the tenant may vacate the unit at any time within the last 45-day period and is responsible for payment of prorated rent for the period that the premises are occupied and for notifying the landlord of the day of vacating. 26 days written notice from tenant to landlord.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. a. Notice of voluntary demolition of rental units*</td>
<td>120 days*</td>
<td>The tenant may vacate the unit at any time within 120-day period, so long as the tenant notifies the landlord of the day of vacating and shall pay a prorated rent for the period the premises are occupied.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Notice of conversion to condominium*</td>
<td>120 days*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Notice of conversion to transient vacation rentals*</td>
<td>120 days*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. General repair schedule*</td>
<td>12 business days</td>
<td>12 business days; landlord must start repairs within 12 days after being notified or explain why it cannot be done at that time.</td>
<td>12 business days</td>
<td></td>
</tr>
<tr>
<td>6. Emergency repairs (repairs necessary to provide sanitary &amp; habitable conditions)</td>
<td>3 business days</td>
<td>3 business days; landlord must take steps to correct within 3 business days or tenant may have repairs done and deduct cost from rent.</td>
<td>3 business days</td>
<td></td>
</tr>
<tr>
<td>7. Notice of intent to enter</td>
<td>2 days</td>
<td>2 days</td>
<td>2 days</td>
<td></td>
</tr>
<tr>
<td>8. Wrongfully quit rental</td>
<td>20 days</td>
<td>20 days—if tenant is absent without notice for 20 days, he is considered to have “wrongfully quit” premises. However, the tenant will not be considered absent during any period for which rent has been paid.</td>
<td>20 days</td>
<td></td>
</tr>
<tr>
<td>9. Improper use</td>
<td>10 days</td>
<td>10 days to remedy.</td>
<td>10 days</td>
<td></td>
</tr>
<tr>
<td>10. Failure to pay rent*</td>
<td>5 business days</td>
<td>5 business days after notice, rent must be paid or landlord may sue for eviction.</td>
<td>5 business days</td>
<td></td>
</tr>
<tr>
<td>11. Failure to disclose</td>
<td>10 days if requested by tenant, landlord must disclose names of owners or agents.</td>
<td>10 days</td>
<td>10 days</td>
<td></td>
</tr>
<tr>
<td>12. Security deposit transfer statement</td>
<td>20 days</td>
<td>20 days if owner sells or transfers interest, tenant must be given a statement of security deposit amount by new owner.</td>
<td>20 days</td>
<td></td>
</tr>
</tbody>
</table>

*Notice must be written  **Return postmark before midnight of 14th day