



## MYTHS & FACTS ABOUT THE KAWAINUI AFFORDABLE HOUSING PROJECT

*The Kawainui Affordable Housing Project has been proposed for Kailua at the corner of Oneawa and Kawainui Streets. Unfortunately, misinformation has been circulating about the project. This fact sheet is intended to set the record straight.*



*Rendering as of June 1, 2020 subject to change*

This building has **73** newly constructed one- and two-bedroom rental apartments, 95% of which are deemed affordable:

Household Income family of 4	1 Bedroom (~540sf)		2 Bedroom (~795sf)		Total
	# of Units	Monthly Rent	# of Units	Monthly Rent	
Up to \$36,150/yr	4	\$521	3	\$598	7
Up to \$60,250/yr	4	\$973	3	\$1,141	7
Up to \$72,300/yr	25	\$1,199	29	\$1,412	54
Over \$72,301/yr	2	\$1,651	2	\$1,955	4
Resident Manager			1	N/A	1
<b>Total Units</b>					<b>73</b>

**What is affordable housing:** \$1,500/month for a 2-bedroom apartment in Hawai'i is considered affordable. The typical rent for a 2-bedroom apartment in Kailua is \$2,840/month.

**Who qualifies?** This apartment building will rent to households with an annual income of \$36,150 (= \$17/hr), which is 30% of the Area Median Income (AMI, the amount at which half earn above, and half earn below) and this amount is considered very low income; \$60,250, or 50% of AMI, and \$72,301, or 60% AMI.

**How long will it remain affordable?** Affordable income and rent limits will remain in place for 61 years through a deed restriction recorded against the land. Even if the Project changes hands, it must remain affordable and cannot be converted to condominiums.

## WHY IS THE KAWAINUI AFFORDABLE HOUSING PROJECT NEEDED?

Forty percent of Oahu's households are called ALICE — **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed — they are hard-working people who barely make ends meet. ALICE workers educate our children, keep us healthy, and make our quality of life possible, yet do not earn enough to support their own families. ALICE households are forced to make tough choices, such as deciding between quality childcare or paying the rent, which have long-term consequences not only for ALICE, but for all.

**Myth:** Affordable housing is not an issue in Kailua, which has sufficient affordable apartments.

**Fact:** A recent State study found that the typical market-rate rent for a 2-bedroom apartment in Kailua is \$2,840 a month. Most people in Hawaii consider \$1,500 a month rent for a 2-bedroom apartment to be affordable for a family of 4.

**Fact:** Kailua has one of the highest housing cost-to-income ratios on Oahu: Housing costs consume 45% of household income in Kailua (compared to 29% for Urban Honolulu). Given these extraordinarily high costs, Kailua has an especially great need for affordable housing, more so than other parts of Oahu.

**Fact:** The Lani Huli elderly apartments on 25 Aulike Street have a 95-person (=10 years) waiting list. It was built in 1992, the last affordable rental housing in Kailua.

**Myth:** There are other better properties that would be more suited for affordable housing.

**Fact:** There has been no affordable housing developed in Kailua since 1992. All five previous efforts at building affordable housing have failed due to neighborhood opposition. The reasons were always the same: traffic problems and bad location.

**Fact:** A review of 20 properties offered for sale over the past 5 years<sup>1</sup> shows that they are either too small, in a flood zone, or too expensive to accommodate affordable housing.

**Fact:** Affordable rental housing needs to be on bus lines and within walking distance to downtown area, schools, employment, shopping, and recreation. 460 Kawainui meets these criteria.

## MISCONCEPTIONS ABOUT THE PROJECT

**Myth:** This four-story building is a “monstrosity” and will dwarf the residential neighborhood.

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<sup>1</sup> List of 20 properties for sale during the last 5 years is available on website [www.affordable-kailua.com](http://www.affordable-kailua.com) under “The Facts” tab, “Ahe Group Letter to the Kailua Neighborhood Board.”

**Fact:** The project is actually in a mixed-use area, on the edge of Kailua's commercial district, and consists of a 3-story building and a 4-story building, which are similar in height to other buildings in that area.

**Fact:** Two blocks away, on a *residential* street, is a 4-story apartment building renting 2-bedroom units at \$2,331/month -i.e., *not affordable*. There is another 4-story apartment building with rents similarly priced 2 blocks away in a mixed-use area – i.e., *not affordable*.

**Myth:** There is insufficient parking.

**Fact:** The initial design of the project included 53 parking stalls for 73 units. There are also 85 bicycle stalls and two Rideshare stalls. The developer is exploring the possibility of adding 20 additional stalls. Each unit will have to sign an affidavit that they have only one car. This is a practice at other affordable housing projects which property managers have been able to enforce.

**Myth:** The project is a commercial building in a residential district.

**Fact:** It is a residential building in a mixed-use neighborhood, located at intersection where the two other corners are commercial properties – gas station and auto parts store.

**Myth:** Current project is only going to have 5' setback

**Fact:** The project has a 15' setback.

**Myth:** There will be long delays in traffic.

**Fact:** Traffic study determined that the delay at Oneawa/Kawainui intersection will be an additional 17 seconds during peak traffic hours.

Only right turns will be allowed out of the building onto Oneawa Street, and only right turns into the building from Oneawa Street, with a concrete barrier to prevent left turns; thus there will be no left turns to or from Oneawa that would slow down traffic.

**Myth:** Traffic study was conducted only during COVID.

**Fact:** The traffic study was comprised of data collected from 2016-2018 and adjusted upward to reflect 2020 traffic conditions.

**Myth:** It's zoned R-5 [single family homes]. How come this apartment building is being built there? Why did it get height exemptions? Seems illegal.

**Fact:** Thirty years ago the State legislature realized that Hawai'i faced a dire shortfall of affordable housing – that is, people who are low or moderate income are simply unable to afford to pay current rents. So the legislature passed a law, **201h**, which enables parcels of land to be developed for affordable housing. In order to enable developers to afford to build, they are allowed zoning changes and exemptions. Here is the link to the law: <https://tinyurl.com/HI-affordable-housing-law>

**Myth:** This law has only been used twice in recent times.

**Fact:** In the past 3 years this law has been used 11 times on Oahu to build affordable housing, and many times on Neighbor Islands.

## MISCONCEPTIONS ABOUT THE TENANTS

**Myth:** People from out of state can come in rent, and so this apartment building will not help locals.

**Fact:** Affordable housing projects are required to conduct a lottery, as there are typically many more applicants than available units. Preferences are allowed to ensure that projects can serve a certain tenant group.

Those who live or work in the 96734 zip code will be given preference, and applicants are required to show proof of residency or employment in order to qualify. After everyone in the lottery is vetted (criminal background check, credit check, etc.), those in the 96734 zip code will be moved to the top of the list. Applications from people who live in other areas would be accepted only after exhausting the Kailua preference list. This is legal and has been done in numerous other affordable housing projects throughout the state.

**Myth:** These units can be bought by those from out of state.

**Fact:** They are rentals only.

**Myth:** Scary, dangerous people and drug dealers will occupy it.

**Fact:** A very serious vetting process of credit check and a criminal background check is done of each applicant, and there's an on-site resident manager overseeing the rentals to ensure no negative behavior occurs. The tenants will be mostly working people, who do not earn enough to afford higher rentals.

**Myth:** Dilapidated cars will be parked there.

**Fact:** Strict rules are in place for cars to be up-to-date on registration and insurance, and the resident manager will be watching out for any such problems.

## MISCONCEPTIONS ABOUT THE DEVELOPER

**Myth:** The developer is an outsider: she wants to make as much money as possible and doesn't care about what's good for Kailua, just like all the other developers here.

**Fact:** The developer of the project is the Ahe Group ([ahegroup.com](http://ahegroup.com)) which is located in Kailua and is owned by Makani Maeva, who lives in Kailua town with her husband and three children. She has a 25-year track record of building quality affordable housing projects for those making less than 60% of the area median income (\$72,300). She has never developed market rate or luxury condominiums.

**Myth:** The developer tried to slip this in without giving adequate notice or time for the community to respond.

**Fact:** The developer attempted to present this project for feedback at the March 13 Neighborhood Board meeting, when she was in the process of buying the property, but the meeting was cancelled due to COVID and rescheduled to June 12. She has reached out to neighbors repeatedly but has been rebuffed.

**Myth:** The developer will charge rates for electricity that are astronomical and far above normal.

**Fact:** All apartments will have individual electrical meters; electricity will be provided by Hawaiian Electric Company at its normal rates.

**Myth:** You can't trust developers to keep the rents down and it will soon be converted to high rental prices.

**Fact:** State and federal low-income housing laws require that the rents remain at affordable levels for 61 years. This is written into a restrictive covenant and a regulatory agreement recorded against the title to the property. Even if the property were to change hands, it would still have to remain affordable for 61 years. The law does adjust annually for cost of living but requires the rent remain at affordable levels.

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Click [Here](#) or go to [www.Affordable-Kailua.com](http://www.Affordable-Kailua.com)

***Faith Action for Community Equity (Faith Action)*** is a faith-based organization founded in Hawaii in 1996. It was created by our community religious leaders to work on social justice issues that affect our community and quality of life. [faithactionhawaii.org](http://faithactionhawaii.org)