



# Hawai'i Public Housing Authority

## RFQ DEV-2023-03

### ***Ka Lei Momi - "The Pearl Garland"***

*Lei are one of the most treasured gifts that can be shared with others and are a symbol of aloha. Whether made with pua (flowers), pupu (shells), or momi (pearls), lei can adorn the wearer for a special occasion, or even be cherished heirlooms passed on from one generation to the next.*

*Honoring the 'Ewa and Kona Moku of O'ahu and the prolific i'a hamau leo (native oysters) that resided in Pu'uloa, these 10,000 additional housing units will bring aloha to many 'ohana and string together a community of our most precious pearls, our people of Hawai'i.*

# Hawaii Public Housing Authority

3,300 HOUSING AUTHORITIES in the US

One of only 3 Statewide Housing Authorities in the USA

The 13th largest public housing program in the USA

PHA Name	PHA ACC Unit Count	Largest Rank
Hawaii Public Housing Authority	6,270	#13
Seattle Housing Authority	6,295	#12
Housing Authority of the City of Los Angeles	6,971	#11
Newark Housing Authority	7,750	#10
D.C. Housing Authority	8,353	#9
MIAMI DADE PUBLIC HOUSING AND COMMUNITY DEV	8,693	#8
Cuyahoga Metropolitan Housing Authority	10,023	#7
Boston Housing Authority	10,326	#6
Housing Authority Of Baltimore City	11,263	#5
Philadelphia Housing Authority	14,935	#4
Chicago Housing Authority	21,197	#3
PUERTO RICO PUBLIC HOUSING ADMINISTRATION	54,525	#2
New York City Housing Authority	175,449	#1

# Hawaii Public Housing Authority

HPHA is the 24th largest overall (ACC + HCV + PBCA) in the USA

Hawaii Public Housing Authority	13,581	#24
Newark Housing Authority	14,508	#23
Louisville Metro Housing Authority	14,788	#22
Housing Authority of the City & County of SF	14,849	#21
Housing Authority Cook County	14,888	#20
Oakland Housing Authority	14,924	#19
Columbus Metropolitan Housing Authority	15,348	#18
Seattle Housing Authority	16,494	#17
CINCINNATI METROPOLITAN HOUSING AUTHORITY	16,635	#16
San Antonio Housing Authority	19,883	#15
Houston Housing Authority	20,891	#14
Housing Authority of New Orleans	21,548	#13
D.C Housing Authority	22,819	#12
Housing Authority of the City of Dallas, Texas	22,904	#11
Housing Authority of the City of ATLANTA Georgia	24,339	#10
Boston Housing Authority	24,753	#9
Cuyahoga Metropolitan Housing Authority	25,101	#8
Housing Authority of the County of Los Angeles	26,375	#7
Housing Authority Of Baltimore City	30,092	#6
Philadelphia Housing Authority	34,639	#5
PUERTO RICO PUBLIC HOUSING ADMINISTRATION	54,525	#4
Housing Authority of the City of Los Angeles	55,493	#3
Chicago Housing Authority	72,859	#2
New York City Housing Authority	274,606	#1

# Housing Programs

## Federal Funded Programs

Federal Low-Income Public Housing	\$37 M
Housing Choice Voucher Program	\$64.6 M
Performance Based Contract Administration	\$45.1 M
Federal CFP	\$14.9 M

## State Funded Programs

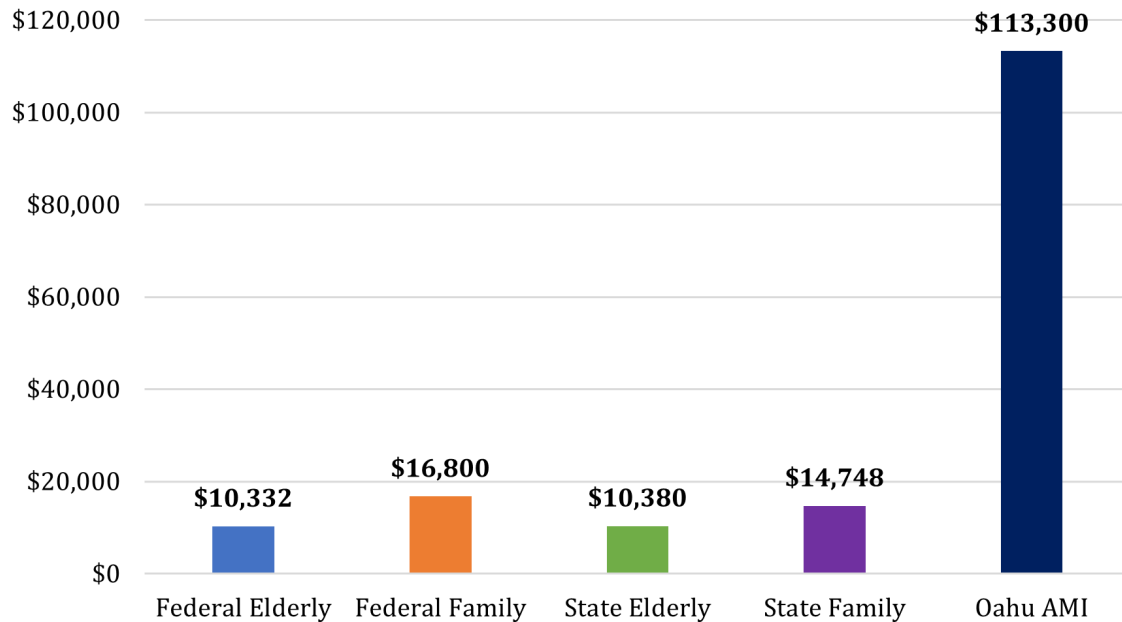
State Low-Income Public Housing	\$5.0 M
State Rent Supplement Program	\$1.5 M



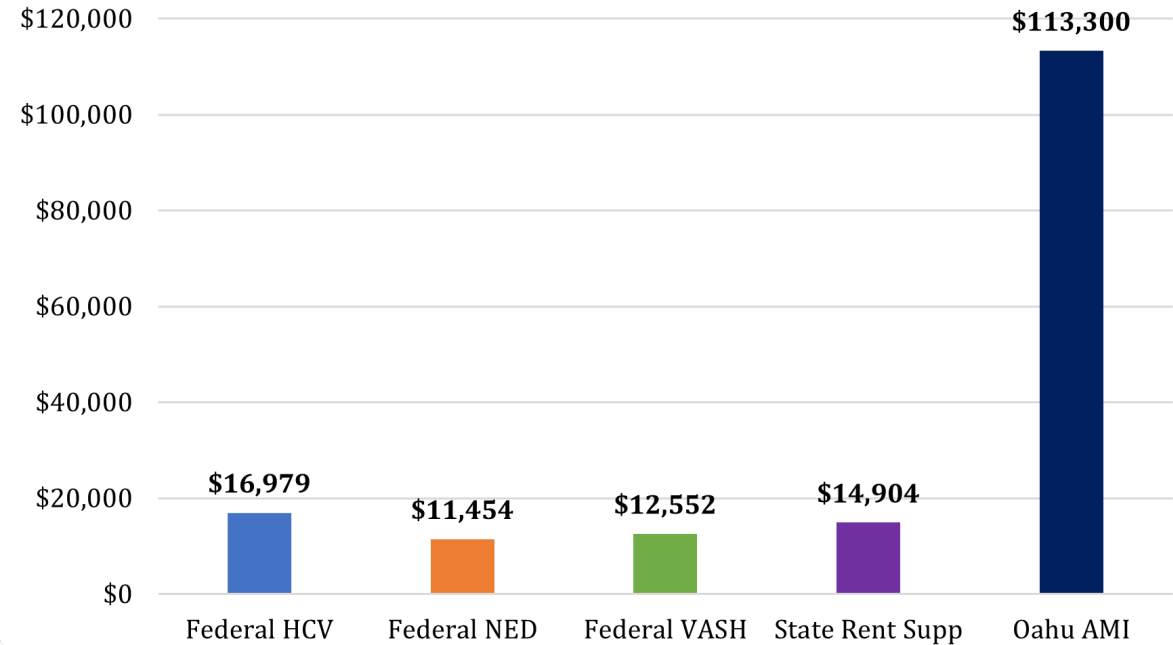
# HPHA Mission

HPHA's Public Housing and Housing Choice Voucher programs serve over 14,000 families or more than 45,000 individuals

### Public Housing Median Income



### Section 8 Median Income



# Housing Programs

## Goals & Objectives:

- ▶ Maximize the potential of our existing public housing units and voucher capacity to house over 14,000 families
- ▶ We expect to house an additional 2,300 individuals this year
- ▶ Increase our inventory through development of additional affordable units



# Moving To Work

- ▶ MTW is a HUD demonstration program
- ▶ Qualifications required include
  - ▶ HUD “High Performer” status
  - ▶ Excellent Financial Management Administration



# Moving To Work

- ▶ HPHA designated a MTW agency in January 2022.
- ▶ MTW ACC Amendment executed by HUD August 2022.
- ▶ MTW allows HPHA to create new programs to better serve local needs.





# Ongoing Construction Projects

## Budgeted

\$53,130,655 Federal CFP Funds  
(Appropriated and Budgeted)

\$112,013,501 State CIP Funds  
(Appropriated and Budgeted)

**\$165,144,156      Total Budgeted**

## In Contract

\$30,345,560 Federal CFP Funds (Obligated)

\$79,656,399 State CIP Funds (Encumbered)

**\$113,283,481      Total In Contract**



# Ongoing Development Projects:

## School Street 800 Units Senior Housing - Oahu



HAWAII PUBLIC HOUSING  
AUTHORITY



**HPHA School St.  
Redevelopment Project**  
Phase 1A Residential Building

- ▶ Master Planning, Environmental, complete
- ▶ LIHTC/Bonds Awarded,
- ▶ Approved 201H Zoning and Entitlement application provides for over \$9M in exemptions
- ▶ Permits/Subdivision Pending
- ▶ Commencement of construction anticipated to start this year.
- ▶ A requires funds to cover increased construction costs and interest rates.

# School Street Redevelopment

## Existing:

- ▶ 13-Building Administrative Campus
- ▶ Under utilized land, sprawling, inefficient, outdated facilities
- ▶ Built in 1953 – 65 Years Old
- ▶ Proximity to Primary Urban Center
- ▶ Convenient public transportation
- ▶ Two planned HART stations less than one mile from site
- ▶ Lanakila Senior Center on Site

## Proposed:

- ▶ Consolidate HPHA's operation.
- ▶ Plan frees remaining site for development of Affordable Housing
- ▶ 800 new housing units Age Restricted to Seniors
- ▶ All Units to be affordable for life at 30-60% AMI
- ▶ No Market Rate Units, No Public Housing
- ▶ 10,000 sf Retail/Commercial Space

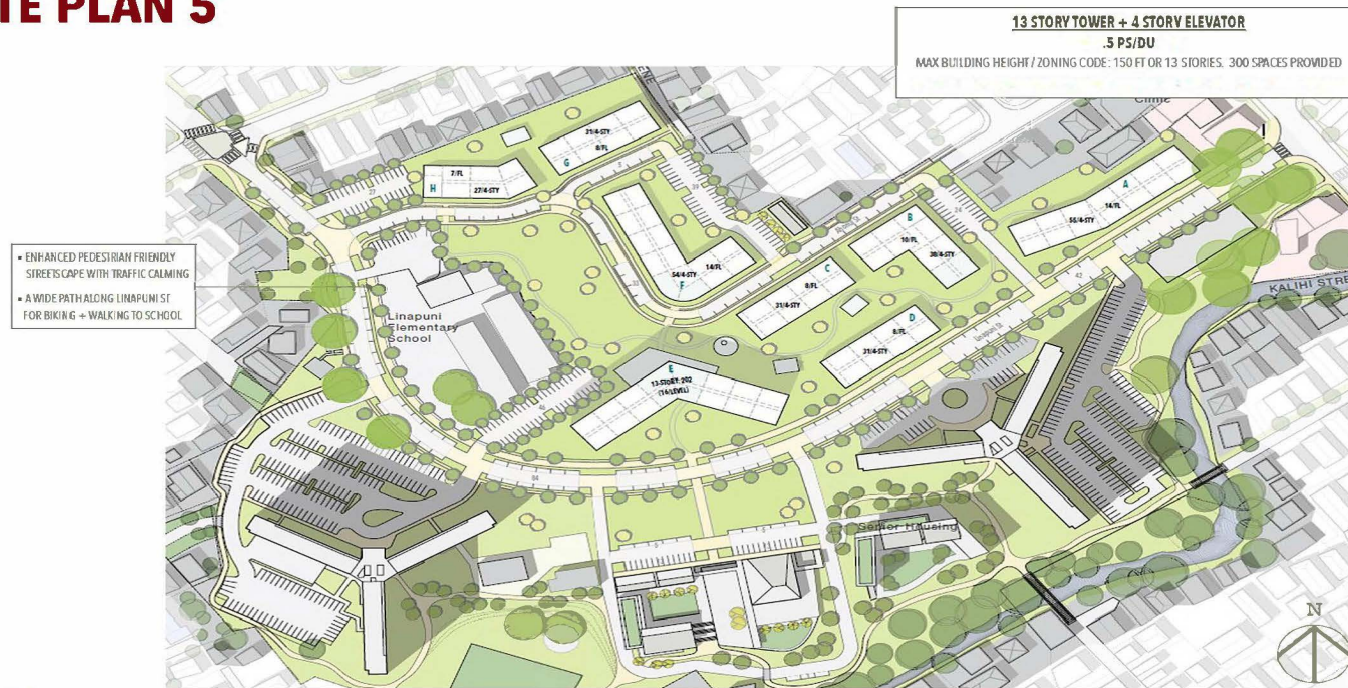


# Ongoing Development Projects: KPT

Phase I: First P3 Project in Hawaii – Successful renovation of KPT Towers in 2012

Phase II: Kuhio Park Terrace Low-Rises and Homes - 650 New Affordable Units

## SITE PLAN 5



Kuhio Park  
Kalihi, Honolulu, Hawaii

- ▶ Approved 201H Zoning and Entitlement application provides for over \$10M in exemptions through City Council Resolution 22-240, CD1, FD1.
- ▶ 4% LIHTC, HMMF Bonds & RHRF QAP Application submitted to HHFDC February 2023 Pending.



Hawai'i  
Public  
Housing  
Authority

# Kuhio Park Terrace and Kuhio Homes

## Existing:

- ▶ 22-acre site
- ▶ Phase I: 555-unit in two 16-story high-rise buildings - \$125 million revitalization
- ▶ RAD Conversion of 347 remaining PH units completed Q4 2021
- ▶ Phase II: 174 Public Housing Units
- ▶ 29 1&2-Story Townhouse Buildings
- ▶ Constructed 1953 and 1965

## Proposed:

- ▶ 650 New Housing Units
- ▶ 174 LIHP One-for-One Replacement
- ▶ Mix of Affordable for life (60-120% AMI) and Market Rate Units
- ▶ Proximity to HART Middle Street Station
- ▶ Master Plan, EA, 201H Approved
- ▶ Opportunity to combine State & City & County Resources
- ▶ Three Phases



# Housing Challenges

- ▶ High demand for housing, decades-low supply, limited land, high production cost.
- ▶ Honolulu consistently ranked among the most expensive in the nation.
- ▶ Number of available affordable housing options continues to decline.
- ▶ Many households are forced to double-up.
- ▶ Many Hawaii residents have been displaced or choose to leave.



# Purpose and Goals of the RFQ

- ▶ The HPHA is not unique in the challenges it faces.
- ▶ To address these challenges, the HPHA has solicited qualification statements from experienced developers with a documented track record of working collaboratively and cooperatively with public partners.



# Opportunity

The HPHA brings Significant resources to its redevelopment efforts:

- ▶ A portfolio of significant, well located, state-owned land assets
- ▶ Statutory powers
- ▶ MTW designation
- ▶ HUD Resources
- ▶ Public housing operating subsidies
- ▶ Act 251 Session Laws of Hawaii 2022





# Vision

- ▶ Zoning and entitlement approval for 1,500 units and environmental clearance for 2,500 more.
- ▶ Leveraging State lands to allows scale.
- ▶ Deliver 10,000 additional affordable housing units.



# Background

- ▶ Strategic top-down analysis to determine repositioning potential.
- ▶ Review of the physical needs, operating needs, and current financial performance of each of our properties.
- ▶ Portfolio of properties attractive redevelopment candidates identified.
- ▶ Properties have exceeded their intended useful life.



# Portfolio Review

PHA and Project Identifier  
Hawaii Public Housing Authority  
**PUUWAI MOMI**

Today: 12/17/22 Project Number: HI001000030  
DOFA: 03/18/72  
Unit Type: Row House

Total PHA Units: 5,062  
Total HVCs: 0

New Construction  
**PARTIAL AMP**

2250 Kalena Dr.  
Honolulu, HI 96818  
Honolulu County

Rental Revenue		METRO			
Contract Rents	Units	2023 Contract Rents	Reasonable Rents	Utility Allowances	2023 100% FMRs
0 BR	0	\$756	\$1,579	\$141	\$1,563
1 BR	48	\$830	\$1,747	\$141	\$1,716
2 BR	106	\$1,086	\$2,331	\$141	\$2,247
3 BR	104	\$1,544	\$3,372	\$141	\$3,193
4 BR	38	\$1,850	\$4,069	\$141	\$3,827
5 BR	0	\$2,128	\$4,700	\$141	\$4,401
296					

HUD Development Cost Limits	
Total Development Cost P/U	\$ 359,402
Hard Construction Cost P/U	\$ 205,373

Key Geographies	
Qualified Census Tract or DDA	Yes
Opportunity Zone	Yes
Minority Concentrated Tract	Yes

Key Financing Terms	
Loan Terms Leverage (years)	40
Interest Rate	5.5%
Vacancy Rate	5.0%
Tax Credit Pay-In (per 1\$)	\$ 0.900
Debt Service Coverage Ratio	1.15
Annual Deposit to Reserves (PUPA)	\$ 350
Estimate of Acquisition Value (P/U)	\$ 85,000



Highlighted Results for Best Repositioning Options		
RAD/Section 18 Blend -- 80% TPVs	\$ 349,526	\$ 103,459,761
Section 18/ SVC 100% TPVs	\$ 387,123	\$ 114,588,331

## Income & Expense and Pro Forma for: New Construction 100% TPVs

Income, Expense, Debt Supported	
Gross Rents	\$10,034,183
Less Vacancy	(\$501,709)
Plus Other Income	\$35,520
Effective Gross Revenue	\$9,567,994
Operating Expenses	\$3,108,000
Reserves	\$103,600
Operating Expense + Reserve	\$3,211,600
Revenues Less Operations	\$6,356,394
Available for Debt Service	\$5,527,299
Maximum Debt Supported	\$89,304,923
Maximum Debt Per Unit	\$ 301,706

Sources and Uses	
Sources	
Debt	\$89,304,923
Equity	\$66,130,745
Soft Funds, Deferred Fees	\$0
Take-Back Financing	\$0
<b>TOTAL SOURCES</b>	<b>\$155,435,668</b>
Uses	
Hard Costs	\$114,588,332
Soft Costs	\$40,847,336
Acquisition	\$0
<b>TOTAL USES</b>	<b>\$ 155,435,668</b>

Soft Costs Summary	
Architecture, Engineering	\$ 3,458,250
Studies	\$ 78,000
Financing Fees	\$ 5,077,813
Legal Costs	\$ 150,000
Title, Recordation	\$ 1,640,878
Construction Interest	\$ 5,586,181
Construction & Bond Fees	\$ 1,923,062
Other	\$ 232,700
Operating Reserves	\$ 1,605,800
Developer Fee	\$ 21,094,652
<b>TOTAL SOFT COSTS</b>	<b>\$ 40,847,336</b>



Hawai'i  
Public  
Housing  
Authority

# Why the Portfolio Properties are Excellent Candidates for Redevelopment:

Ground up redevelopment provides an opportunity to involve residents and deliver high-quality, comfortable, and inviting communities :

- ▶ Opportunities to incorporate recreational spaces together with green building and sustainability concepts
- ▶ Reinvigorated communities with activated streets support community health and safety.
- ▶ Reduced urban sprawl, improved overall health and quality of life.
- ▶ Resident Support

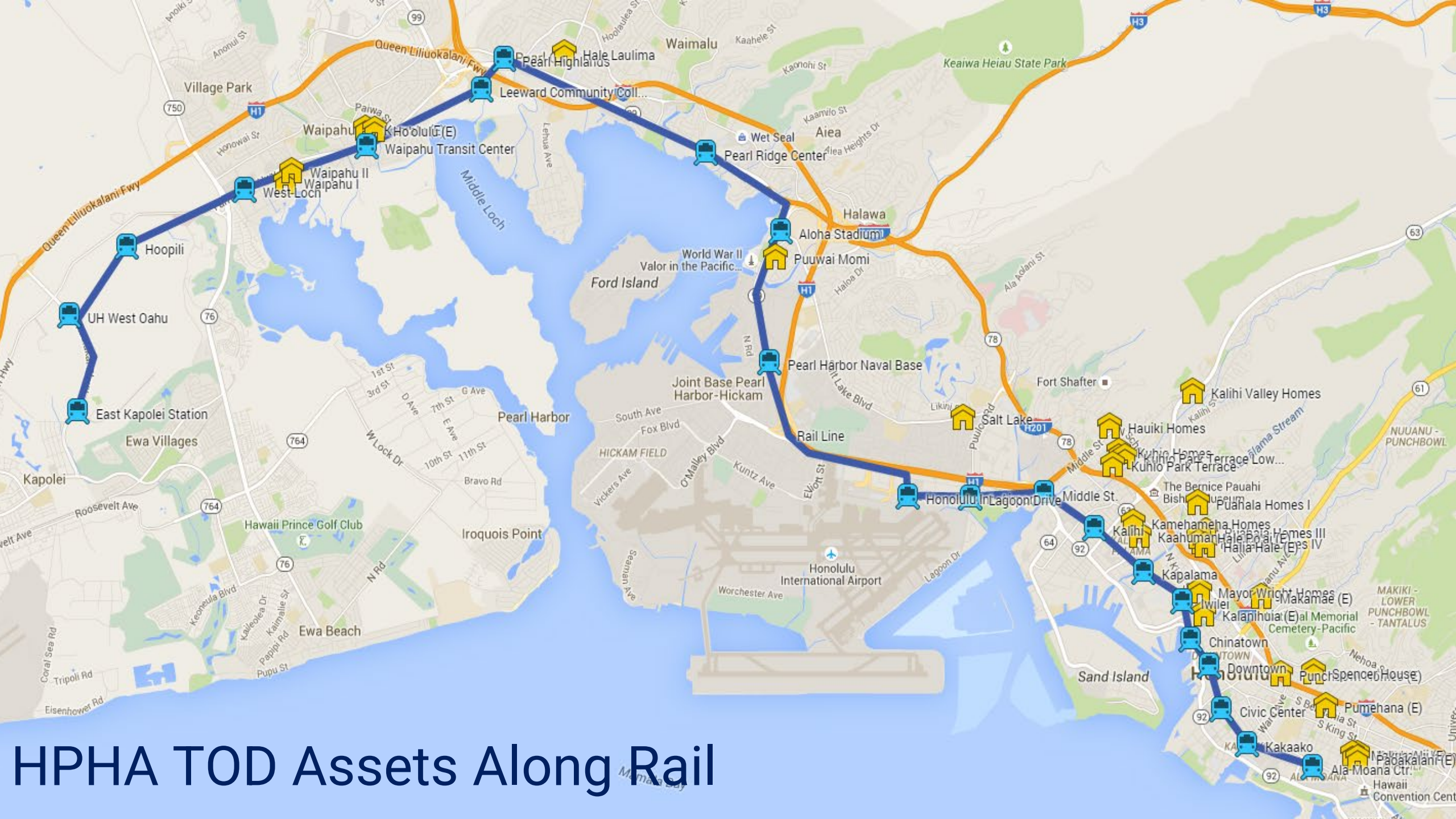


# State TOD Strategic Plan

Several of the properties in the Portfolio are located very near HRT rail stations and are currently listed on the State's TOD Strategic Plan:

- ▶ Neighborhood TOD Plans allow increased density.
- ▶ TOD Plans provide land use and circulation frameworks.
- ▶ Redevelopment along rail will result in more compact livable communities that can take full advantage of the benefits of transit.





# HPHA TOD Assets Along Rail

# The Portfolio

Portfolio Properties	Location	Age (Yrs)	T.M.K.	Zoning	Acres	Flood Zone	Existing Units	Potential new units
Mayor Wright Homes	Honolulu	70	(1) 1-7-029:003	A-2	14.8	X	364	2450
Puuwai Momi	Aiea	53	(1) 9-9-003:056	A-2	11.5	X	260	2170
Kaahumanu Homes	Honolulu	64	(1) 1-5-024:001	A-1	7.4	X	152	1550
Kamehameha Homes	Honolulu	25	(1) 1-5-001:001	A-1	16	X	221	2950
Hale Laulima	Pearl City	41	(1) 9-7-094:025	A-1	4	D	36	700
Nanakuli Homes	Waianae	53	(1) 1-8-7-034:004	R-5	4.25	D	36	500
Lanakila Homes	Hilo	0	(3) 2-4-028:007	RD-3.75	10	X	-	250
Kahekili Terrace	Maui	82	(2) 3-4-033:023; (2) 3-4-017:146		5.2	X	82	200
Kapaa	Kauai	36	(4) 4-5-015:007; (4) 4-5-015:038/ 042	R-10	4.3	X	36	110
<b>TOTAL</b>					77.46		1,187	10,880



# Mayor Wright Homes, Honolulu (Oahu)





# Puuwai Momi, Aiea (Oahu)



# Kamehameha Homes & Kaahumanu Homes, Honolulu (Oahu)



# Hale Laulima, Pearl City (Oahu)



# Nanakuli Homes, Waianae (Oahu)



# Lanakila Homes, Hilo (Hawaii)



# Kahekili Terrace, Wailuku (Maui):



# Kapaa, Kapaa (Kauai):



# Minimum Program Requirements

Delivery of a minimum of 10,000 Additional New Housing Units Over Multiple Phases:

- ▶ Ability to Add or Exchange Portfolio Properties
- ▶ One-for-One Replacement of Existing Public Housing Units
- ▶ Mixed-Income Development
- ▶ Unit Integration
- ▶ Neighborhood Integration
- ▶ High Quality Design
- ▶ Maximization of Non-State Financing Resources
- ▶ Non-Discrimination
- ▶ Sustainability
- ▶ Accessibility
- ▶ Streetscape Improvements including Open and Defensible Space
- ▶ Leveraging Transit Oriented Development Opportunities





# Developer Minimum Requirements

- ▶ Proven track record of successfully developing, managing, and completing multiple projects simultaneously using multiple financing sources.
- ▶ Successful completion of multiple projects using LIHTC.
- ▶ Successfully financed projects using qualified 501(c)(3) bonds.
- ▶ Identify a dedicated full-time team to execute project.
- ▶ Knowledgeable about “start to finish” development processes as well as development challenges in Hawaii.
- ▶ Experience in national contracts securing construction materials directly from suppliers/manufacturers.

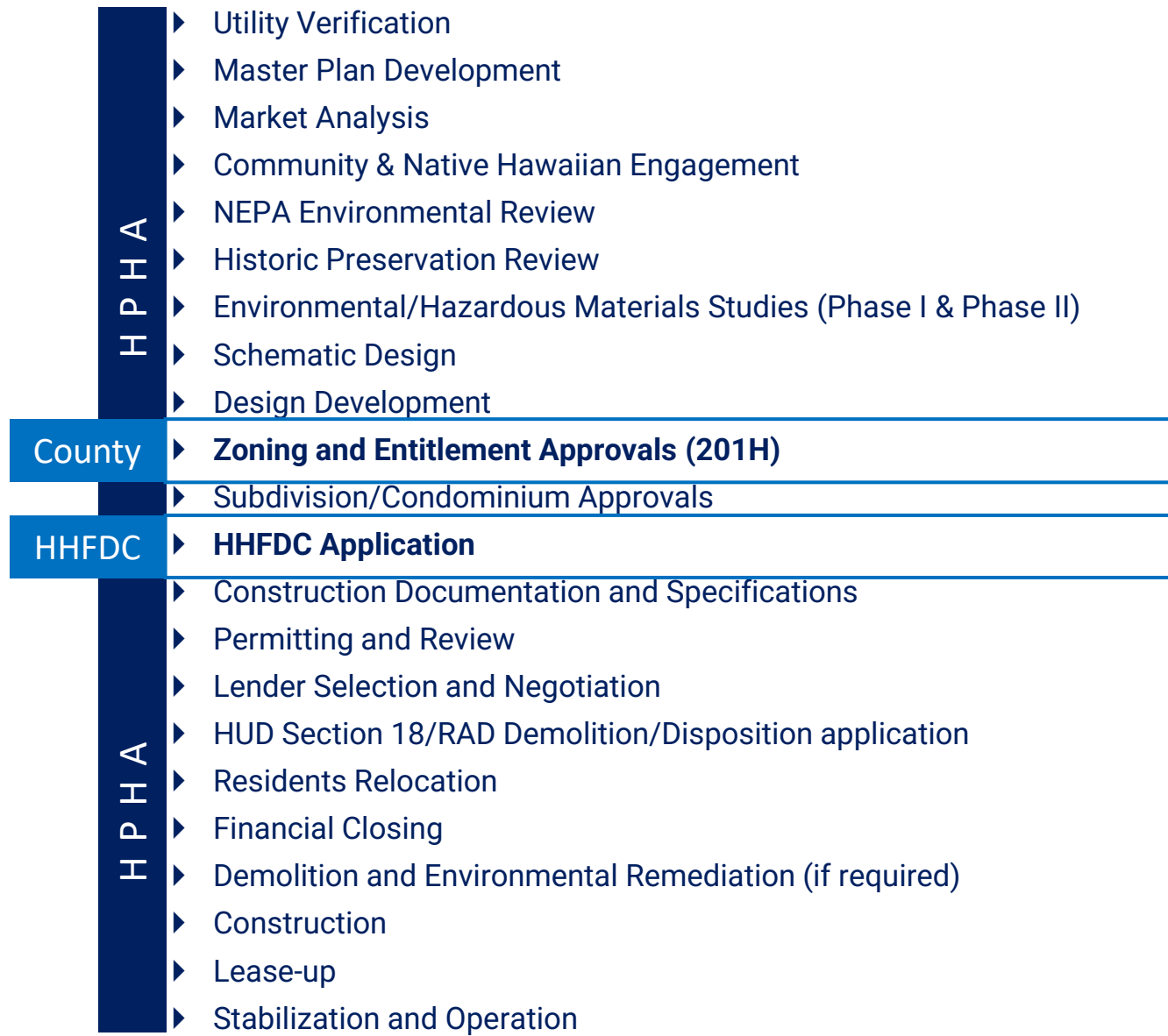


# Key Responsibilities of the Master Developer

- ▶ Robust community engagement
- ▶ Creating conceptual master plan
- ▶ Keeping the HPHA informed and involved
- ▶ Securing zoning, entitlement, and other approvals.
- ▶ Preparing phase specific development and operating proformas
- ▶ Maintaining accurate project schedules
- ▶ Managing and overseeing predevelopment and development activities
- ▶ Financial closing, construction, lease-up and management



# Development Steps



# Alignment of RFQ with Overall Goals

- ▶ Financing to mitigate bond cap
- ▶ Operation of properties
- ▶ Cost of materials
- ▶ Maximizing the pricing of LIHTC
- ▶ Organizing of Environmental Review
- ▶ Waitlist and resident relocation
- ▶ Sequencing Management
- ▶ Single Point accountability





# Hawai'i Public Housing Authority

# MAHALO

Hawaii Public Housing Authority

1002 N. School St.

Honolulu, HI 96817

phone: 832-4682

[hpha.hawaii.gov](http://hpha.hawaii.gov)

[HPHA@hawaii.gov](mailto:HPHA@hawaii.gov)