# TOD CIP Request, Fiscal Year 2021

TOD CAPITAL PROJECT INFORMATION AND JUSTIFICATION SHEET

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Program ID</th>
<th>Capital Dept</th>
<th>Capital Proj No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii Public Housing Authority, School Street Campus Pre-Development, Oahu</td>
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<tr>
<td>Expending Agency</td>
<td>DHS / Hawaii Public Housing Authority</td>
<td>HMS</td>
<td>220</td>
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<tr>
<td>Summary Project Description</td>
<td>Redevelopment of HPHA School Street property to create a mixed-use campus consisting of elderly affordable rental housing, HPHA administrative offices, and possibly some light retail.</td>
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## Estimated Project Cost (In thousands of dollars)

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>Prior Funding</th>
<th>FY 2021 Request</th>
<th>Future Years</th>
<th>Total Cost Estimate</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>FYs</td>
<td>$ (In Thous)</td>
<td>MOF</td>
<td>Amount (In Thous)</td>
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<tr>
<td>Pre-Plan</td>
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<tr>
<td>Plans</td>
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<td>$2,500</td>
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<td>C-GO Bonds</td>
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<td>Land</td>
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<tr>
<td>Design</td>
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<tr>
<td>Construction</td>
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<tr>
<td>Equipment</td>
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<tr>
<td>Totals</td>
<td>$2,500</td>
<td>$2,500</td>
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## Project Information and Justification

### Scope of Project
The proposed redevelopment would include new offices and provide approximately 800 senior rental affordable units, retail, and community spaces in three towers. Estimated project cost: $373M. Master development agreement signed with Retirement Housing Foundation in Nov 2019. Project schedule of 2-3 phases over 10-12 years. Desired construction start date of 2021.

### TOD/Smart Growth Need/s to be Addressed
The School Street redevelopment project is one of the State TOD projects identified in the State TOD Strategic Plan, Dec 18/Aug 19. The project is part of HPHA's 10-year plan to redevelop its properties along the City and County of Honolulu’s rail transit line.

### Community Benefits/Impacts if Funded
Will provide needed affordable housing for seniors with low income in safe, accessible, and affordable environment with support and companionship that a robust community can offer.

### Impact on Project if Funding Deferred
Predevelopment funding is essential to prepare the property for future redevelopment; additional design and consulting work required for 201H application. City DPP Notice of Eligibility letter for 201H processing received Jan 10, 2020.

### Additional Information
See attached Star-Advertiser article.

## Point of Contact and Contact Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency/Title</th>
<th>Email address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benjamin Park</td>
<td>Chief Planner</td>
<td><a href="mailto:benjamin.h.park@hawaii.gov">benjamin.h.park@hawaii.gov</a></td>
<td>832-4671</td>
</tr>
</tbody>
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1 Amended 21-Jan-20 based on corrections/additional information received from agency.
Plan to build affordable senior housing advances

By Andrew Gomes
agomes@staradvertiser.com

An estimated $373 million affordable-housing tower complex for seniors in the Kalihi-Palama area is back on track after more than a year of negotiations between the state and a private development team.

The Hawaii Public Housing Authority announced Tuesday that it signed a master development agreement with the team led by California-based nonprofit development firm Retirement Housing Foundation.

RHF plans to build 800 rental apartments in three high-rises reserved for seniors with low incomes on 6 acres currently occupied by a collection of outdated single-story office buildings making up HPRA’s administrative headquarters at 1000 N. School St.

A RHF official in August told HPRA’s board that the company’s goal is to begin construction in 2021 if funding from the state Legislature and other sources can be obtained next year.

Work on the project, which began in 2015 with HPRA

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HOUSING

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seeking bids that led to RHF being selected in 2016, hasn’t gone as smoothly as hoped over the past two years.

A pre-development agreement with RHF, which facilitated work that included planning and an environmental study completed in August 2018, expired at the end of last year, followed by an extension that terminated June 30, according to HPRA board minutes.

RHF advanced about $1.3 million for planning and environmental work but didn’t want to continue spending money on other pre-development expenses, including an expected $700,000 for project cost analysis work, without a master development agreement under which HPRA reimburses RHF for half its pre-development costs, according to minutes from HPRA board meetings in July and August.

So RHF stopped work on the project pending a master development agreement being signed.

That agreement got signed Tuesday. HPRA was not prepared to release a copy of the agreement Tuesday or to discuss the latest details of the project.

RHF deferred to HPRA for releasing any information on the project to the media.

In a written statement issued by HPRA, Lawrence Joseph, RHF president, said, “We are very pleased to sign this agreement today and look forward to building and operating this premier affordable housing community in Honolulu for older adults. We are also excited to partner with HPRA on this important project, and we are committed to our residents, communities and neighborhoods that we serve.”

Hakim Quansah, HPRA executive director, said in the statement, “Our elderly population is growing faster than any other age group and this opportunity fits our vision to assist our kupuna with affordable rental housing. Finding a home they can afford in today’s expensive housing market is especially challenging for our seniors with low income, and this project will allow them to thrive in a safe, accessible and affordable environment with the support and companionship that a robust community offers.”

Also in the statement, Gov. David Ige said the public-private partnership will help produce more affordable homes at a lower cost and that the project is “another big step toward our goal of completing 10,000 housing units by 2020.”

However, it’s unclear whether RHF can complete any homes next year on the HPRA site. There are also concerns about whether RHF can obtain enough financing to achieve its previously stated development timetable goal.

Funding concerns

Milo Spindt, HPRA board chairman, expressed a concern about how much funding the project needs and how it will be obtained, according to HPRA board meeting minutes.

RHF has previously said that it intends to seek financing from a variety of options including private lenders as well as federal, state and county sources of tax credits, loans, bonds and grants.

Anders Plett, RHF vice president of development and acquisitions, said at HPRA’s August board meeting that the company would like to build the project in two phases instead of three, which could shave three years off a 10-to-12-year development schedule for completing all three towers plus replacement offices for HPRA, according to meeting minutes.

3 phases

As a three-phase project, an initial phase would include one tower with 250 homes and new HPRA administrative offices, followed by a second phase with another tower containing 250 homes and then a third phase with a 300-unit tower and possibly retail space, according to board meeting minutes from August.

Each tower would be up to 16 stories tall and include a mix of studios and one-bedroom apartments.

Tenants would have to be at least 62 years old and earn no more than 60% of the median household income for Honolulu. Some units would be reserved for seniors earning no more than 30% of the median income.

This year 50% of Honolulu’s median household income equates to $50,640 for a single person and $57,840 for a couple. The corresponding maximum monthly rent could be $1,266 for a studio and $1,356 for a one-bedroom unit under state guidelines.