Villages of Laʻi ʻOpua

Presentation by Ikaika Ohana and UHC Communities

For the Hawaiian Homes Commission Item E-1 Workshop

February 19, 2019
• Our Team
• Our Concept
• Timeline
• Design
• Financial Structure
• Tenant Services
• Next Steps
Ikaika Ohana & UHC Communities

- Ikaika Ohana is a nonprofit dedicated to the development of meaningful communities and strong families.
- UHC Communities is a mission-driven developer with unique financial and development expertise.
Our Team

Working Together

- Community
- Government
- Investors / Lenders

Need → action → subsidy → Mission → Not-for-Profit → Return → dollars → services

Agents
Drivers
Resources
Ikaika Ohana &
UHC Communities

Our Involvement

• Develop property by combining vision with resources and professional expertise
• Oversight of all development, construction, operating, and sales activities
• Coordinate and provide valuable social services
Ikaika Ohana &
UHC Communities

Our Experience

• 2000+ units, $1B+ of project value
• Active pipeline with multiple projects under development and construction in Hawaii
• We know how to execute
## Development Team and Roles

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ikaika Ohana</td>
<td>Owner</td>
</tr>
<tr>
<td>UHC Communities</td>
<td>Developer</td>
</tr>
<tr>
<td>Design Partners Incorporated</td>
<td>Architect</td>
</tr>
<tr>
<td>RM Towill</td>
<td>Engineer</td>
</tr>
<tr>
<td>Moss &amp; Associates</td>
<td>General Contractor</td>
</tr>
<tr>
<td>Hunt Capital Partners, LLC</td>
<td>Investor/Lender</td>
</tr>
<tr>
<td>Cox, Castle &amp; Nicholson</td>
<td>Legal Counsel</td>
</tr>
<tr>
<td>Rush Moore LLP</td>
<td>Legal Counsel</td>
</tr>
</tbody>
</table>
Our Concept

Villages of La’i ‘Opua

163 affordable units in Villages 4 and 5
Our Concept

Villages of La’i ‘Opua

163 affordable units in Villages 4 and 5
Our Concept

Villages of La‘i ‘Opua

Phasing

Phase I - 60 units in Village 4

• Quickest execution with available resources
• Achieves economically viable size
• Highest probability of receiving funding from HHFDC
Villages of La’i ‘Opua
Phasing

Future Phasing – 103 units

• We will apply for additional resources in upcoming funding rounds to facilitate the development of the remaining units
**Villages of La’i ‘Opua**

**Phase I - Schedule**

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHFDC application for financing</td>
<td>Feb 2019</td>
</tr>
<tr>
<td>Anticipated award of funding</td>
<td>May 2019</td>
</tr>
<tr>
<td>Financial close</td>
<td>Dec 2019</td>
</tr>
<tr>
<td>Construction of homes</td>
<td>Dec 2019 – Apr 2021 *</td>
</tr>
<tr>
<td>Initial lease-up</td>
<td>Jul 2020 – Jun 2021 **</td>
</tr>
<tr>
<td>15 year rental period</td>
<td>Dec 2020 – Apr 2036</td>
</tr>
<tr>
<td>Unit sales</td>
<td>May 2036</td>
</tr>
</tbody>
</table>

* First units should be available by Dec 2020. Last units available by Apr 2021

** Lease-up and tenant underwriting begins prior to CofO on the first units
Villages of La’i ‘Opua
Villages of La’i ‘Opua

LIVING AREA = 960 SF
CARPORT / PORCH = 550 SF
LANAI = 96 SF
TOTAL = 1,606 SF
Villages of La’i ‘Opua

LIVING AREA = 1152 SF
CARPORT / PORCH = 550 SF
LANAI = 78SF
TOTAL = 1,780 SF
Design

Villages of La’i ‘Opua

4A

FIRST FLOOR = 615 SF
SECOND FLOOR = 928 SF
TOTAL LIVING - 1,543 SF

PORCH = 66 SF
CARPORT = 444 SF
LANAI = 72 SF
Design
## Villages of La’i ‘Opua
### Sources and Uses

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC Proceeds</td>
<td>12,926,000</td>
<td>Construction Hard Costs</td>
<td>17,500,000</td>
</tr>
<tr>
<td>HHFDC – RHRF Loan</td>
<td>7,620,000</td>
<td>Contingencies &amp; Reserve</td>
<td>2,650,000</td>
</tr>
<tr>
<td>DHHL Proceeds</td>
<td>5,000,000</td>
<td>Financing Costs</td>
<td>2,075,000</td>
</tr>
<tr>
<td>Ikaika Ohana Loan</td>
<td>600,000</td>
<td>Professional Services</td>
<td>1,880,000</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>194,000</td>
<td>Other Costs</td>
<td>2,235,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>26,340,000</strong></td>
<td><strong>TOTAL</strong></td>
<td><strong>26,340,000</strong></td>
</tr>
</tbody>
</table>
Villages of La’i ‘Opua

Income and Rent Limits

Income Limits – 4 person household *

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>30%</th>
<th>40%</th>
<th>60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Income</td>
<td>$23,500</td>
<td>$31,400</td>
<td>$47,100</td>
</tr>
</tbody>
</table>

Monthly Rent Limits **

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>2-Bedroom</th>
<th>3-Bedroom</th>
<th>4-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>$530</td>
<td>$612</td>
<td>$683</td>
</tr>
<tr>
<td>40% AMI</td>
<td>$707</td>
<td>$816</td>
<td>$911</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$1,060</td>
<td>$1,224</td>
<td>$1,366</td>
</tr>
</tbody>
</table>

* Based on 2018 income levels

** Rent includes the value of utilities paid by the tenant
### Villages of La’i ‘Opua

#### Population Served

**Occupations within Income Range**

- Hotel Staff
- Retail Salespersons
- School Administration
- Public Safety
- Food Service
- Secretaries & Assistants
Villages of La’i ‘Opua
Unit Sales

Potential Unit Sales Values

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>2-Bedroom</th>
<th>3-Bedroom</th>
<th>4-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>$87,000</td>
<td>$97,000</td>
<td>$105,000</td>
</tr>
<tr>
<td>40% AMI</td>
<td>$116,000</td>
<td>$129,000</td>
<td>$139,000</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$174,000</td>
<td>$194,000</td>
<td>$209,000</td>
</tr>
</tbody>
</table>

• Based on 2018 income levels
• Assumes 4.50% rate, 30 yr term, and 25% P&I ratio
• The formula for determining unit sales values will be developed in coordination with DHHL staff
Villages of La’i ‘Opua
Tenant Services

• Home buying programs and training courses
• Home care courses
• Periodic tenant/home buyer evaluations
• Educational classes
• Health and wellness programs
• And more
Villages of La’i ‘Opua

- Assignment to Limited Partnership – A0597 Kona, L.P.
- Form and funding of $5,000,000 for predev and construction to expedite start of construction
- Determine rent ceilings, floors, and course of action in the event of a technical default by tenant
- Finalize Village 4 subdivision approval
Thank you

Ikaika Ohana &

UHC Communities

For more information please visit us at:

ikaikaohana.org

uhcllc.net