



**Hawaiian Home Lands Rental Housing in the
Villages of La'i'Ōpua**

Presentation by Ikaika Ohana

For the Hawaiian Homes Commission

August 2020

- Our Team
- Concept
- Timeline
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- Tenant Services
- Next Steps

Development Team and Roles

| Team Member | Role |
|---------------------------------------|--|
| A0597 Kona, L.P. | Development Agreement Assignee / Borrower |
| Ikaika Ohana and UHC H4 LLC | Developer / General Partners of A0597 Kona, L.P. |
| Design Partners Incorporated | Architect |
| RM Towill | Engineer |
| Coastal Construction Co. | General Contractor |
| Hunt Capital Partners | Investor |
| American Savings Bank | Lender |
| Cox, Castle & Nicholson | Legal Counsel |
| McCorrison Miller Mukai MacKinnon LLP | Legal Counsel |

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua

- Based on February 2019 Development Agreement
- Hawaiian Home Lands Trust Fund - \$5 million
- First Phase – 60 units
 - Fully funded, shovel ready
- Future Phasing – 103 units
 - We will apply for additional resources in upcoming funding rounds to facilitate the development of the remaining units

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Execution

- The property will offer the units for rent over a 15 year period to qualified tenants
- Tenants will be qualified according to DHHL, LIHTC, and HHFDC requirements as well as rental industry standards
- After the 15 year rental period the units will be offered for sale to existing tenants or other qualified buyers

Design

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua



Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua

| Model | Bed / Bath | Living Area (SF) | Lanai (SF) | Garage (SF) |
|-------|------------|------------------|------------|-------------|
| 1 * | 2 / 2 | 1,020 | 220 | 437 |
| 2 * | 2 / 2 | 1,000 | 194 | 444 |
| 3ADA | 2 / 2 | 1,018 | 187 | 493 |
| 4 * | 3 / 2 | 1,249 | 156 | 443 |
| 5ADA | 3 / 2 | 1,355 | 233 | 467 |
| 6 * | 3 / 2.5 | 1,263 | 244 | 458 |
| 7 | 4 / 3 | 1,553 | 191 | 439 |
| 8ADA | 4 / 2 | 1,433 | 84 | 447 |

* Model also used in reverse layout

** Please refer to Exhibit A for Site Plan and Unit Layouts

Timeline

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Schedule

| Milestone | Date |
|---|------------------------|
| HHFDC Award of Funding | Jul 2020 |
| Financial Close | Aug 2020 |
| Construction of Homes | Sep 2020 – Oct 2021* |
| Initial Tenant Financial Qualification | Nov 2020 – Dec 2021 ** |
| Initial Rent-Up and 15 Year Rental Period | Feb 2021 – Dec 2035 |
| Unit Sales and Conversion to Homestead Leases | Jan 2036 |

* First units should be available by Feb 2021. Last units available by Oct 2021

** Lease-up and tenant underwriting begin prior to occupancy of the first units

Structure

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Sources and Uses

| Sources | Amount |
|-----------------------|-------------------|
| LIHTC Proceeds | 23,397,000 |
| HHFDC – RHRF Loan | 7,620,000 |
| DHHL Proceeds | 5,000,000 |
| American Savings Bank | 1,938,000 |
| | |
| TOTAL | 37,955,000 |

| Uses | Amount |
|-------------------------|-------------------|
| Construction Hard Costs | 27,000,000 |
| Contingency & Reserves | 3,350,000 |
| Financing Costs | 2,075,000 |
| Professional Services | 2,500,000 |
| Other Costs | 3,030,000 |
| TOTAL | 37,955,000 |

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Income and Rent Limits

Income Limits – 4 person household *

| AMI Level | 30% | 40% | 60% |
|---------------|----------|----------|----------|
| Annual Income | \$24,990 | \$33,320 | \$49,980 |

Monthly Rent Limits **

| Unit Size | 2-Bedroom | 3-Bedroom | 4-Bedroom |
|-----------|-----------|-----------|-----------|
| 30% AMI | \$562 | \$649 | \$725 |
| 40% AMI | \$750 | \$866 | \$967 |
| 60% AMI | \$1,125 | \$1,299 | \$1,450 |

* Based on 2020 income levels

** Rent includes the value of rent and utilities paid by the tenant

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Unit Sales

- Existing tenants will have the first option to purchase their units after the 15 year rental period
- Unit sales will comply with IRC Section 42 standards
- Sales values will be affordable and based on income levels at the time of sale
- The formula to determine a unit's sales value is documented in the July 9, 2020 HHFDC For-Action

Hawaiian Home Lands Rental Housing in the Villages of La'i'Ōpua Tenant Services

- Home buying programs and training courses
- Home care courses
- Periodic tenant/home buyer evaluations
- Educational classes
- Health and wellness programs

Thank you

Ikaika Ohana

For more information please visit us at:

ikaikaohana.org