



MUTUAL HOUSING ASSOCIATION OF HAWAI'I

The Mutual Housing Association of Hawai'i, Inc.
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Honolulu, Hawaii 96813
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BEST AND FINAL OFFER March 16, 2015

**Proposal to Develop an Affordable
Micro-Unit Housing Project
at TMK 2-1-015: 014
630 Cooke Street, Honolulu, Hawai'i**



MUTUAL HOUSING
ASSOCIATION OF HAWAII

"Building our communities with respect, integrity, and aloha..."

Kekaulike Courtyards ♦ Ko'oloa'ula ♦ Lihu'e Court Townhomes ♦ Palolo Homes

March 16, 2015

Mr. Anthony J. H. Ching, Executive Director
Hawai'i Community Development Authority
345 Queen Street
Honolulu, Hawai'i 96813

Dear Mr. Ching:

Subject: **Best and Final Offer**
No.: HCDA 04-2014 - Micro Unit Housing Project at 630 Cooke Street

Thank you for the opportunity to provide a Best and Final Offer ("BAFO") to develop affordable micro-apartments on your parcel located at 630 Cooke Street in Kaka'ako, Honolulu, Hawai'i. Our team has utilized the additional time offered by the BAFO process to explore, reevaluate and refine the building's design resulting in a new building configuration now offering more affordable micro apartments and a new Cooke Street façade. *Mālie ma Kaka'ako* is now a \$27.16 million project with 93 apartments all serving households earning less than 60% of HUD median incomes with ten households designated at 30% and 50% of median income levels. We are also proposing innovations in our project such as construction of the project utilizing a modular building system.

The substance of our business proposal remains the same. We are committed to enter into a 65-year ground lease and pay a lease premium of \$400,000 at the start of construction should we be awarded the project. Our best and final offer contains the following elements:

1. Response to the questions in your Request for Information No.1.
2. Revised project and design description. This includes a discussion on the innovative design and construction strategies incorporated into our proposal.
3. Update on the market study conclusions from SMS Research & Marketing.
4. Updated Pro Forma Budget, Cash Flow and Operations Statement.
5. Updated letters of commitment from funders.
6. Updated Schematic Drawings and renderings prepared by Group 70 (under separate cover)

We hope that you will find the improvements that were made will meet with the objectives of your agency and spirit of the RFP. We thank you again for the opportunity to participate in this selection process and hope that you will look favorably on our proposal.

Sincerely,

David M. Nakamura
Executive Director

Request for Information No. 1

Response to Questions

The following responses have been prepared to address each of the questions raised in the Request for Information No. 1 dated February 19, 2015.

1. Would the Project still be feasible if it were revised to fully comply with the Mauka Area Rules?

A project designed in full compliance with the Mauka Area Rules would drastically limit the number of units possible on the 10,409 square foot lot. The originally submitted design for *Mālie ma Kakaʻako* of 71 units would require exemptions from the parking, FAR and floor plate requirements (for a Lei building form). We have chosen to significantly redesign the project which will comply with floor plate restrictions, but requires approval for parking and FAR exemptions.

Revised design scheme for submitted with this package - The new design would not be feasible if we were required to fully comply with the Mauka Area rules. We specifically do not comply with the parking and FAR requirements. Our studies indicate that we could not feasibly design a 93 micro-apartment project with the requisite parking and 3.50 FAR

The proposed reduction of parking in our project supports HCDA's goal of promoting transit oriented development in Kaka`ako and the City's broader initiatives throughout Honolulu to reduce automobile usage in the urban core. We also believe our request for a higher FAR allowance is justified and meets HCDA's objective to increase the inventory of affordable rental housing available in the Mauka Area.

2. Would the project still be feasible with required floor plate ratio and building void along the façade?

The revised plans by Group 70 now comply with the Mauka Area rules for the podium high-rise building form and have been programmed to fully comply with rules on required floor plate ratio and any required building void along the Cooke Street façade.

Our tower floor plate falls below the 8,000 square foot restriction. It is also our understanding that the podium high-rise building form does not have requirements on to placement of building voids.

3. Would the project still be feasible with reduced developer fee?

Our development budget has specified developer fees below 5% of total development costs. Under the Hawai'i Housing Finance and Development Corporation's ("HHFDC") Qualified Action Plan ("QAP") this would receive the highest scoring possible (7 points) for a new construction project. *(Please note that we are proposing to finance Mālie ma Kaka'ako utilizing 4% tax credits.)*

Historically, Mutual Housing has submitted development projects to HHFDC with some of the lowest requested developer fees when compared to our competitors. We do not believe that HHFDC would request or expect Mutual Housing to drop developer fees below 5% given the existing QAP system and the fact we would receive the highest score possible compared to any other development project.

4. Can you clarify that the project is within the buildable portion of the site, and does not encroach into the sidewalk?

Yes, our revised building designs are now within the buildable portion of the site. We have set our building back 10 feet from the sidewalks on Cooke Street so that it does not encroach on the existing sidewalk fronting the building.

5. Can you review, and correct if necessary, the proposed floor area and project density after referencing the way "floor area" is defined in the Mauka Area Rules?

- a. It appears that proposal would provide 40,573 square feet of floor area, which would exceed the allowed 3.5 FAR for the 10,409 square foot lot.

We have reviewed the Mauka Area Rules and have calculated a 4.70 FAR based on our new building design. We acknowledge that our plans exceed the 3.5 FAR limitation for the 10,409 square foot lot and that Mutual Housing would need to apply for a variance from HCDA.

6. Can you clarify your intentions to propose an alternative plan of 6-story structure with 59 apartments “if not approved?”

Our proposal to reduce one floor of our *original* building design is no longer valid based on our revised building design using a podium high-rise building form.

7. Can you clarify the proposed duration of lease and affordability period?

In Section 10 of our proposal (Deal and Lease Structure), we have requested a 65-year ground lease from HCDA. We are also committed to keep our apartments affordable throughout the entire 65-year ground lease term.

8. Can you clarify how proposed financing may be affected if unable to secure HOME funding, which has an application deadline of February 27, 2015?

We have been informed by the City & County of Honolulu’s Department of Community Services that the City anticipates releasing another round of HOME funding late in 2015. This HOME funding cycle has been reflected in our project schedule which has been provided in Section 12 (Project Schedule) of our proposal.

We consider our chances of securing HOME funding to be high because Mutual Housing is one of the few non-profit organizations in Honolulu designated as a Community Housing Development Organization (“CHDO”). Specific HOME funding is designated for CHDO’s. In the unlikely event we cannot secure HOME funding, we could increase our Rental Housing Trust Fund request to HHFDC to cover any shortfalls.

There is also very encouraging news in the 2015 legislative session where there may be a specific pool of funding available for affordable micro-apartment developments.

9. Can you elaborate on community initiatives considered for this proposal?

In Section 8 of our proposal (Market Feasibility Analysis), we have included a section titled “Resident Services at Mutual Housing.” This section describes the management philosophies of Mutual Housing and our resident services programs which are considered to be very successful initiatives in the

communities that we serve. This section describes the types of programs in our existing projects, our community building initiatives and how we would solicit community participation and engagement at *Mālie ma Kaka`ako*.

10. Can you elaborate on specific creative and innovative strategies proposed?

We have prepared a supplemental section in this Best and Final Offer which discusses in detail the project design and specifically addresses creative and innovative strategies we are proposing for *Mālie ma Kaka`ako*.

11. Can you confirm the contact information for the key people that will be assigned to this project, their respective roles in the project and their qualifications?

In Section 1 of our proposal (Qualifications), we have provided contact information for our development team members and described each of their respective roles. In Section 2 of our proposal, we have provided resumes and background information to demonstrate each team member's qualifications to develop *Mālie ma Kaka`ako*.

12. Can you share any foreseeable challenges with the proposed? Do you have any anticipated response for potential construction challenges?

We do not foresee any major challenges or problems that would negatively impact our proposed project. We feel our financial plan is solid and achievable. Our project schedule has reasonably accounted for the time necessary to secure entitlement approvals (Environmental Assessment, HCDA Development Permit, building permits) to result in a construction start in mid-2016, if we were awarded the project.

Kiewit Building Group described in Section 6 of our proposal how they would address some challenges with building on the small 10,000 square foot project site. They are proposing utilizing pre-fabricated building components which will be constructed off-site to facilitate an efficient construction of the project and have devised a sequencing plan for construction given the space constraints of the site.

REVISED – Project and Design Description

Our design team at Group 70 embraced the opportunity to reexamine, explore and vet ways that we could improve our design of *Mālie ma Kakaʻako* with the additional time offered by the Best and Final Offer (“BAFO”) process and the clarifications provided in the Request for Information dated February 19, 2015. This evaluation process also made us aware of design changes that were needed to comply with HCDA’s Mauka Area rules.

This supplemental narrative to the BAFO is not intended to repeat what was previously discussed in our original proposal. The following discussion focuses on our current project design and revisions which were incorporated as part of overall design improvements offered in the BAFO.

Design and Development Concept

There are several significant changes to our project design in this BAFO. We have redesigned Mālie ma Kakaʻako from a 65-foot high “lei building form” to be a “podium high-rise structure” under HCDA’s rules. The resulting building has a six-story podium platform with a set-back tower that reaches twelve stories in height. The building now houses 93 affordable micro apartments (an increase of 22 units). This change in building form allowed us to better comply with Mauka Area rules and allowed us to design an alternative Cooke Street façade which we feel is an improvement over our original concept. The tower, which rises six stories above the podium, is situated over 50 feet back preserving the Cooke Street view corridor.

Our mix of affordable micro-studio apartments is summarized as follows:

Affordability – % of HUD Median Income	Number of Apartments	Apartment Size (in sf)	Monthly Rent
30 %	5	310	\$ 379
50 %	5	310	\$ 714
60 %	55	310	\$ 840
60 %	28	351	\$ 870

Micro Apartments

The design of the living space in micro-apartments in Mālie ma Kakaʻako has not changed in our BAFO. The quality, amenities and features described in our original proposal are the same with our intention and sincere focus on creating a desirable and efficient living space for our residents.

One slight change and improvement is that we were able to increase the living space for the 28 apartments located on the Cooke Street side of the building by adding approximately 41 square feet of living space. This increase in area was made possible by the change to a podium high-rise building form. We will charge a slightly higher affordable rent for these apartments which will have the desirable Cooke Street views and larger living spaces compared to the back tower apartments.



Concept of a Murphy bed that converts to a dining table

Building Form and Building Façade

Our twelve-story high-rise structure is stepped back after the 6th floor to respect the Cooke Street view corridor and the Mauka Area Rules and also to respect the Kaka`ako urban landscape. The residential apartments along Cooke Street will be staggered and situated to provide an interesting building façade. We wanted to provide a design aesthetic that departs from the traditional affordable housing design vocabulary which led us to our textured façade. Apartment windows are grouped into pairs that overlap the units below in a pattern reminiscent of “*fish scaling*.” These pairs of units are highlighted by angular frames and protrude out from the building shading the windows below. We will strategically splash accent colors on the building frames.

Mālie ma Kaka`ako’s “back tower” created design challenges as we were required to orient these units to face in the “*ewa*” direction for the building to be code compliant and given the site’s dimensional constraints. This resulted in the back/corridor side of the tower facing in the “*diamond-head direction*” or to the eastern Cooke Street side. We have addressed this condition by screening the back wall with several large metal screened panels which are overlapped to replicate the fish scaling that occurs on the building facades. We feel this “*textured*” treatment softens the appearance of back tower walls and adds interest to the overall building form.

The Ground Floor Experience

Our Cooke Street frontage has programmed multiple active uses with a 479 square foot flexible retail space and our property management offices - both prominently located street-side. Other ground floor uses include the lobby with elevator, laundry facilities, public restroom, maintenance work area, and storage rooms.

The residential entrance and lobby will be built with storefront doors which will be accented by colored translucent concrete blocks along the wall of the management offices. These translucent panels will tie in with the lighted walls envisioned for the entrance of the parking garage. Our retail space will be brightened with large floor to ceiling storefront windows.

We would like to program the retail/community room to be a flexible space that will be managed by our resident services staff for both retail and community activities. As a non-profit, Mutual Housing would invite and coordinate community-based groups to utilize the retail unit as a “*pop up space*” for diverse activities such as temporary food tasting and pre-packaged food booths, a small farmers market, arts and crafts sales and other commercial endeavors supported by local small businesses and non-profits. Mutual Housing would charge no rent to these groups to preserve our funding and tax exempt status with the State and Federal governments. During down times, our resident services programs would utilize the space for community meetings, educational and recreational classes for our residents, and other community celebrations, all of which are integral within Mutual Housing’s resident services programs. A resident services manager office will be located nearby the room. Depending on the programming developed in resident services, this retail/community space would be used some evenings and weekends which will generate activity that does not normally occur at this time along Cooke Street.

The entrance, lobby and management offices at the front of the building will foster daytime activity as residents, staff, visitors and vendors flow through the space performing normal business activities that occur at rental properties. The office will provide staff with visual access to both the attractively designed residential lobby as well as outside of the building on Cooke Street.

The building’s laundry room is situated at the back of the first floor and will house stacked washer and dryers serviced by WASH Multifamily Laundry Systems. Adjacent to the laundry room is an air conditioned lounge which will encourage community interaction as residents wait for their laundry, chat together with their neighbors, look at their phones or tablets, or read a book. If this lounge forms into a community hub, we will include such features as comfortable but light lounge furniture and a television.

6TH Floor Lanai, Roof Deck and Landscaped 2ND Floor Deck

We will create three distinct outdoor spaces for the residents living at Mālie ma Kaka`ako:

- a lanai deck at the front of the podium along Cooke Street,
- a community garden on a roof deck above the sixth floor, and
- a landscaped deck above the parking lot.

A 6th floor partially-enclosed and furnished 670 square foot deck will serve as a community meeting room for residents and will also be utilized for resident services programs such as educational classes and recreational activities. The deck breaks up the top of the Cooke Street façade and will also serve as a quiet open area for residents to meet with friends and neighbors or to enjoy a meal outdoors. The space would also provide some private spaces for those that might want to quietly read a book or access the free Wi-Fi provided by the building.

We have also added a community garden area on the 7th floor roof deck. An array of planter boxes will be made available to residents interested in propagating their own urban garden in Kaka`ako. We wanted to provide this space as the residents' "*backyard*" and allow them the opportunities a homeowner would have to grow herbs or vegetables and enjoy the beautiful Hawai`ian sun.

An exterior 1,509 square foot deck located on the second floor behind the building and above the project's parking lot will offer sun exposure during the day or views of the stars at night. The deck will be shielded from the noise of the Cooke Street traffic by the building itself and neighboring buildings. This space provides residents the opportunity to host small groups of visitors for barbeques or other quiet activities, and staff will most certainly utilize this space for resident services gatherings and events as fitting.

Parking, Loading and Bike Storage

We will continue our plans to offer no conventional residential parking to the residents of Mālie ma Kaka`ako. The redesigned parking area offers two loading stalls, three staff parking stalls and three stalls designated as car share stalls operated by Enterprise Car Share. The provision of only eight parking stalls will require a variance approval from HCDA. However, we believe this approach in our design is consistent and appropriate for this first transit-oriented development in Honolulu of its type.

Two secure areas at the ground floor have been designated for bike storage. These areas should be able to accommodate over 47 bicycles (which meets the bike ratio stipulated in the RFP).



Multi-Level Bike Storage Systems

FAR, Parking and Height Limits

Our proposal has respected the Mauka Area Plan podium height limits of 65 feet and Cooke Street view corridor with a tower that is well below the 400 foot limit for the parcel. We are compliant with other Mauka area rules with the exception of two rules of which we will be requesting variances.

FAR Limit

Mutual Housing is proposing a variance from the site's limit of 3.50 FAR with a higher FAR ratio of 4.70. We believe that this variance request is justified based on its benefits of providing more affordable housing and maximizing the development potential of HCDA's parcel. Since we are honoring the Mauka Area Plan's height limit, we believe this variance request will not have any detrimental visual impacts on the surrounding community.

Parking Stalls

Our second variance request will be to provide fewer parking stalls than required under HDCA's current guidelines. We are proposing a total of eight stalls which will include two loading stalls, three staff parking stalls and three car-sharing stalls.

Innovative Construction Methodologies

Mālie ma Kaka'ako will be constructed with an innovative methodology using pre-fabricated structural modules, which take the concept of shipping container construction to the next level. This construction methodology, although widely used throughout the country, has been rarely done in Hawai'i. Pre-finished modular dwelling units can be delivered to the site and stacked at an accelerated pace offering many advantages over conventional construction while addressing the difficulties of building at 630 Cooke Street with its limited site area and access.

The standardized dimensions of the 93 micro-apartments at Mālie ma Kaka'ako are well suited for modular construction because their dimensions closely replicate the measurements of conventional shipping containers. We will seize this opportunity to fabricate modular components that can be shipped in containers and easily transported to Hawai'i and to the Cooke Street job site.

Some of the significant advantages of our modular construction are:

- A shortened construction schedule with time savings estimated at 30% (*10 month construction period versus a 15 month schedule using conventional methods*)
- Reduced onsite labor costs estimated to be up to 40%
- Reduced impacts to surrounding businesses with our ability to plan the loading of modular components at times that will least impact busy Cooke Street traffic
- Reduction of excess materials and construction waste brought to the project site thus reducing impacts on local landfills
- Cost savings on crane operating costs due to time savings and efficiencies
- Consistent and improved construction quality at a controlled off-site location

Overseas Assembly Facility

Off-island assembly facilities will be engaged to fabricate the structural modular units. The modular units will also include most apartment fixtures and finishes for the bathrooms, kitchens and living areas. The manufacturing facility will be in a central location where all structural components and finish materials can be consolidated and assembled in a controlled environment to ensure precise construction and quality control.

The Kiewit project team will maintain regular quality inspections throughout the duration of the overseas assembly process. Hold points in the assembly schedule will be identified in a quality control plan. The hold points will ensure key system components, including structural elements and mechanical/electrical rough-ins, are adequately inspected prior to being covered behind wall finishes.

Independent inspection professionals from Hawai'i will be allowed to observe and report on the factory installation as well. Inspectors may travel to the factory for inspection of mechanical, electrical, and structural components at key hold points as required by the City & County of Honolulu's Department of Planning and Permitting.

Off-Site Landing Yard

Containerized finished modules will be staged at an off-site facility on Oahu and prepared for just-in-time delivery to the project site. A logistics quality manager will be tasked to coordinate arriving units to ensure all necessary components have arrived in good condition and are ready to be transported to the project. Due to the accelerated sequence

of erection, delivery and on site assembly will not begin until all necessary components are accounted for on-island.

Delivery to Jobsite

Building sections will be designed to be transported along State and County right-of-ways without requiring major road closures. Escort vehicles will be provided as needed to ensure the public's safety during transport.

A comprehensive erection schedule will be developed to optimize the placement sequence. The schedule will incorporate the least disruptive truck delivery times to minimize the impact along the busy Cooke Street right-of-way. Sequencing will also consider sectioning off Mālie ma Kaka'ako so that stacking may occur in areas simultaneously with welding activities at other locations.

Building Foundations

The building foundation will utilize cast-in-place concrete piles to evenly support the building structure. This foundation system will minimize the noise and vibration impacts to the adjacent properties. Strategic placement of piles, pile caps, and grade beams will be aligned with the vertical support structure of each modular unit.

Onsite Assembly

A tower crane will be utilized to unload modular units off of trucks along Cooke Street and they will be stacked in place. The modules will be field welded as required to meet the structural properties applicable to the Building Code. Using modeling during the design and fabrication of the modules, precise electrical, mechanical, and plumbing connections will be made between units quickly with no conflicts. Interior finishes will be completed where module joints and mechanical, electrical and plumbing connections are made. The facades of the building will be pre-assembled off-site and delivered to the site in large sections. Once on-site, the sections will be mounted and joints will be trimmed out to form a seamless street elevation.

The building core, which includes stairwells and elevator shafts, will also utilize modular construction where feasible and structurally capable. Field assembled steel corridor framing members topped with concrete over a metal deck will provide the structural stability and bracing necessary to tie in all modular dwelling units into the central core structure.

REVISED – Market Study

SMS Research & Marketing (“SMS”) has prepared a supplementary letter to their market study dated January 2015. The SMS letter addresses the increased number of apartments now offered in Mālie ma Kaka’ako. SMS has confirmed that the revised project plans would still likely experience strong market interest based on our apartment designs and amenities offered.





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March 11, 2015

Mr. David Nakamura
[Executive Director](#)
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Dear Mr. Nakamura

We have reviewed the SMS report "Market Analysis of Very Low Income Rental Housing in Kaka'ako, Hawai'i" prepared for Mutual Housing Association of Hawaii Inc. in January, 2015. The initial report, written approximately 90 days ago, contains the most current information available to evaluate the market. The attached review reflects the recent increase in the number of planned units to 92 units at slightly higher rates plus a manager's unit.

The overall finding of the report, that the proposed project is highly likely to encounter more than sufficient demand and to remain at 100 percent occupancy for the foreseeable future, remains unchanged. Overall, the SMS conclusion continues to be that there is a significant need for affordable housing in Kaka'ako.

Sincerely,

A handwritten signature in black ink, appearing to read "Faith Sereno Rex".

Faith Sereno Rex
Executive Vice President
SMS Research

SMS Affiliations and Associations:

Experian
International Survey Research
Interviewing Service of America
PCR Environmental, Inc. - Guam
Solutions Pacific, LLC
Ka'ala Souza Training
3i Marketing & Communications
SMS Consulting, LLC

March, 2015 Update to *Market Analysis of Very Low Income Rental Housing in Kaka'ako, Hawai'i* Report

The initial *Market Analysis* report, produced in January of 2015, evaluated the market for the proposed 70 micro-apartment units. It was determined that those units would meet only 1.7 percent of the overall unmet demand for affordable multi-family housing among households earning up to 60 percent of the Area Median Income (AMI) for the City & County of Honolulu. The proposed updated plan increases the number of units to 92 at a slightly higher proposed rental rate.

Similar to the initial proposal the planned project amenities will continue to be a courtyard, small deck for entertaining, and a 500 square foot community meeting space. One change is that the development will include two parking stalls for loading purposes only and three parking stalls that will be designated for a ride share program. This program, operated by Enterprise, will allow residents to rent a vehicle for \$5 to \$10 per hour.

Based upon the increased unit counts, the proposed 92 micro-apartments would address only 2.2 percent of the total unmet demand. Among households earning less than 30 percent of AMI, only 0.2 percent of unmet demand would be addressed by the proposed units. Only 0.5 percent of the unmet demand among households earning 30 to 50 percent AMI would be addressed by these units, and only 10.3 percent of the demand among households earning between 50 and 60 percent AMI would be met.

	HUD Income Range			
	30%	50%	60%	Total
Kaka'ako				
Proposed Microapartments	5	5	82	92
Market Demand through 2012-2016*	2,226	1,068	805	4,099
% demand met by units	0.2%	0.5%	10.2%	2.2%
*Demand for multi-family rental units to accommodate one- and two-person households				

As was indicated in the January, 2015 report, the proposed rental rates are significantly lower than the current market rates for the Kaka'ako region. Based upon applicable apartment listings for Kaka'ako, Ala Moana, and Honolulu's Primary Urban Center that were posted at the end of 2014 and beginning of 2015, the achievable market rents for the Kaka'ako area are \$1,250 for a studio unit and \$1,400 for a one-bedroom unit. The updated proposed rents for the subject property range from just 30 to 59 percent of the achievable market rents.

Project location 630 Cooke Street, Kaka‘ako, O‘ahu, Hawai‘i

Project size 92 micro-apartment units and 1 manager’s unit

Income level 5 rental units targeting households <30% HUD County median
5 rental units targeting households 30%-50% HUD County median
82 rental units targeting households 51%-60% HUD County median

Market Area Kaka‘ako, Primary Urban Center, Honolulu

Rental Units

<u>Proposed Rents (net)</u>	<u><30%</u>	<u>30-50%</u>	<u>51-60%</u>	<u>51-60%</u>
Size (Ft2)	310	310	310	370
Microapartments (92 units*)	\$379	\$714	\$840	\$870

* One unit will be designated as a manager’s unit

Comparables

Market Rate

Rentals

1-bedroom

Estimate for Kaka‘ako - \$1,365
Estimate for Honolulu PUC - \$1,413
Estimate for County of Honolulu - \$1,476

Demand Summary

Forecast market demand for multi-family rentals in County of Honolulu for 1- and 2-person households in the HUD designated ranges = 4,099
Demand met by proposed units = 2.2%
Given the growing demand for affordable units and limited number of planned affordable housing development, demand for the proposed units will remain high for the foreseeable future.

The conclusions presented in the initial report regarding the need for rental housing for very low income households on O‘ahu (outlined below) continue to hold true. Capture rate analysis indicates that the subject property would need to attract only 0.2 percent of the total size- and income-qualified renter households to achieve full occupancy. Based upon the number of qualified households and the overwhelming interest in the only other affordable housing units recently developed in this area, this capture rate should be easily attainable.

Qualified Demand for Proposed Rental Units by Market Area

	MHAH Kakaako Market Areas					
	Primary Market Area		Secondary Market Area		Total	
	Count	Col %	Count	Col %	Count	Col %
Household Income						
less than \$15,000	8,072	34.4%	9,965	41.6%	18,037	38.0%
\$15,000 to \$24,999	1,436	6.1%	1,810	7.6%	3,246	6.8%
\$25,000 to \$29,999	1,416	6.0%	4,635	19.3%	6,050	12.8%
\$30,000 to \$39,999	5,025	21.4%	3,179	13.3%	8,204	17.3%
\$40,000 to \$44,999	2,348	10.0%	1,445	6.0%	3,792	8.0%
\$45,000 to \$49,999	426	1.8%	1,703	7.1%	2,129	4.5%
\$50,000 to \$59,999	4,735	20.2%	1,230	5.1%	5,965	12.6%
Total	23,457	100.0%	23,966	100.0%	47,423	100.0%
Sum of Size - and Income-Qualified Renter Households					47,423	
MHAH Total Proposed Units					92	
Capture Rate Necessary for Full Occupancy					0.2%	

Source: Hawai'i Housing Study, 2011

Base is one- and two-person renter households living in the PMA or SMA that earn up to 60 percent of the County AMI

Qualified Demand for Proposed Rental Units by HUD Income Level

	HUD Income Level							
	less than 30%		30 to 50%		51 to 60%		Total	
	Count	Col %	Count	Col %	Count	Col %	Count	Col %
Household Size								
One person	13,452	63.2%	4,690	38.8%	7,448	53.0%	25,590	54.0%
Two persons	7,831	36.8%	7,396	61.2%	6,606	47.0%	21,834	46.0%
Total	21,283	100.0%	12,086	100.0%	14,054	100.0%	47,423	100.0%
# of Proposed Units	5		5		82		92	
Capture Rate	0.02%		0.04%		0.58%		0.19%	

Source: Hawai'i Housing Study, 2011

Base is one- and two-person renter households living in the PMA or SMA that earn up to 60 percent of the County AMI

Rental vacancy rates on O'ahu are consistently well below the national average. For O'ahu¹, the Census estimates current rental vacancies as 6 percent of available stock, compared to 10.1 percent for the State. In the Kaka'ako area, the overall vacancy rate for rental units is even lower at 4.2 percent². Within Hawai'i, Honolulu rental vacancies have been below the state average for the past 20 years. Data on diminishing rental advertisements, compiled for the Housing Policy Study 2011, lends additional credence to the shortage of rentals. Low-income

¹ Although specific rental vacancy rates are not available for geographic areas smaller than the Honolulu MSA, no significant variance has been observed between the rates for areas near downtown Honolulu and the rates islandwide.

² http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_DP04&prodType=table

rental housing project managers report an even lower vacancy rate and extensive waiting lists for their projects.

Beyond the limited existing supply of affordable rental housing in the Kaka'ako area, there are few affordable housing projects in the planning stages of development. Based upon the most recent data available, there are close to 4,200 new housing units either under construction or permitted within the Kaka'ako area. Roughly half of these are market rate units, while the remaining units are designated as workforce housing. While the workforce housing units will be priced notably lower than the market rate units, they still target households with significantly higher incomes (80%-140% HUD AMI) than the proposed units (<60% HUD AMI).

The only recently developed housing in Kaka'ako targeting the less than 60 percent HUD population was the 204-unit Halekauwila Place property. When Halekauwila Place began accepting tenant applications, more than 700 were submitted and that number continues to climb as dozens more are received each week. This strongly suggests the need for housing affordable to households earning less than those households targeted by developments permitted or currently underway.

Based on the information above regarding the high cost and limited availability of housing on O'ahu, it is no surprise that affordable units are in such high demand. With very few competing new projects in production, the proposed project is likely to be met with considerable enthusiasm. The need for affordable housing continues to climb as economic recovery remains slow, making the subject highly competitive beyond its initial entry to the market. Consequently, it can be expected to fill very quickly, and to remain full, despite normal turnover, for the foreseeable future.

Sources:

Hawai'i State Department of Business, Economic Development, and Tourism. *The State of Hawai'i Data Book 2013*. Honolulu, HI: 2015.
<<http://dbedt.Hawaii.gov/economic/databook/>>.

SMS Research & Marketing Services, Inc. *Hawai'i Housing Policy Study, 2011*. Honolulu, HI: 2015.

U.S. Census Bureau. *American Community Survey*. Honolulu, HI: 2015.
<<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>>

YOUR HOME IN KAKA'AKO

630 Cooke St

MĀLIE MA KAKA'AKO

A home that **Fits**

A home that **Lives**

A home that **Thrives**

A HOME THAT FITS

Urban Contextual
Analysis



A HOME THAT LIVES

Art Opportunity

ARTIST:

Kaili Chun

ART SITE #1:

Car Entry (east passage)

TITLE:

patience; patient, enduring, long suffering; to tolerate. Lit. great breath.

MEDIUM:

Translucent concrete, LED's

DIMENSIONS:

10'H x 40'W

DESCRIPTION:

“The inspiration for the potential to include art within the building is based on Kaka`ako’s history of being host to a broad range of human experiences, sometimes hard and difficult, at other times amazing and beautiful. One important aspect that stands out through the historic layers of Kaka`ako, is the resiliency of its people, land and waters. Able to endure hardship and adversity, they worked to treat others with compassion and restore balance in their lives and with the environment.

Prior to its development, Kaka`ako was noted for its’ salt beds and fishponds. Salt or “pa`akai continues to be an extremely valuable commodity in the Hawaiian culture, serving as a major food preservative and spice, used in Hawaiian healing practices (la`au lapa`au), and functioning as a type of “protection” when used in cleansing and purifying rituals. Pa`akai also reminds us of the proper stewardship of our lands and natural urban resources.

With pa`akai in mind, the artwork could be a contemporary interpretation of the ancient salt beds (loko pa`akai), breathing light into the darkness and illuminating the night in order to create an inviting passage that serves as an automobile entry and extension of usable communal space. The art panels could be inset into the mauka and makai walls of the passage. The illuminated concrete panels will create a welcoming transition space between public and private space, while supplying security lighting that is smart, comforting and well-designed.”



YOUR COMMUNITY

Site Plan

GROUND FLOOR INTERIOR AREAS

ENTRY/LOBBY	586 SF
RETAIL/COMMUNITY SPACE	479 SF
MANAGER'S OFFICE	393 SF
OFFICE	151 SF
RESTROOM	55 SF
LAUNDRY / RESIDENT LOUNGE	577 SF
STORAGE	229 SF
UTILITY	309 SF
CIRCULATION / TRASH	227 SF
TOTAL NET SF	3,154 SF

OVERALL PROJECT NUMBERS

GROUND FLOOR GSF	4,175 SF
SECOND FLOOR GSF	6,545 SF
THIRD FLOOR GSF	6,545 SF
FOURTH FLOOR GSF	6,545 SF
FIFTH FLOOR GSF	6,545 SF
SIXTH FLOOR GSF	6,545 SF
SEVENTH FLOOR GSF	3,832 SF
EIGHTH FLOOR GSF	3,832 SF
NINTH FLOOR GSF	3,832 SF
TENTH FLOOR GSF	3,832 SF
ELEVENTH FLOOR GSF	3,832 SF
TWELFTH FLOOR GSF	3,832 SF
TOTAL PROJECT GSF	59,892 SF

HCDFA FAR CALCULATION

GROUND FLOOR	3,610 SF
SECOND FLOOR	5,598 SF
THIRD FLOOR	5,598 SF
FOURTH FLOOR	5,598 SF
FIFTH FLOOR	5,598 SF
SIXTH FLOOR	5,598 SF
SEVENTH FLOOR	2,885 SF
EIGHTH FLOOR	2,885 SF
NINTH FLOOR	2,885 SF
TENTH FLOOR	2,885 SF
ELEVENTH FLOOR	2,885 SF
TWELFTH FLOOR	2,885 SF
HCDFA AREA TOTAL	48,910 SF
FAR = 48,910 / 10,408.5	4.7



PARKING STALLS WITH CAR SHARE PROGRAM

8 Stalls
3 for Car Share
2 for Loading



SECURE BIKE STORAGE



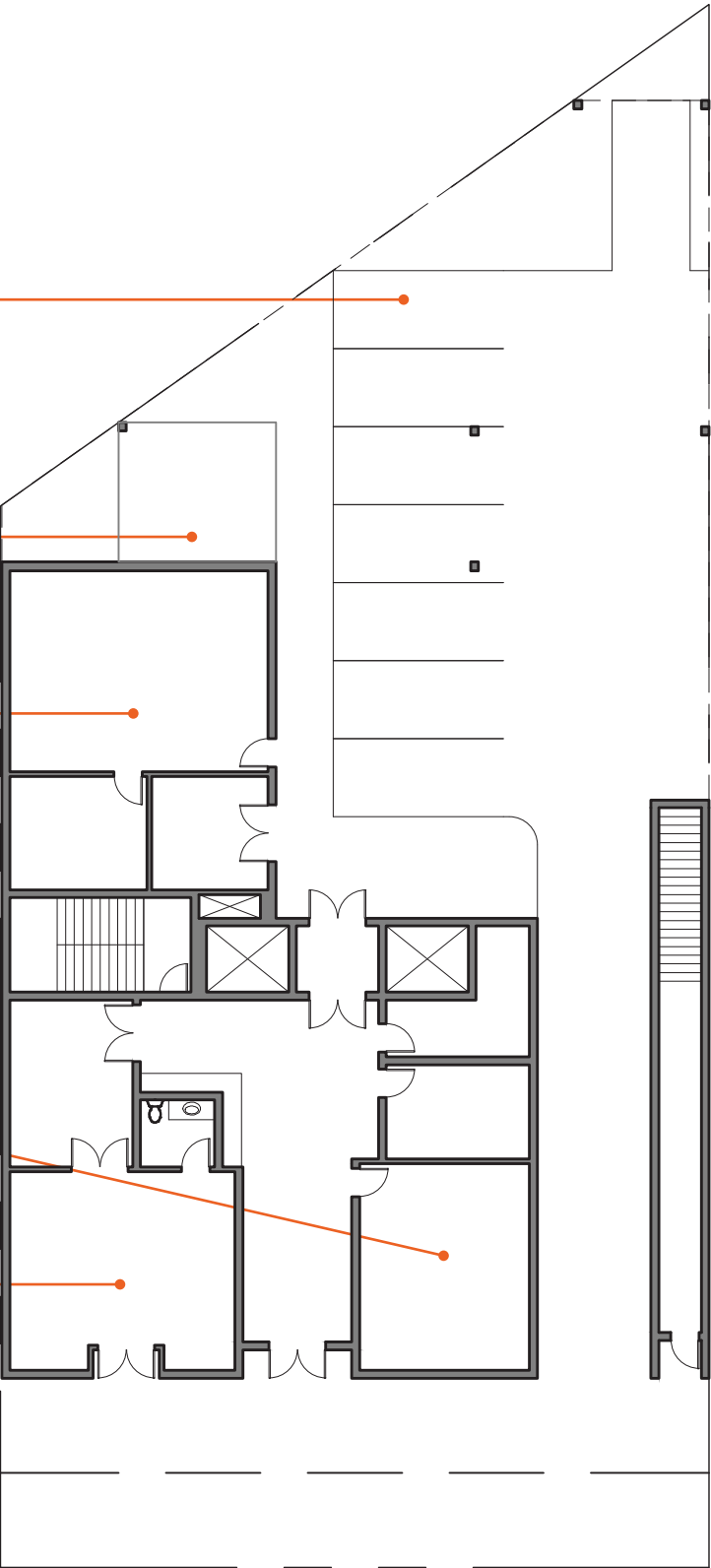
RESIDENT LAUNDRY AND LOUNGE



MANAGER'S OFFICE



COMMUNITY & RETAIL SPACE



Scale 1" = 20'-0"

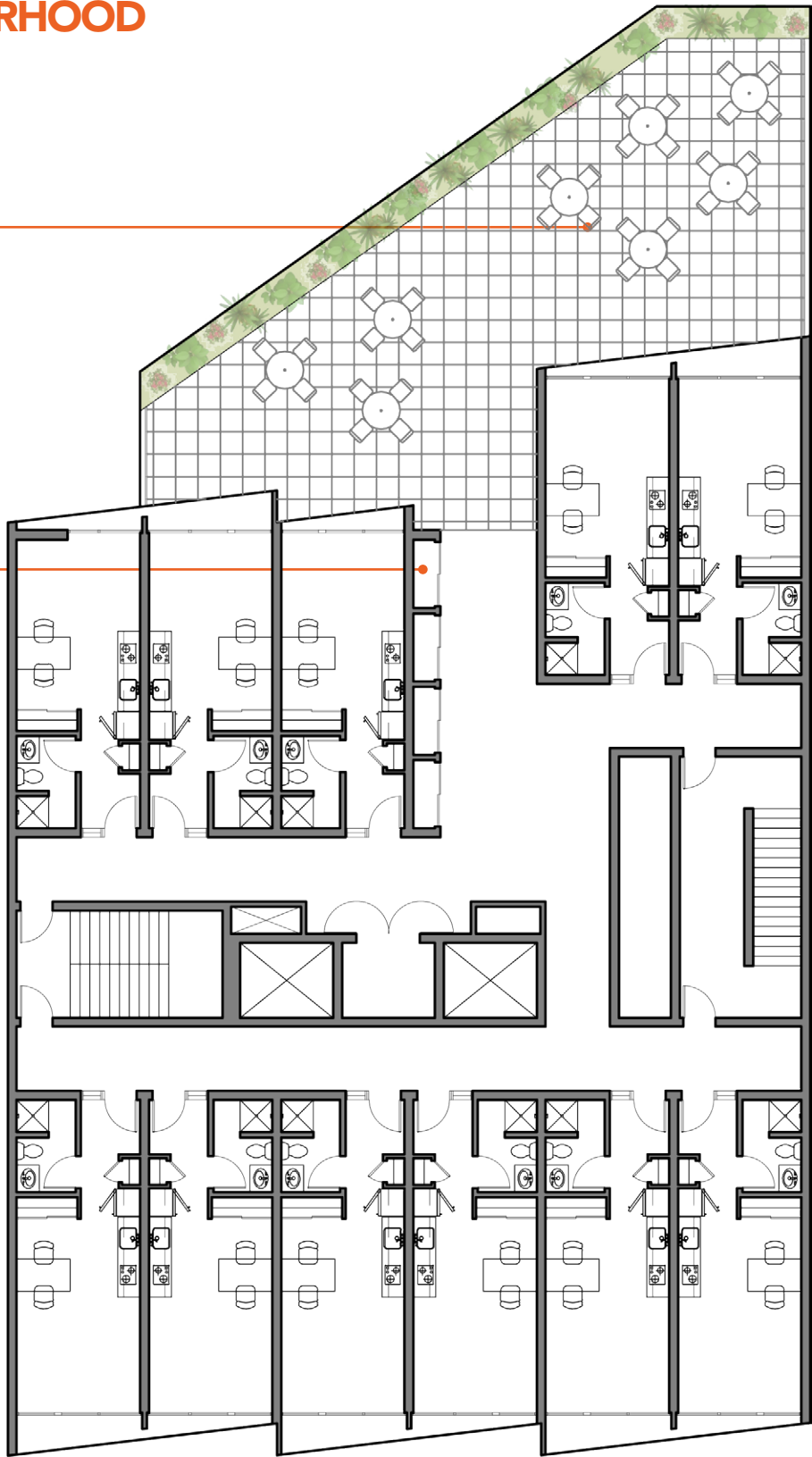
YOUR NEIGHBORHOOD
Floor Plans



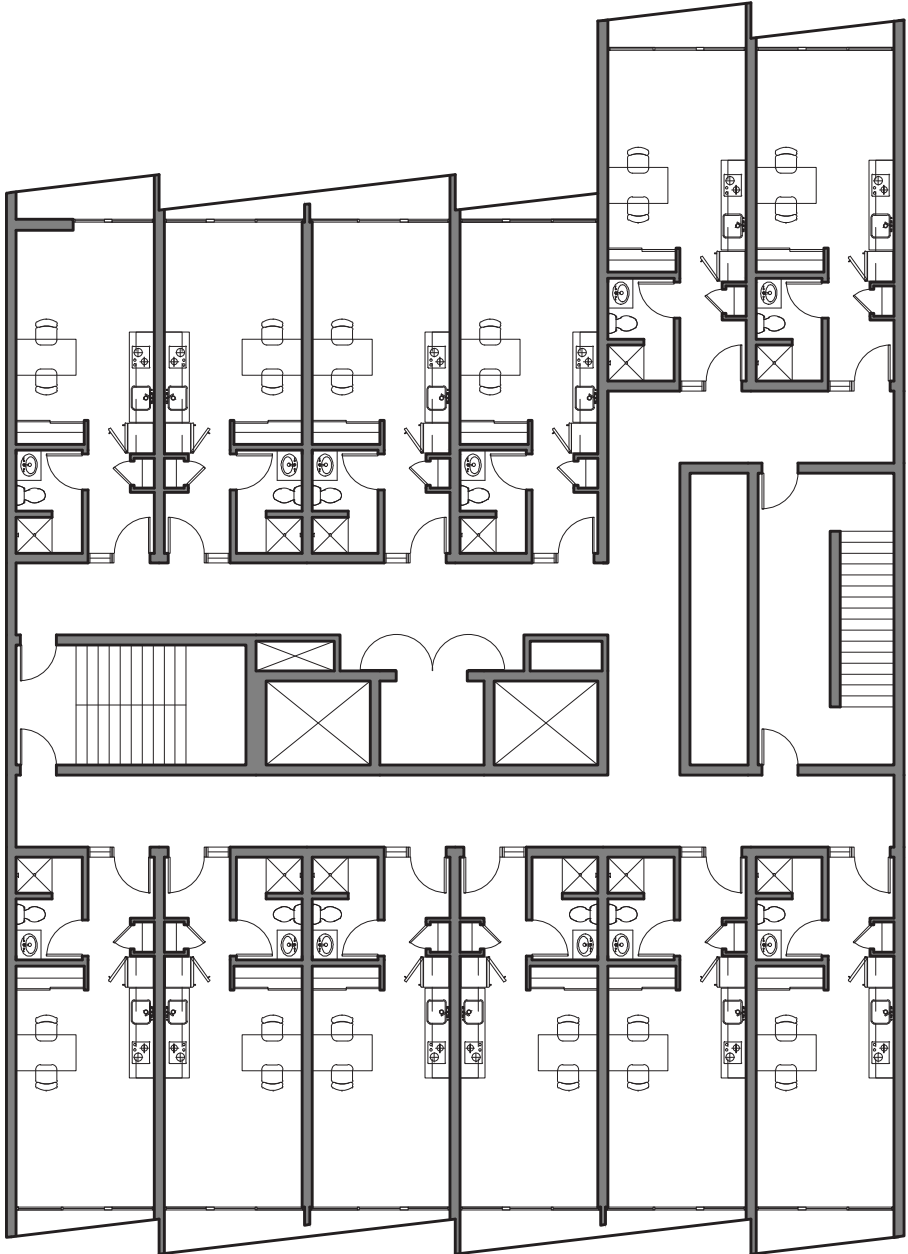
RESIDENT DECK



STORAGE LOCKERS



Second Floor



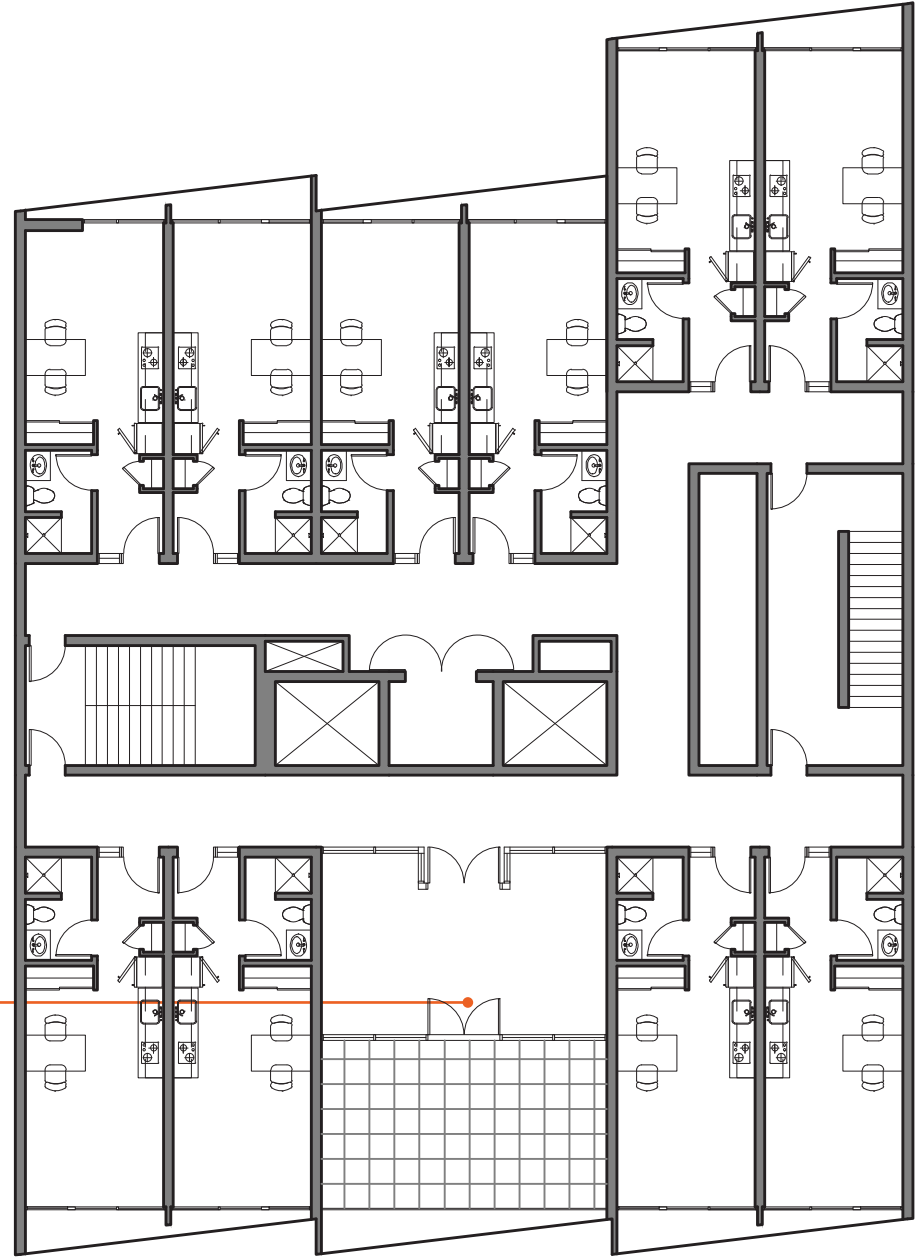
3rd - 5th Floor

Scale 1/16" = 1'-0"

YOUR NEIGHBORHOOD
Floor Plans



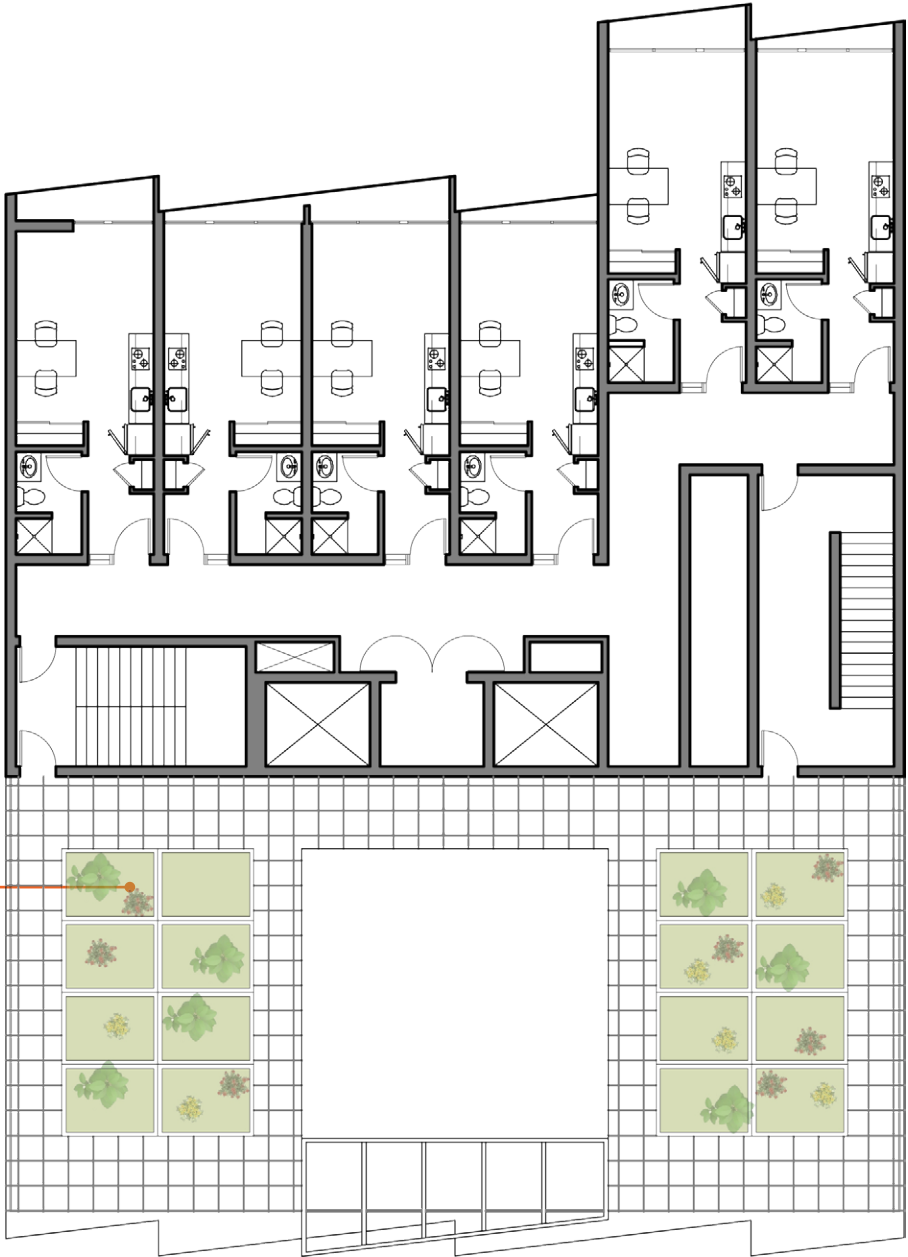
COMMUNITY SPACE



6th Floor



COMMUNITY GARDENS



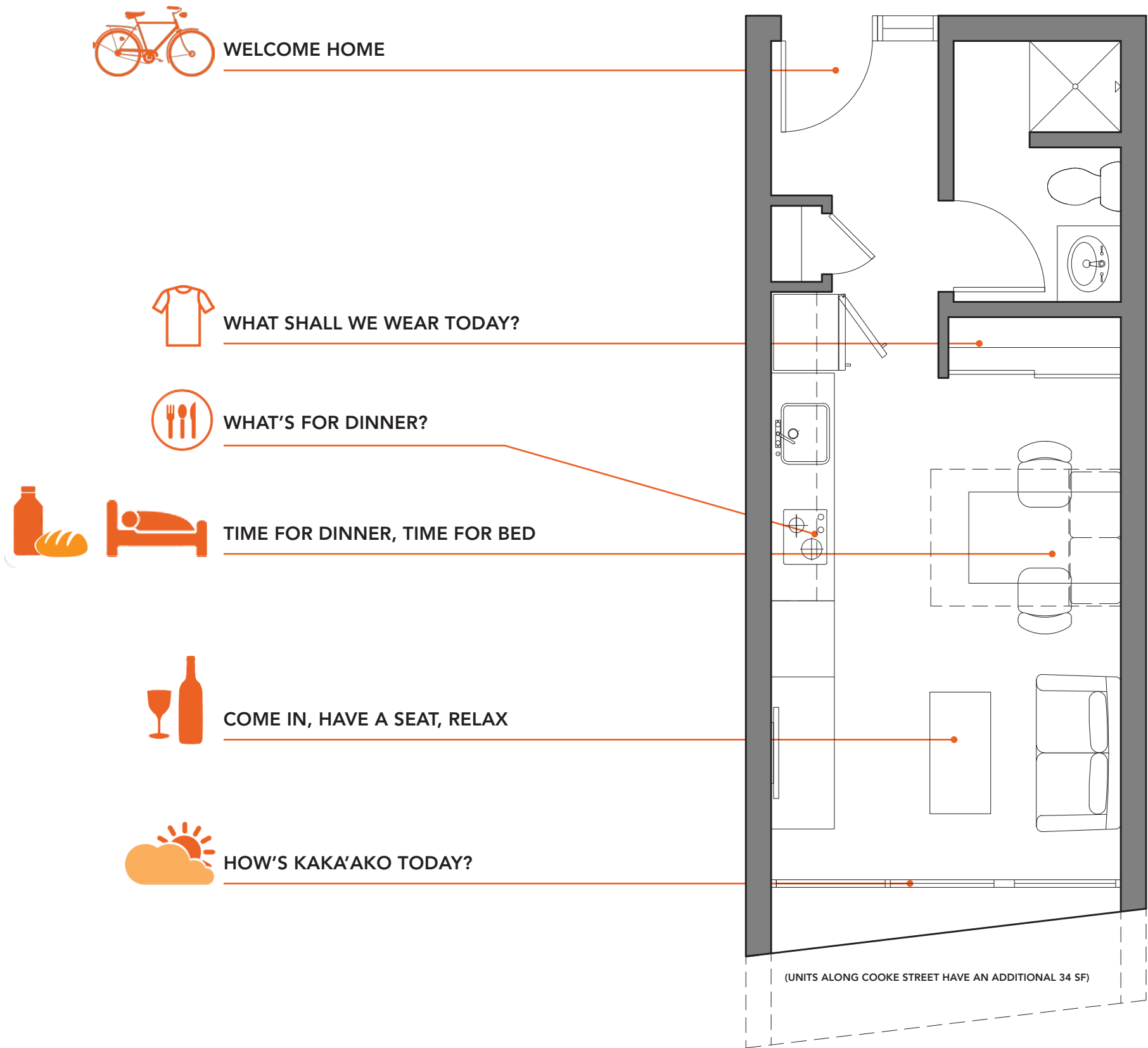
7th-12th Floor

Scale 1/16" = 1'-0"

YOUR HOME
Unit Plan

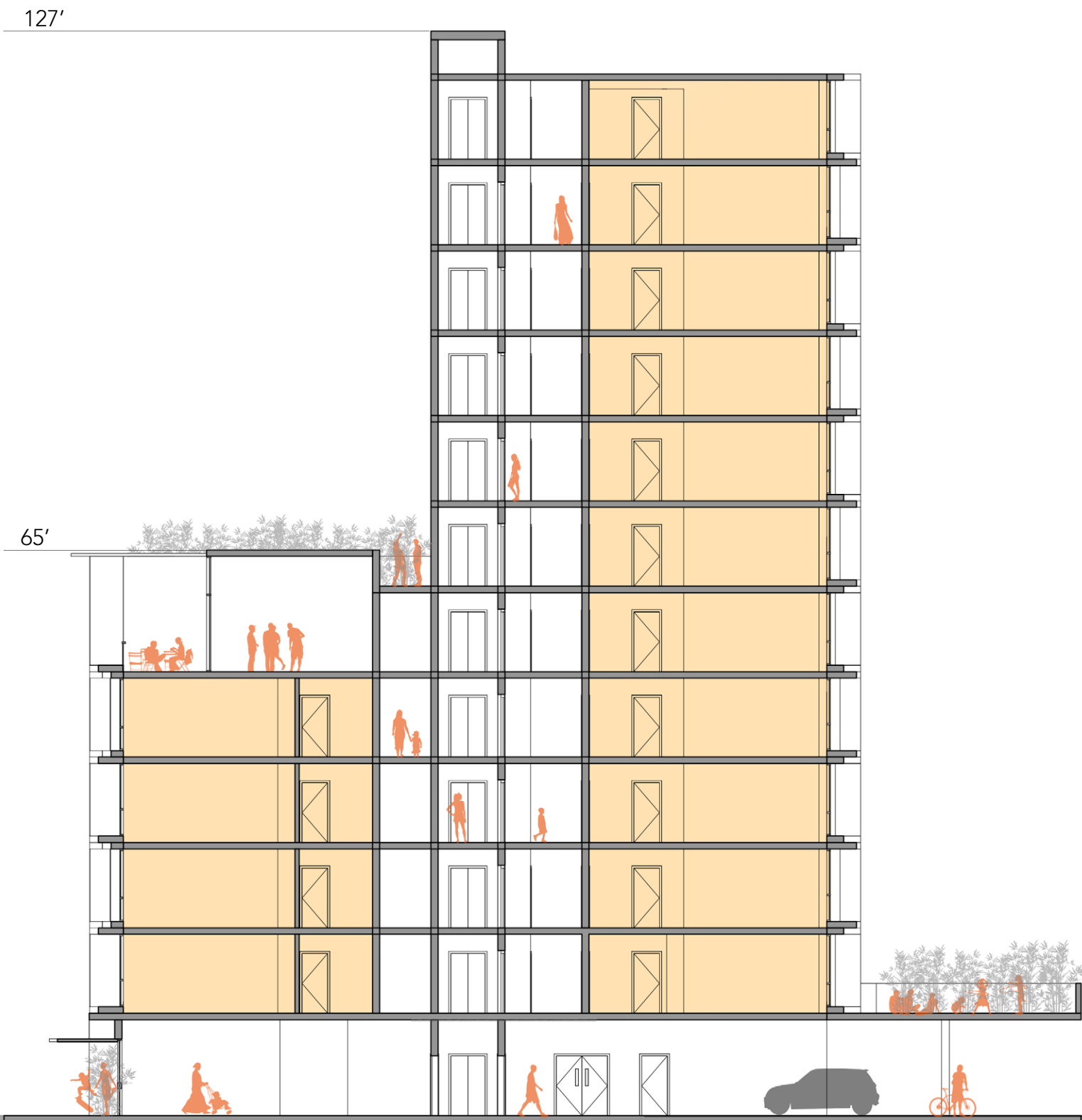
**TOTAL UNIT INTERIOR SQUARE
FOOTAGE: 310 SF / 351 SF**

- FEATURES:**
- A FULL FHA COMPLIANT BATHROOM
 - 2-BURNER STOVE TOP
 - ABOVE-RANGE MICROWAVE
 - FULL-HEIGHT REFRIGERATOR
 - MURPHY BED / DINING TABLE COMBO
 - FULL-HEIGHT WINDOWS
 - AMPLE STORAGE SPACE

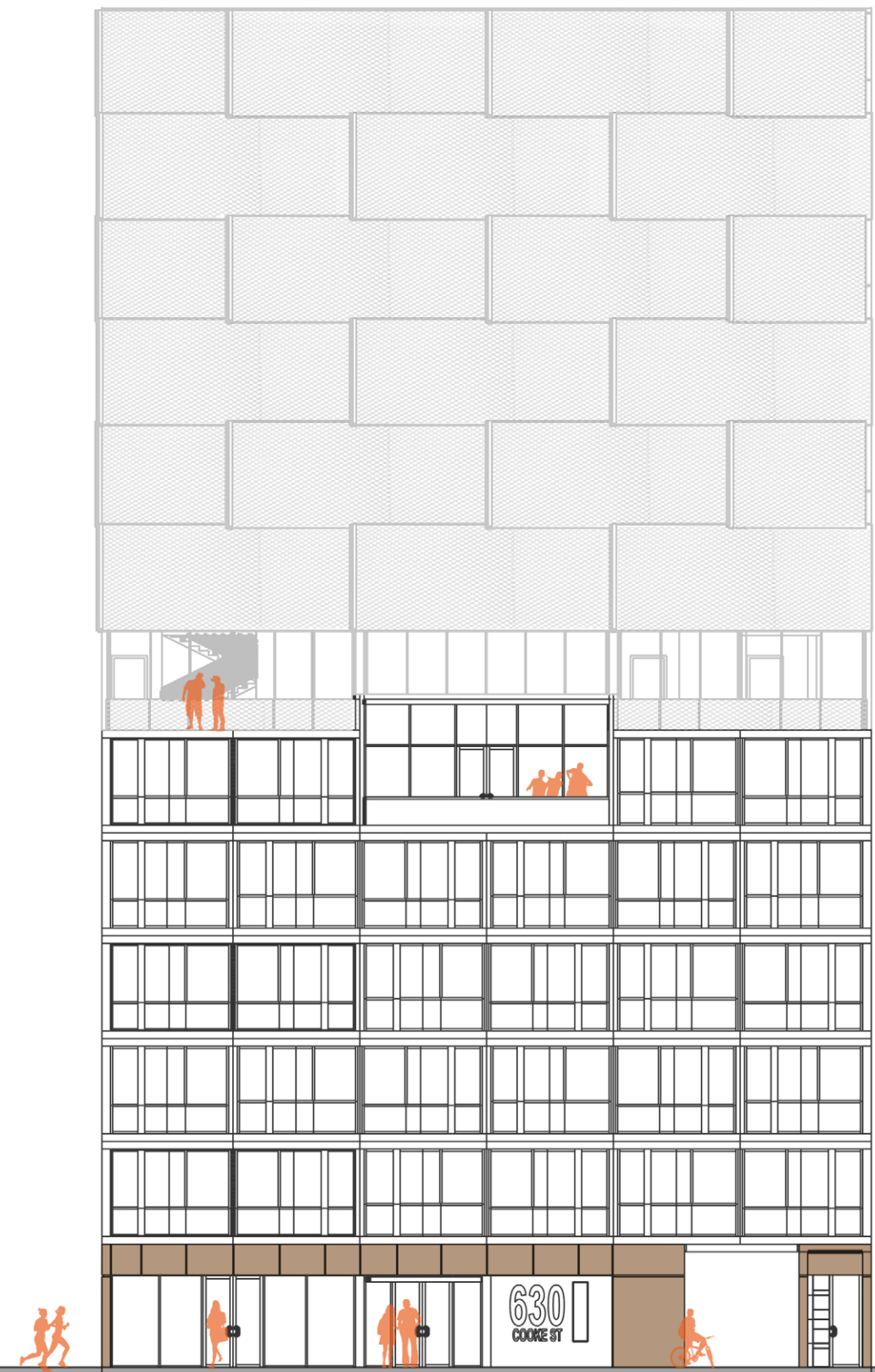


Scale 1/4" = 1'-0"

YOUR NEIGHBORHOOD IN DETAIL
Section and Elevation



BUILDING SECTION



FRONT ELEVATION

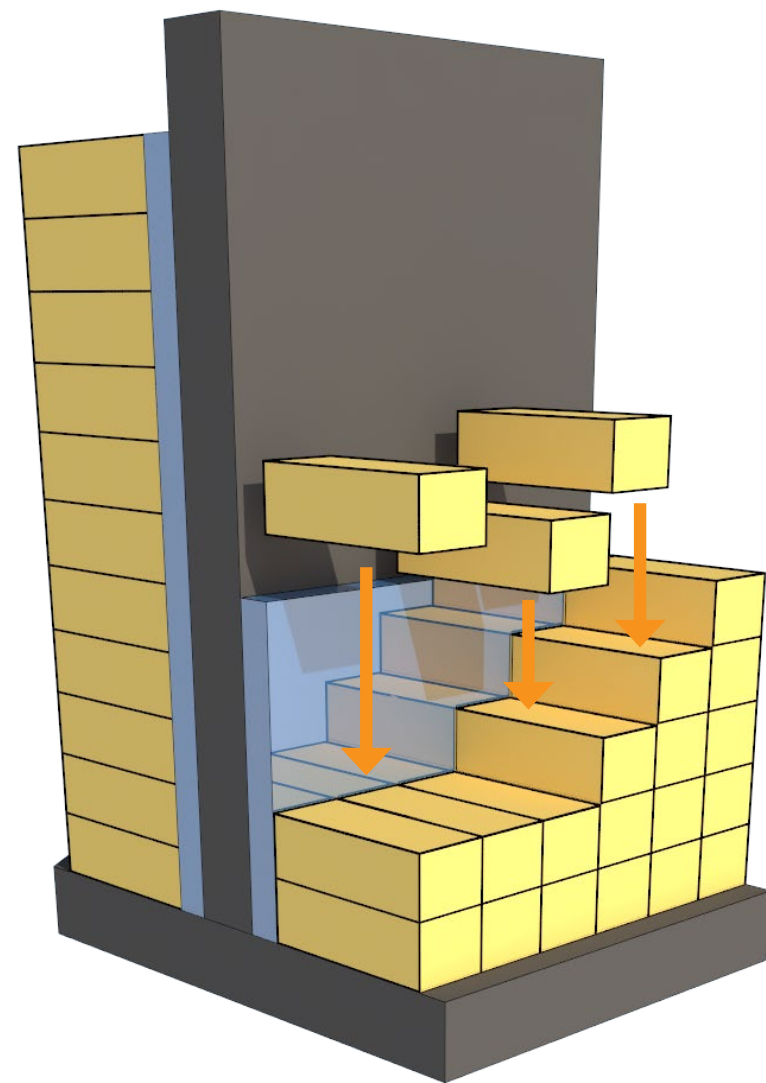
Scale 1/16" = 1'-0"

A HOME THAT WORKS FOR YOU

Design Features

MODULAR CONSTRUCTION

The building will be constructed using prefabricated structural modules, which take the idea of shipping container construction to the next level. Modular construction allows for minimal construction waste as well as a shorter construction schedule. These units take advantage of the shipping container dimension and can be fabricated on the mainland and simply stacked and joined on site.



GATHERING SPACES

Tenants can gather for building-wide social events or for personal use as an extension of their living space.



COMMUNITY GARDENS

Tenants are able to grow herbs and vegetables on outdoor communal decks in their "backyard."



CAR SHARE PROGRAM

Tenants can take advantage of nearby public transit or are able to reserve on-site rental cars, reducing the need for a personal car.



FACADE

The facade of the building, inspired by fish scales, creates solar shading for each of the units by allowing the frames to overlap the one below.

