


Reviewed and approved by Executive Director: 
September 1, 2021

FOR INFORMATION

Honuakaha Senior Rental Housing Project

I. SUBJECT

Financial Position and Operations of the Honuakaha Limited Partnership, Owner of the Honuakaha Senior Rental Housing Project, located at 545 & 547 Queen Street, Honolulu, Hawaii, and Identified as Tax Map Key Numbers: 1-2-1-031-021.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5-(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities for the subject agenda item.

II. BACKGROUND

Honuakaha Limited Partnership: The Hawaii Community Development Authority ("HCDA") is the General Partner in the Honuakaha Limited Partnership ("HLP"). The HLP developed and operates the Honuakaha Senior Rental Housing Project ("Project").

Honuakaha Senior Rental Housing Project: This Project consists of 141 studio units and 9 one-bedroom units rented to individuals 62+ years of age with gross household income which does not exceed 60% of Area Median Income

III. DISCUSSION

The Project was developed in 1995 as a senior rental housing project utilizing Low-Income Housing Tax Credit (LIHTC) on land owned by the HCDA. The affordability requirement for a LIHTC project is 30 years and the Project needs to remain affordable at 60% of area median income (\$50,800 one-person household) until the year 2025. Given the demand for affordable senior rental housing units it is advisable to keep the Project affordable long-term.

Monthly rent for studios in the Project is \$600 and one bedroom is \$700. Currently the annual operating cost for the Project including the association maintenance fee is more than the revenue. The current operating deficit is approximately \$25,000 per month. The association maintenance fee delinquency is approximately \$800,000.

Staff is working on developing a financial plan to keep the Project as an affordable senior rental housing project long-term.

IV. NEXT STEPS

Develop a financial plan to keep the Honuakaha Senior Rental Housing Project as an affordable senior rental housing project long-term.

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Approved By: Deepak Neupane, P.E., AIA, Executive Director *Deepak Neupane*