

Reviewed and Approved by Executive Director: 
March 1, 2023

FOR INFORMATION

I. SUBJECT

Presentation and Discussion Regarding the Respective Maintenance and Repair Obligations of the Hawaii Community Development Authority, as Lessee, and Komohale LP, as Lessor, Regarding that Certain Kauhale Kakaako Parking Garage located at 860 Halekauwila Street, Honolulu, Hawaii 96813, and Further Identified by Oahu Tax Map Key Numbers 2-1-050: parcels 013, 014, 015, 053, 063, 064, and 065, pursuant to that certain unrecorded Lease Agreement dated November 24, 1993, as amended.

II. BACKGROUND

The Kauhale Kakaako Parking Garage (“Parking Garage”) is a five-story concrete parking structure that services the residents and tenants of the adjacent 29-story Kauhale Kakaako mixed use affordable housing complex, as well as daily public and monthly parking customers. Two passenger elevators service the Parking Garage.

On November 24, 1993, the Hawaii Community Development Authority (“HCDA”) entered into a 99-year lease with the Hawaii Housing Finance and Development Corporation (“HHFDC”), to manage and operate the Parking Garage, which was amended by that certain First Amendment to Kauhale Kakaako Parking Garage Lease dated March 27, 2018 (collectively, the “Lease”). The term of the Lease commenced on December 1, 1993 and will expire on November 30, 2092.

On May 17, 2019, HHFDC sold the Kauhale Kakaako affordable housing complex and Parking Garage to Komohale LP, a partnership between Stanford Carr Development LLC (“SCD”) and Los Angeles-based, Standard Communities. The sale included the assignment and assumption of the lease between HHFDC and HCDA.


Section 28 Repairs to Improvements of the Lease, as amended, clarifies that HCDA is responsible for repairing and maintaining the existing building and improvements (including the passenger elevators), notwithstanding the structural repairs for the Parking Garage and the exterior maintenance and painting of said structure shall be the responsibility of the Lessor.

III. DISCUSSION

Shortly after the sale between HHFDC and Komohale LP, SCD began renovating Kauhale Kakaako and discovered leaks in the curtainwall of the Parking Garage elevator shaft. It appears these leaks have been ongoing for some time, causing HCDA to expend over \$300,000 for various repairs and improvements to the passenger elevators since March 2019. Much of the damage was related to water intrusion and flooding in the elevator pits.

In November 2020, SCD contracted Curtainwall Design Consulting (“CDC”) to perform AAMA 501.2 water testing on the curtainwall in 16 phases. The report concluded that out of the 16 phases of testing, seven locations produced visible leaks on the first three floors of the elevator shaft and noted significant corrosion issues in some areas. The report recommended that a Structural Engineer evaluate all the existing steel beams and welds of the connections to the steel embeds to verify strength and to provide recommendations to repair the steel.

Consultation with the Board and Deputy Attorney General is needed to clarify the repair and maintenance obligations of the HCDA.

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