

Reviewed and Approved by Executive Director: Craig Nakamoto

May 1, 2024

FOR INFORMATION AND DISCUSSION

I. SUBJECT

Presentation by the HCDA Staff of a Contemplated Acquisition of the Following Parcels: Tax Map Key (1) 2-4-031-039 Postal Address: 576 Halekauwila Street, Honolulu, Hawaii 96813), (1) 2-4-031-002 (Postal Address: 598 Halekauwila Street, Honolulu, Hawaii 96813), and/or (1) 2-1-031-020 (Postal Address: 571 Quinn Lane, Honolulu, Hawaii 96813), From the Hawaii State Federal Credit Union, for the Purpose of HCDA's Development of an Affordable Housing Project, at the Total Purchase Price Which Shall Not Exceed \$10,000,000

II. BACKGROUND

Hawaii State Federal Credit Union (HSFCU) is selling its portfolio of properties near the former HSFCU Halekauwila Street branch location. The 560 Halekauwila Street parcel underlying the former Halekauwila branch was recently sold; however, three other parcels remain available as summarized below.

Tax Map Key	Address	Parcel Size	Tax Assessed Value	Asking Price
2-1-031:002	598 Halekauwila St.	5,042 sf	\$2,016,000	\$2,500,000
2-1-031:020	571 Quinn Lane	14,877 sf	\$6,451,100	\$6,250,000
2-1-031:039	576 Halekauwila St.	3,606 sf	\$1,071,000	\$1,400,000
Totals		0.54 acres	\$9,538,100	\$10,150,000

The parcels are a mix of surface parking lots and leasable office buildings comprising the corner of Halekauwila and South Streets. Further details are provided in the portfolio brochure attached hereto as Exhibit A.

III. DISCUSSION AND ANALYSIS

The parcels are all located within the Kakaako Community Development District (KCDD) and are zoned KAK. This zoning allows for the development of residential or mixed-use buildings up to 65-feet tall.

The parcels are also situated just across the street from the planned Civic Center rail station, making it a prime location for transit-oriented development. Parking needs would be minimized due to the close proximity of rail, and we could unbundle parking requirements in order to increase the density to 5.5 FAR.

This type of development could include supportive rental housing with wraparound services, including mixed use retail on the ground floor level.

HCDA staff believes it prudent to further analyze the benefits of a potential purchase of these properties and to conduct due diligence on these parcels. Such a purchase could be instrumental in furthering the agency's goals, which include implementing innovative methods to develop more affordable housing in the KCDD.

Attachments: EXHIBIT A – HSFCU Portfolio Brochure

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