

**FOR ACTION**

**I. SUBJECT**

Consider Authorizing the Executive Director to: (i) Enter into a Non-binding Letter of Intent For the Purposes of Conducting Preliminary Due Diligence, Including Obtaining a Fair Market Value Appraisal, with the Sellers (Lawrence and Mary Jean Wong Living Trust and The Chen Family Trust) of that Certain Vacant Parcel of Land Located within the HCDA’s Kaka’ako Community Development District, Identified by Oahu Tax Map Key Number 2-1-030:012, with a Postal Address of 586 South Street, Honolulu, Hawaii 96813 (“586 South Street Parcel”), for the Purpose of Acquiring Said Parcel for the Development of Either Supportive Housing or Affordable Housing, and (ii) If the Preliminary Due Diligence on the 586 South Street is Satisfactory to the Executive Director, Authorize the Executive Director to Enter into Purchase and Sale Agreement(s) for the 586 South Street Parcel at a Purchase Price Not to Exceed the Appraised Fair Market Value and Other Necessary Terms and Conditions.

**II. BACKGROUND**

The 586 South Street parcel (the “Parcel”) is across from the planned Honolulu Rapid Transportation (HART) transit Civic Center station. Below is the summary of the parcel:

Tax Map Key	Address	Parcel Size
2-1-030:012	586 South Street	11,922 SF

The Parcel is an empty lot and has been on market for a while. Staff had informal, preliminary discussion with the broker for the Parcel and the Parcel is still available.

**III. DISCUSSION AND ANALYSIS**

The Parcel is within the Civic Center Neighborhood of the Kakaako Community Development District (KCDD), Mauka Area. Due to the proximity to the proposed transit station and other amenities such as grocery stores, healthcare centers and educational centers, these parcels are highly desirable for affordable housing development, including senior rental and supporting housing projects. In addition, several government offices, including the Social Security Administration office are within walking distance of the Parcel.

Staff believes that this location is highly suitable for affordable housing development, including senior rental and supporting housing, and housing development in general and

believes it is worthwhile for the HCDA to consider purchase of the Parcel. Owning developable land in this location would be instrumental in furthering HCDA's goal of developing additional affordable housing in the district.

#### **IV. RECOMMENDATION**

Staff Recommend that the Authority Authorize the Executive Director to: (i) Enter into a Non-binding Letter of Intent For the Purposes of Conducting Preliminary Due Diligence, Including Obtaining a Fair Market Value Appraisal, with the Sellers (Lawrence and Mary Jean Wong Living Trust and The Chen Family Trust) of that Certain Vacant Parcel of Land Located within the HCDA's Kaka'ako Community Development District, Identified by Oahu Tax Map Key Number 2-1-030:012, with a Postal Address of 586 South Street, Honolulu, Hawaii 96813 ("586 South Street Parcel"), for the Purpose of Acquiring Said Parcel for the Development of Either Supportive Housing or Affordable Housing, and (ii) If the Preliminary Due Diligence on the 586 South Street is Satisfactory to the Executive Director, Authorize the Executive Director to Enter into Purchase and Sale Agreement(s) for the 586 South Street Parcel at a Purchase Price Not to Exceed the Appraised Fair Market Value and Other Necessary Terms and Conditions..

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Reviewed By: Craig K. Nakamoto, Executive Director *Craig Nakamoto*