

FOR ACTION

I. REQUEST

Consider Approving, Pursuant to the Findings of Fact, Conclusions of Law, and Decision and Order dated January 7, 2026 for Application No. KAL 25-010, the Reserved Housing Unit Pricing and Supporting Analyses for Increment 4 of Ka‘ulu by Gentry, Located on Parcel TMKs (1) 9-1-193 (var.) and (1) 9-1-198 in the Kalaeloa community development district [91-1101 Franklin D. Roosevelt Avenue].

II. BACKGROUND

Ka‘ulu by Gentry (the “Project”) is a 29.8-acre residential subdivision adjacent to the new Veterans Affairs Clinic on the west side of Kalaeloa. The Project site is bounded by the Kamokila Boulevard Extension (to the west), the realigned Boxer Road/Saratoga Avenue (to the south), Copahee Avenue (to the east) and Roosevelt Avenue (to the north). When fully complete, the Project will include approximately 262 multi-family attached units and 128 single family detached units, for a total of 390 residential units that is being developed in 8 increments.

The Authority approved Gentry’s original development permit application (KAL 21-005) on February 2, 2022. The Project, as administratively amended on January 27, 2023, includes a total residential floor area of about 530,789 square feet. Based on this, the minimum required reserved housing floor area is about 106,158 square feet. The Project had planned to provide 107,074 square feet of reserved housing floor area, or about 916 square feet more than the minimum required.

On January 7, 2026, the Authority approved an amended development permit application (KAL 25-010) which would allow Gentry to apply 17,255 square feet of pre-existing reserved housing credits from the Wakea Gardens project towards its reserved housing requirements, subject to the approval of an updated reserved housing program. The Authority subsequently approved Gentry’s revised Reserved Housing Program on February 4, 2026, and Gentry is applying the Wakea Gardens reserved housing credits towards fourteen unsold reserved housing units in Ka‘ulu Increments 1, 2, and 3, as shown in Table 1. To date, all 23 of the designated reserved housing units in Increments 1 through 3 have either closed or are under contract.

Table 1: Original and Amended Market Rate and Reserved Housing Unit Counts in Ka‘ulu Increments 1, 2, and 3

Increment	Original Permit (KAL 21-005)		Amended Permit (KAL 25-010)		Total Units
	Market Rate Units	Reserved Housing Units	Market Rate Units	Reserved Housing Units	
1	43	12	45	10	55
2	36	13	39	10	49
3	46	12	55	3	58

Gentry’s original Reserved Housing Program for the Project that was approved by the Authority on August 3, 2022 was subject to the condition that the applicant: (1) submit a reserve study and schedule of common area maintenance fees; and (2) submit the reserved housing unit prices for approval by the Authority 90-days prior to announcing the sales for each increment. Table 2 provides a summary of the reserved housing unit pricing for the sales increments that were previously approved by the Authority.

Table 2: Previous Authority-Approved Reserved Housing Unit Sales Prices

Increment	Authority Approval Date	Reserved Housing Unit Sales Price ¹		Percent of Area Median Income
		2 bedroom/ 2 bath	3 bedroom/ 2 bath	
1	10/4/23	\$610,000	\$685,000	125%
2	7/3/24	\$610,000	\$685,000	130%
3	3/5/25	\$610,000	\$685,000	129.8%

Note: ¹Monthly maintenance fees for the 2-bedroom/2-bath units are estimated at \$330, while the fees for the 3-bedroom, 2-bath units are \$410.

In the future, the amended development permit allows the Authority to authorize Gentry to apply another 39,988 square feet of reserved housing credits from the Wakea Garden project towards meeting its reserved housing requirements for Ka‘ulu.

III. DISCUSSION

Gentry is planning to price the Increment 4 reserved housing units up to a maximum of:

- \$610,000 for a 2-bedroom/ 2-bathroom floor plan (2 units for sale)
- \$685,000 for a 3-bedroom/ 2-bathroom floor plan (7 units for sale)

These prices represent 118.3% of the Area Median Income (AMI) to 126.1% of the AMI for the 2- and 3-bedroom units, respectively. On average, the Increment 4 reserved housing units are priced at the 124.3% AMI level and is below the HCDA maximum allowable AMI of 140%. Note that the Increment 3 reserved housing units ranged from 123.2% to 131.1% of the AMI for the 2- and 3-bedroom units, respectively.

The Increment 4 reserved housing sales prices are based on a six-month average mortgage interest rate of 5.703%, as per the Kalaeloa Reserved Housing rules in HAR §15-216-34(a)(3). This is slightly lower than Increment 3, which had assumed an annual mortgage interest rate of 6.193%. The inflation rate is assumed at 5% annually. The down payment is assumed at 10% with a 30-year mortgage. Estimated maintenance fees range from \$356 to \$442, which is based on an updated reserve budget. The regulated term for all units is two years in accordance with the Decision and Order Condition No. 4 of Application KAL 25-010.

The current appraised fair market values of the reserved housing units in Increment 4 are \$660,000 for the 2-bedroom/2-bathroom units and \$735,000 for the 3-bedroom/2-bathroom units. This is an increase from the appraised values of Increment 3, which ranged from \$620,000 to \$700,000. Compared to values in 2025, the 2- and 3-bedroom reserved units increased by \$40,000 and \$35,000, respectively.

The proposed pricing for the reserved housing units in Increment 4 represents about \$50,000 in shared equity per unit to the HCDA.

IV. RECOMMENDATION

Approve, Pursuant to the Findings of Fact, Conclusions of Law, and Decision and Order dated January 7, 2026 for Application No. KAL 25-010, the Reserved Housing Unit Pricing and Supporting Analyses for Increment 4 of Ka‘ulu by Gentry, Located on Parcel TMKs (1) 9-1-193 (var.) and (1) 9-1-198 in the Kalaeloa community development district [91-1101 Franklin D. Roosevelt Avenue] and Take All Actions Necessary to Effectuate this For Action.

Attachments:

Exhibit A: Reserved Housing Increment 4 Pricing Schedule

Exhibit B: Reserved Housing Calculations

Exhibit C: Ka‘ulu Phasing Map

Reviewed By: Ryan Tam, Director of Planning and Development



Reviewed and Approved By: Craig Nakamoto, Executive Director

Craig K. Nakamoto

EXHIBIT A

Ka'ulu by Gentry Pricing Schedule

Reserved Housing Increment 4

Count	Unit Number	Building Type	Net Living SF	Plan	Bed	Bath	Base Price (Maximum)	HCDU Unit AMI	Appraised Market Value	Shared Equity	Estimated Maint Fee	Restricted Period
1	383 (Phase 22)	8-Plex	1,089 sf	2R	3	2	\$685,000	126.1%	\$735,000	\$50,000	\$442	2 Years
2	385 (Phase 22)	8-Plex	877 sf	4	2	2	\$610,000	118.3%	\$660,000	\$50,000	\$356	2 Years
3	386 (Phase 22)	8-Plex	1,080 sf	2	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
4	393 (Phase 23)	6-Plex	1,080 sf	2R	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
5	394 (Phase 23)	6-Plex	1,080 sf	2	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
6	303 (Phase 24)	6-Plex	1,080 sf	2R	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
7	313 (Phase 24)	6-Plex	1,080 sf	2R	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
8	474 (Phase 26)	8-Plex	877 sf	4	2	2	\$610,000	118.3%	\$660,000	\$50,000	\$356	2 Years
9	476 (Phase 26)	8-Plex	1,080 sf	2R	3	2	\$685,000	126.0%	\$735,000	\$50,000	\$439	2 Years
Average								124.3%				

Approval / Recommendation for Approval : Craig K. Nakamoto

 HCDA Executive Director

Date: 6/3/2026

EXHIBIT B

For- Sale Reserved Housing Maximum Affordable Price Calculation Formula										WORKSHEET ASSUMPTIONS		
Current Median Income (2025)	\$121,600	Adjustment for	Monthly Reserves****			Assn Dues				MIP Pricing	Input Inflation Factors: %/Year 5.00% # of Years 0	
Inflation Factor	1	Unit Type	Unit Type	Total	AD/RPT/MIP				Assumptions			
Future Median Income	\$121,600	0.7	Studio	\$600								
Annual Mortgage Rate	5.70%	0.9	1 Bed	\$700								
		1	2 Bed (Plan 4)	\$767								
Mortgage Term (years)	30	1.08	3 Bed (Plan 2/2R) - 6 Plex	\$900								
Down payment (% of MAP)	10.0%	1.08	3 Bed (Plan 2) - 8 Plex	\$900								
Housing Expense (% of Income)	33.0%	1.08	3 Bed (Plan 2R) - 8 Plex	\$903								

**** Monthly Reserves: AD: Association Dues (UPDATE), RPT: Real property Taxes (UPDATE), MIP: Mortgage Insurance Premium
 Monthly Reserves are provided as an example. The applicant should calculate Monthly Reserves based on the Project and submit a copy of the Reserve Study to the HCDA.
 ***** Source: Local Bank First Week

Input Mortgage Rates*****:

Percent of Median Income	80%	90%	100%	105%	110%	115%	118.3%	126.0%	126.1%	135%	140%	
Maximum Affordable Price (MAP)												
Studio	\$277,994	\$322,790	\$367,586	\$389,984	\$412,382	\$434,780	\$449,349	\$484,147	\$484,549	\$524,372	\$546,771	
1 Bedroom	\$340,197	\$397,792	\$455,387	\$484,185	\$512,982	\$541,780	\$560,511	\$605,251	\$605,768	\$656,970	\$685,767	
2 Bedroom (Plan 4)	\$365,206	\$429,201	\$493,196	\$525,193	\$557,190	\$589,187	\$610,000	\$659,712	\$660,286	\$717,176	\$749,174	
3 Bedroom (Plan 2) - 8 plex	\$366,934	\$436,049	\$505,163	\$539,720	\$574,277	\$608,834	\$631,311	\$685,000	\$685,620	\$747,062	\$781,619	
3 Bedroom (Plan 2R) - 8 plex	\$366,314	\$435,429	\$504,543	\$539,100	\$573,657	\$608,214	\$630,691	\$684,380	\$685,000	\$746,442	\$780,999	
3 Bedroom (Plan 2) - 6 plex	\$366,934	\$436,049	\$505,163	\$539,720	\$574,277	\$608,834	\$631,311	\$685,000	\$685,620	\$747,062	\$781,619	
3 Bedroom (Plan 2R) - 6 plex	\$366,934	\$436,049	\$505,163	\$539,720	\$574,277	\$608,834	\$631,311	\$685,000	\$685,620	\$747,062	\$781,619	

10/25-3/26	
Oct-25	5.781%
Nov-25	5.719%
Dec-25	5.813%
Jan-26	5.688%
Feb-26	5.719%
Mar-26	5.500%
Average	5.703%

The Sales Prices calculated above are maximum allowable sales prices. The applicant should be aware that the maximum allowable sales prices may not be supported by the market.

Figure 2.
Planned Phasing Map
for Ka'ulu by Gentry

- Increment 1
(Phases 01-06)
- Increment 2
(Phases 07-13)
- Increment 3
(Phases 14-21)
- Increment 4
(Phases 22-26)
- Increment 5
(Phases 27-32)
- Increment 6
(Phases 33-37)
- Increment 7
(Phases 38-46)
- Increment 8
(Phases 47-49)
- Reserved Housing - Proposed
- Increment Borders
- Phase Lines

