

FOR ACTION

I. REQUEST

Adopt the Approved and Rejected List for the Rental Housing Revolving Fund Project Awards for the FY2023 Funding Round

II. FACTS

- A. On October 13, 2022, the Hawaii Housing Finance and Development Corporation (HHFDC) Board of Directors (Board) approved the Application Cycle for the fiscal year (FY)2023 Funding Round for the Rental Housing Revolving Fund (RHRF) Project Awards. (NOTE: Pursuant to Act 237, Session Laws of Hawaii (SLH) 2015, the Rental Housing Trust Fund was reclassified as a RHRF, effective July 14, 2015.)
- B. The FY2023 Funding Round for Project Awards for the RHRF Program closed on February 17, 2023.
- C. HHFDC received twenty-six (26) applications for RHRF Project Awards for the FY2023 Funding Round. HHFDC received one (1) application following the close of the FY2022 Funding Round. As this application received an award prior to the start of the FY2023 Funding Round, it is included in this For Action as a matter of record only.

| | Project Name (Applicant / Project Location) | Target Population | Total Units* | RHRF Request |
|----|---|------------------------------|-------------------------|-------------------------|
| 1 | 1525 Piikoi Apartments (1525 Piikoi Hale LP / Oahu) | Family/ Homeless | 34 | \$ 6,970,000 |
| 2 | 330 Kuulei Apartments (Kuulei Housing Partners LP / Oahu) | Family/ Homeless | 40 | 3,650,000 |
| 3 | Courtyards at Waipouli (A0735 Kauai, L.P. / Kauai) | Family | 82 | 25,000,000 |
| 4 | Fort Street Mall Affordable Senior Rental Housing (FSM Housing, LLC / Oahu) | Elderly | 67 | 14,079,720 |
| 5 | Front Street Apartments (Kenui Housing Partners LP / Maui) | Family | 142 | 8,500,000 |
| 6 | Hale Makana O Uluwehi (‘Ikenakea Uluwehi LLC / Oahu) | Family/ Homeless | 40 | 4,750,000 |
| 7 | Hale O Pi‘ikea III (4%)** (‘Ikenākea Pi‘ikea III, LP / Maui) | Family/ Homeless | 36 | 6,202,414 |
| 8 | Hale O Pi‘ikea III (9%)** (‘Ikenākea Pi‘ikea III, LP / Maui) | Family/ Homeless | 36 | 6,742,414 |
| 9 | Hale Uhiwai Nalu - Phase III (Cloudbreak Hawaii III, LLC / Oahu) | Family | 180 | 20,282,655 |
| 10 | Ho‘omalulu at Waikoloa (Ho‘omalulu at Waikoloa LP / Hawaii) | Family | 229 | 32,000,000 |

| | Project Name (Applicant / Project Location) | Target Population | Total Units* | RHRF Request |
|----|---|------------------------------|-------------------------|-------------------------|
| 11 | Kahoapili (Salt Lake Housing, LP/ Oahu) | Family | 190 | 28,708,539 |
| 12 | Kaiaulu o Kalaeloa I (A0709 Kalaeloa, L.P. / Oahu) | Family | 134 | 33,500,000 |
| 13 | Kai Olino Phase II (Olali Partners LP / Kauai) | Family/ Homeless | 27 | 2,250,000 |
| 14 | Kaleima'o Village (Komohale West Loch Venture LP / Oahu) | Family | 127 | 14,600,000 |
| 15 | Keawalau Diamond Head (Waipahu East, LP / Oahu) | Family | 234 | 34,500,000 |
| 16 | Keawalau Ewa (Waipahu West, LP / Oahu) | Family | 170 | 25,500,000 |
| 17 | Keawalau Mauka (Waipahu Mauka, LP / Oahu) | Elderly | 133 | 19,950,000 |
| 18 | Kuhio Park Low-Rise and Homes Redevelopment, Phase I (Kuhio Park 2, LLC / Oahu) | Family | 304 | 49,493,161 |
| 19 | Liloa Hale (Liloa Senior Housing, LP / Maui) | Elderly | 117 | 23,930,000 |
| 20 | Na Hale Makoa (Kamakoa Nui Limited Partnership / Hawaii) | Family | 140 | 31,173,107 |
| 21 | Palalo Homes Acquisition and Rehabilitation (Palalo Homes II Limited Partnership / Oahu) | Family | 306 | 14,965,000 |
| 22 | The Nook (4%)** (Ikenakea Nook LP / Oahu) | Family/ Homeless | 35 | 7,500,000 |
| 23 | The Nook (9%)** (Ikenakea Nook LP / Oahu) | Family/ Homeless | 35 | 6,700,000 |
| 24 | Uahi Ridge Phase 2 (4%)** (Uahi Ridge Hui II, LP / Kauai) | Family | 60 | 13,400,000 |
| 25 | Uahi Ridge Phase 2 (9%)** (Uahi Ridge Hui II, LP / Kauai) | Family | 60 | 14,000,000 |
| 26 | Villages of La'i'opua III (A0733 Kona, L.P. / Hawaii) | Family | 32 | 8,000,000 |
| 27 | Hale Moiliili*** (Hale Moiliili, LP / Oahu) | Family | 278 | 41,500,000 |
| | TOTAL**** | | 2,859 | \$ 430,044,596 |

* Includes resident manager unit(s), if applicable.

** Project(s) applying for RHRF under both 4% and 9% Low Income Housing Tax Credits (LIHTC) programs.

*** Project application was accepted after close of FY2022 regular funding round. Project was approved a RHRF award on November 10, 2022 and thus included in the FY2023 list as a matter of record only.

**** Total includes higher of the two options for projects requesting RHRF under both 4% and 9% LIHTC programs. Total excludes amounts awarded for Project Hale Moiliili, which occurred after close of the FY2022 regular funding round.

D. Act 236, SLH 2022, appropriated \$300,000,000 to the RHRF for FY2023 and FY2024.

E. The status of the RHRF Program’s availability of funds as of April 30, 2023 is summarized below:

| | |
|---|-----------------------|
| Net Available Funds (HHFDC) | \$ (202,366,486) |
| Appropriated Cash Infusion – Act 88, SLH 2021 (for HPHA School Street Redevelopment Project) | 40,000,000 |
| Appropriated Cash Infusion – Act 236, SLH 2022 (for RHRF Tier 2) | 300,000,000 |
| Appropriated Cash Infusion – Act 248, SLH 2022 (for 820 Isenberg Project) | <u>41,500,000</u> |
| Total RHRF Funds – HHFDC & Budget & Finance | <u>\$ 179,133,514</u> |

III. DISCUSSION

- A. The Finance and Development Branches of HHFDC conducted individual project reviews which evaluated the merits of the twenty-six (26) applications.
- B. Based on the information provided, staff scored each project. The criteria used to evaluate the applications included: (i) Local Housing Need; (ii) Project Description and Design; (iii) Benefits and Impact; (iv) Project Management; and (v) Financial Leverage.
- C. Each criteria utilizes a point system to score and rank projects. A minimum score of 125 points (out of 250 total points) is required to be eligible for consideration of an RHRF award.
- D. For the FY2023 Funding Round, all twenty-six (26) applications scored more than the minimum required 125 points. Consequently, all twenty-six (26) applications are on the RHRF Approved Project List (**Exhibit A**). There are no applications on the Rejected Project List.
- E. The approval of the RHRF Approved Project List does not obligate or guarantee that an applicant will receive funding. HHFDC may elect to select, reject, or defer an applicant’s request based on the best interest of the RHRF Program.
- F. The RHRF Project Awards has the following statutory funding priorities:
1. Projects awarded tax credits or financing administered by the U.S. Department of Housing and Urban Development (HUD) or the U.S. Department of Agriculture - Rental Assistance (USDA-RA) maintaining a minimum of 50% of the units for families or households earning 80% or less of the Area Median Gross Income (AMGI), of which 5% of the units are for families or households earning 30% or less of the AMGI; and the remainder of the units for families or households earning 100% or less of the AMGI.
 2. Mixed-income rental projects or units in a mixed-income rental project where all units are for persons and families with incomes below 140% of the AMGI.
- G. The following projects applying for RHRF Project Awards in the FY2023 Funding Round, qualify for first priority. (Note: Subsequent awards of LIHTC, HUD Financing or USDA Financing could add more projects to first priority):

| <u>Project</u> | <u>Qualifying Finance</u> |
|--|--|
| 1. 1525 Piikoi Apartments | HUD - Permanent Supportive Housing |
| 2. Hale Makana O Uluwehi | HUD - NAHASDA |
| 3. Hale O Pi'ikea (4%)* | HUD - HTF, HOME, HOME-ARP |
| 4. Hale O Pi'ikea (9%)* | HUD - HTF, HOME, HOME-ARP |
| 5. Ho'omalua at Waikoloa | HUD - 221(d)(4) Loan |
| 6. Kaleima'o Village | HUD - 221(d)(4) Loan |
| 7. Kuhio Park Low-Rise and Homes Redevelopment, Phase I | HUD - Section 8 Project-Based Vouchers |
| 8. Na Hale Makoa | HUD - Section 8 Project-Based Vouchers |
| 9. Palolo Homes Acquisition and Rehabilitation | HUD - Section 8 Project-Based Vouchers |
| 10. The Nook (4%)* | HUD - HOME-CHDO |
| 11. The Nook (9%)* | HUD - HOME-CHDO |

* *Project(s) requesting RHRF under both 4% and 9% LIHTC programs.*

H. The following projects applying for RHRF Project Awards in the FY2023 Funding Round, qualify for second priority. (Note: Subsequent awards of LIHTC, HUD Financing or USDA Financing could move these projects to first priority):

1. 330 Kuulei Apartments
 2. Courtyards at Waipouli
 3. Fort Street Mall Affordable Senior Rental Housing
 4. Front Street Apartments
 5. Hale Uhiwai Nalu - Phase III
 6. Kahoapili
 7. Kaiaulu o Kalaeloa I
 8. Kai Olino Phase II
 9. Keawalau Diamond Head
 10. Keawalau Ewa
 11. Keawalau Mauka
 12. Liloa Hale
 13. Uahi Ridge Phase 2 (4%)*
 14. Uahi Ridge Phase 2 (9%)*
 15. Villages of La'i'opua III
- * *Project(s) applying for RHRF under both 4% and 9% LIHTC programs.*

- I. Separate For Actions shall recommend specific project awards and provide additional project details.
- J. The RHRF Approved Project List remains in effect until HHFDC makes awards to projects on the list or until HHFDC approves a new Approved Project List, whichever is earlier.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following:

- A. The FY2023 Funding Round Approved Project List for RHRF Project Awards, subject to the following provisions and conditions:
1. Approval of the RHRF Approved Project List does not obligate HHFDC to make an award to any applicant on this list;
 2. Applicants on the RHRF Approved Project List shall not construe approval as an indication or guarantee of receiving an award or any other funding from HHFDC;

3. HHFDC may elect to select, reject, or defer an applicant's request, if HHFDC judges such action to be in the best interest of the RHRF Program;
4. All awards are subject to the availability of RHRF Program funds;
5. HHFDC is not obligated to approve or fund the full amount of an applicant's request;
6. The actual form, terms, and conditions of each award shall be determined by HHFDC and is subject to negotiation between the applicant and HHFDC. The accuracy and completeness of all appropriate legal documentation shall be subject to the review and approval of HHFDC and its legal counsel;
7. The approval of each award and the disbursement of funds is subject to the final approval by the Governor of the State of Hawaii; and
8. Applicants agree to abide by all terms and conditions that may arise due to the use of public funds.

B. Authorize the Interim Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Attachments: Exhibit A – FY2023 RHRF Approved Project List

Prepared by: Kan Cheung, Finance Specialist



Reviewed by: David Oi, Finance Manager



Approved by The Board of Directors at its meeting
on May 11, 2023
Finance Branch

Please take necessary action.



EXECUTIVE DIRECTOR

**Hawaii Housing Finance and Development Corporation
FY2023 Rental Housing Revolving Fund
Approved Project List**

| | Project | Applicant | Target Population | Affordable Period | Total Units* | RHRF Requested |
|----|---|---|-------------------|-------------------|--------------|----------------|
| 1 | 1525 Piikoi Apartments 1525 Piikoi Street Honolulu, HI 96822 | 1525 Piikoi Hale LP 1600 Ala Moana Boulevard #103 Honolulu, HI 96815 | Family/Homeless | 61 | 34 | \$6,970,000 |
| 2 | 330 Kuulei Apartments 330 Kuulei Road Kailua, HI 96734 | Kuulei Housing Partners LP 157 Makawao Street Kailua, HI 96734 | Family/Homeless | 61 | 40 | \$3,650,000 |
| 3 | Courtyards at Waipouli 401 Papaloa Road Kapa'a, HI 96746 | A0735 Kauai, L.P. 2000 E. Fourth Street, Suite 220 Santa Ana, CA 92705 | Family | 65 | 82 | \$25,000,000 |
| 4 | Fort Street Mall Affordable Senior Rental Housing 1155 Fort Street Mall & 1159 Fort Street Mall Honolulu, HI 96813 | FSM Housing, LLC 1822 Ke'eaumoku Street Honolulu, HI 96822 | Elderly | 61 | 67 | \$14,079,720 |
| 5 | Front Street Apartments 1056 Front Street Lahaina, HI 96791 | Kenui Housing Partners LP 157 Makawao Street Kailua, HI 96734 | Family | 74 | 142 | \$8,500,000 |
| 6 | Hale Makana O Uluwehi 87-576 Kulaapuni Street Waianae, HI 96792 | Ikenakea Uluwehi LLC 1188 Bishop Street, Suite 907 Honolulu, HI 96813 | Family/Homeless | 61 | 40 | \$4,750,000 |
| 7 | Hale O Pi'ikea III (4%)** Pi'ikea Avenue Kihei, HI 96753 | 'Ikenākea Pi'ikea III, LP 1188 Bishop Street, Suite 907 Honolulu, HI 96813 | Family/Homeless | 61 | 36 | \$6,202,414 |
| 8 | Hale O Pi'ikea III (9%)** Pi'ikea Avenue Kihei, HI 96753 | 'Ikenākea Pi'ikea III, LP 1188 Bishop Street, Suite 907 Honolulu, HI 96813 | Family/Homeless | 61 | 36 | \$6,742,414 |
| 9 | Hale Uhiwai Nalu - Phase III 91-1039 Shangrila Street (approximate) Kapolei, HI 96707 | Cloudbreak Hawaii III, LLC 414 South Marengo Avenue Pasadena, CA 91101 | Family | 46 | 180 | \$20,282,655 |
| 10 | Ho'omalua at Waikoloa Street address TBD Waikoloa, HI 96738 | Ho'omalua at Waikoloa LP 1100 Alakea Street, 27th Floor Honolulu, HI 96813 | Family | 61 | 229 | \$32,000,000 |
| 11 | Kahoapili 2965 Ala Napua'a Place Honolulu, HI 96818 | Salt Lake Housing, LP 330 W. Victoria Street Gardena, CA 90248 | Family | 62 | 190 | \$28,708,539 |
| 12 | Kaizulu o Kalaeloa I 91-1309 Roosevelt Avenue Kapolei, HI 96707 | A0709 Kalaeloa, L.P. 2000 E. Fourth Street, Suite 220 Santa Ana, CA 92705 | Family | 65 | 134 | \$33,500,000 |
| 13 | Kai OIino Phase II 61 Okupu Street Eleele, HI 96705 | OIai Partners LP 157 Makawao Street Kailua, HI 96734 | Family/Homeless | 61 | 27 | \$2,250,000 |
| 14 | Kaleima'o Village 91-1666 Renton Road Ewa Beach, HI 96706 | Komohale West Loch Venture LP 1100 Alakea Street, 27th Floor Honolulu, HI 96813 | Family | 61 | 127 | \$14,600,000 |
| 15 | Keawalaui Diamond Head Waipahu Depot Street and Hikimoe Street (Southeast Corner) Waipahu, HI 96797 | Waipahu East, LP 330 W. Victoria Street Gardena, CA 90248 | Family | 62 | 234 | \$34,500,000 |
| 16 | Keawalaui Ewa Waipahu Depot Street and Hikimoe Street (Southeast Corner) Waipahu, HI 96797 | Waipahu West, LP 330 W. Victoria Street Gardena, CA 90248 | Family | 62 | 170 | \$25,500,000 |
| 17 | Keawalaui Mauka Kahuailani Street and Hikimoe Street (Northeast Corner) Waipahu, HI 96797 | Waipahu Mauka, LP 330 W. Victoria Street Gardena, CA 90248 | Elderly | 62 | 133 | \$19,950,000 |
| 18 | Kuhio Park Low-Rise and Homes Redevelopment, Phase I 1474 Linapuni Street Honolulu, HI 96819 | Kuhio Park 2, LLC 737 Bishop Street, Suite 2020 Honolulu, HI 96813 | Family | 65 | 304 | \$49,493,161 |
| 19 | Liloa Hale 300 E. Welakahao Road Kihei, HI 96753 | Liloa Senior Housing, LP 330 W. Victoria Street Gardena, CA 90248 | Elderly | 62 | 117 | \$23,930,000 |
| 20 | Na Hale Makoa Waikoloa Village Waikoloa, HI 96738 | Kamakoia Nui Limited Partnership 888 Iwilei Road, Suite 200 Honolulu, HI 96817 | Family | 61 | 140 | \$31,173,107 |

* Includes resident manager unit(s), if applicable.

** Project(s) requesting RHRF under both 4% and 9% LIHTC programs.

EXHIBIT A

**Hawaii Housing Finance and Development Corporation
FY2023 Rental Housing Revolving Fund
Approved Project List**

| | Project | Applicant | Target Population | Affordable Period | Total Units* | RHRF Requested |
|----|---|---|-------------------|-------------------|--------------|----------------------|
| 21 | Palalo Homes Acquisition and Rehabilitation 2170 Ahe Street Honolulu, HI 96816 | Palalo Homes II Limited Partnership 900 Fort Street Mall, Suite 1690 Honolulu, HI 96813 | Family | 61 | 306 | \$14,965,000 |
| 22 | The Nook (4%)** 939 McCully Street Honolulu, HI 96826 | Ikenakea Nook LP 1188 Bishop Street, Suite 907 Honolulu, HI 96813 | Family/Homeless | 61 | 35 | \$7,500,000 |
| 23 | The Nook (9%)** 939 McCully Street Honolulu, HI 96826 | Ikenakea Nook LP 1188 Bishop Street, Suite 907 Honolulu, HI 96813 | Family/Homeless | 61 | 35 | \$6,700,000 |
| 24 | Uahi Ridge Phase 2 (4%)** 4534 Uahi Road, Apartment 3 Lihue, HI 96766 | Uahi Ridge Hui II, LP 3165 Waiialae Avenue, Suite 200 Honolulu, HI 96816 | Family | 65 | 60 | \$13,400,000 |
| 25 | Uahi Ridge Phase 2 (9%)** 4534 Uahi Road, Apartment 3 Lihue, HI 96766 | Uahi Ridge Hui II, LP 3165 Waiialae Avenue, Suite 200 Honolulu, HI 96816 | Family | 65 | 60 | \$14,000,000 |
| 26 | Villages of La'io'pua III Ohemakai Street and Manawalea Street Kailua-Kona, HI 96740 | A0733 Kona, L.P. 2000 E. Fourth Street, Suite 220 Santa Ana, CA 92705 | Family | 65 | 32 | \$8,000,000 |
| 27 | Hale Moiliili** 820 Isenberg Street Honolulu, HI 96826 | Hale Moiliili, LP 1100 Alakea Street, 27th Floor Honolulu, HI 96813 | Family | 65 | 278 | \$41,500,000 |
| | | TOTAL**** | | | 2,859 | \$430,044,596 |

* Includes resident manager unit(s), if applicable.

** Project(s) requesting RHRF under both 4% and 9% LIHTC programs.

*** Project application was accepted after close of FY2022 regular funding round. Project was approved a RHRF award on November 10, 2022 and thus included in the FY2023 list as a matter of record only.

**** Total includes higher of the two options for projects requesting RHRF under both 4% and 9% LIHTC programs. Total excludes amounts awarded for Project Hale Moiliili, which occurred after close of the FY2022 regular funding round.

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