

DEPARTMENT OF HAWAIIAN HOME LANDS

820 ISENBERG STREET REDEVELOPMENT



DEPARTMENT OF HAWAIIAN HOME LANDS



PBR HAWAII
& ASSOCIATES, INC.

Pre-proposal Conference
August 15, 2019



Ano'ai Kākou

Welcome & Introductions



Agenda

- Meeting Purpose
- Project Purpose
- Site Information & Completed Studies
- Approvals and Entitlements
- RFP Details
- Responses to Written Inquiries



Meeting Purpose

- Familiarize potential offerors with project and DHHL goals and expectations
- Respond to any written questions
- Hear potential Offerors' questions
 - Provide responses in person
 - Take question for response in an addendum



Project Purpose & Goals

- Redevelop site to provide medium-term rental housing for native Hawaiian beneficiaries
 - Prepare for purchase within other DHHL project (primary market)
 - Kupuna
 - Beneficiary students/faculty at UH-Manoa
- Generate revenues from non-residential operations to subsidize residential operations and reduce rental rates





Site Information & Completed Studies



Site Information



**Address: 820 Isenberg Street,
Honolulu HI 96826**

**Moku: Honolulu (Kona)
Ahupua'a: Waikīkī/Mānoa**

- 1920-50's race car pit
- 1955 bowling facility constructed
- 1995 property transferred to DHHL
- 2004 Bowl o Drome closed
- A portion was leased by an automobile towing company until early 2017
- Currently unoccupied



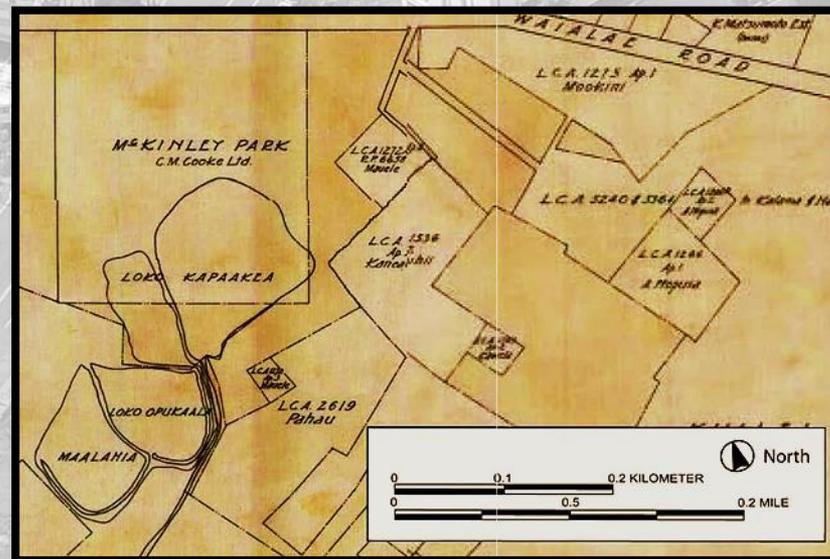
Site Information

- Parcel size: 1.9 acres
- County Zoning: P-2, Preservation
- Current structure: 22,346-square feet, and unoccupied
- Remainder of the site is paved
- Adjacent to park
- Surrounding uses include multi-family housing, retail commercial uses



Site Information

- Building condition
 - hazardous building materials
 - Historic Items in building
- Site condition
 - former car racing pit and auto storage
- Geology
 - karst formations in vicinity
- Cultural Resources
 - Mō'ili'ili ponds and lo'i system



Studies Completed

- ✓ Historic Architecture Survey
- ✓ Character Defining Features Report
- ✓ Mural Conservation Report
- ✓ Archaeological Inventory Survey
- ✓ Building Hazardous Materials Survey
- ✓ Phase I and Phase II Environmental Site Assessments
- ✓ Preliminary Civil Engineering Report
- ✓ Preliminary geotechnical review
- Cultural Impact Assessment
- Traffic Impact Assessment Report
- Visual Analysis Studies





Approvals & Entitlements



Environmental Overview

Developer
RFP

HRS 343
EIS

NEPA EA



Entitlements Completed

- Reconnaissance Level Survey and Intensive Level Survey accepted by SHPD
- Sewer permit for 276 units renewed in April, 2019
- HRS 343 EISPN published (old rules)





RFP Details



Offeror Qualifications

RFP Section 2.6

- Experience
- RME
- Credit Worthiness
- Professional Authorizations
- Good Standing
- Financial Capacity



OF-2, A.

- Conceptual designs
- Marketing – include programs for intended residents

A. Development Program

1. Conceptual Designs. Describe proposed redevelopment plans, in particular.

Building size

Number of Stories/ Building Height: → / →

Rental Units

Size	Number of units	Size / unit	Total sf
Studio			
1 bedroom			
2 bedroom			
3 bedroom			
Total			

Other Uses

Use	Number of units	Size / unit	Total sf
Management Office			
Retail			
Office			
Community Facilities			
Laundry Facilities			
Parking			
Other (specify)			

Special Design Features

Off-site Infrastructure Improvements

Note: Submittal of drawings or renderings is optional.

2. Marketing. Provide your proposed marketing plan, including analysis of the DHHL residential waiting list, rationale for the proposed unit mix and rent schedule, concepts on advertising and coordination with DHHL for contacting beneficiaries.

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RFP-20-HHL-003

OF-2, B.

- Residential Rental Units
- Rate by AMI Category

B.-Residential-Rental-Units

Number of units by type and AMI category:¶

Size	50% AMI	60% AMI	80% AMI	100% AMI	Total
Studio					
1 bedroom					
2 bedroom					
3 bedroom					
Total					

Rental rate by type and AMI category:¶

Size	50% AMI	60% AMI	80% AMI	100% AMI
Studio				
1 bedroom				
2 bedroom				
3 bedroom				

Maximum rental rates shall be per guidelines published by Hawaii Housing Finance and Development Corporation (HHFDC) based on HUD income limits, and would include the cost of the following utilities: water, sanitary sewage services, electricity and gas (where applicable).¶

Indicate whether a unit (by size) will be reserved for the resident manager.¶

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OF-2, C.

- Development Budget

C.-Proposed Development Budget

Provide a rough order of magnitude cost estimate and identify probable sources of funding.

Development Costs	:	:	:
Site Development	:	:	:
Indirect Construction (engineering, etc.)	_____	:	:
Construction	_____	:	:
Off-site	_____	:	:
On-site	_____	:	:
Indirect Development (Project Management, Fees, Insurance, etc.)	_____	:	:
Contingency	_____	:	:
Subtotal Site Development	_____	:	:
Vertical Development	:	:	:
Indirect Construction (architect, etc.)	_____	:	:
Construction	_____	:	:
Indirect Development	_____	:	:
Contingency	_____	:	:
Subtotal Vertical Development	_____	:	:
Total Development Costs	:	\$ _____	:
	:	:	:
Financing	:	:	:
Developer's Equity	_____	:	:
DHHL Subsidy	_____	:	:
LIHTC	_____	:	:
Loans (sources)	_____	:	:
Grants (sources)	_____	:	:
Other (specify)	_____	:	:
Total Financing	:	\$ _____	:

It is intended that gross income derived from the construction of improvements will be certified for exemption from Hawaii General Excise Taxes pursuant to Section 201G-116-HRS. The proposed budget shall not include any provision for GET.

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OF-2, D.

- Operating Budget

D.-PROPOSED-OPERATING-BUDGET*

<u>Revenues</u>	Average per unit	per month
Rent	_____	_____
Laundry (? loads/week/unit)	_____	_____
Rent subsidy [identify source]	_____	_____
Rents from commercial/office spaces	_____	_____
Other income [specify]	_____	_____
Gross income	_____	_____
<Vacancy Allowance> ... %	(.....)	(.....)
Net Revenues	_____	_____
<u>Expenses</u>		
Property Management	_____	_____
Resident Manager	_____	_____
Advertising	_____	_____
Electricity	_____	_____
Water/sewer	_____	_____
Refuse Collection	_____	_____
General Maintenance	_____	_____
Maintenance Contracts	_____	_____
Landscape Maintenance	_____	_____
Supplies	_____	_____
Maintenance Reserve	_____	_____
Property Taxes	_____	_____
Security Services	_____	_____
Liability/Property Insurance	_____	_____
Miscellaneous	_____	_____
Total Expenses	_____	_____
Net Operating Income	_____	_____

It is intended that gross income derived from on-going operations will be certified for exemption from Hawaii General Excise Taxes pursuant to Section 201G-116 HRS. The proposed budget shall not include any provision for GET.

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OF-2, E.

- Financing Program

E.-FINANCING PROGRAM¶

Provide a brief description of the proposed program to:¶

- 1.→ Finance construction¶
- 2.→ Take out construction financing with permanent financing¶
- 3.→ Reduce monthly rent costs to the tenants, including subsidies, grants, etc. .¶

Proposals containing commitments from agencies or charitable organizations will receive higher value than those containing letters of interest or intent. ¶

¶

¶

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OF-2, F.

- Project Operating Program

F.-PROJECT-OPERATING-PROGRAM

¶ Provide a description of the following:¶

- 1.→ House rules and enforcement, including, but not limited to:¶
 - a.→ Compliance with the Landlord—Tenant Code¶
 - b.→ Compliance with the Fair Housing Act¶
 - c.→ Grievances against management company¶
 - d.→ Move-in and move-out procedures¶
 - e.→ Lost keys¶
 - f.→ Guest policy¶
 - g.→ Pet policy¶
 - h.→ Procedures for eviction¶
 - i.→ (If proposing kupuna housing: procedures if the tenant is no longer capable of independent living) ¶
- 2.→ Duties of the resident manager¶
- 3.→ Procedures for the collection and accountability of rents¶
- 4.→ Emergency procedures¶
 - a.→ Police, fire, ambulance¶
 - b.→ Tsunami, hurricane, etc. ¶
- 5.→ Services and/or amenities to be provided to residents¶

¶
¶
¶

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OF-2, G.

- Green Building

G.-GREEN-BUILDING¶

Provide a brief (not to exceed two pages) narrative justification for the green building approach. ¶

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Page ¶

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OF-2, H.

- Conditions/Exceptions

H. CONDITIONS/EXCEPTIONS

Provide a brief description of any special conditions that are contained in your proposal.

List any exceptions taken to the terms, conditions, specifications, or other requirements listed herein. Reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any.



Evaluation Criteria

	Criteria Description	Points
1	Offeror's qualifications, experience, financial strength, creativity, and track record in multi-family rental development projects of a similar nature	20
2	Proposed Development Budget	20
3	Proposed operating budget, including rental rates	20
4	Conceptual designs	15
5	Proposed means of financing	15
6	Green building program	5
7	Proposed operating program	5
	Unusual or unacceptable terms and conditions	Potential penalty of up to 10 points
	TOTAL POSSIBLE POINTS	100



RFP Schedule (today forward)

Sept. 27, 2019: final day for written inquiries

Oct. 4, 2019: DHHL distribute responses to written inquiries

Oct. 8, 2019: Deadline to submit written Notice of Intent to submit offers

Oct. 18, 2019, 2:00pm: Proposals Due

Nov. 18, 2019: BAFO (if necessary)

Dec. 2, 2019: Notice of Selection





Written Inquiries and Responses



Written Inquiries

Mail inquiries to:

DHHL

Attn: Darrell Ing

91-5420 Kapolei Parkway

Kapolei, HI 96707

Email a copy to:

Darrell.H.Ing@Hawaii.gov



Written Inquiries - Responses

- **Via addenda to RFP**
- **Posted to HANDS**
- **Posted to DHHL website**



Notice of Intent to Offer

- Email to Darrell.H.Ing@Hawaii.gov or
- Fax: (808) 620-9299



Proposal Submittals

- **Deliver to DHHL**
- **No emails or faxes accepted**





Q&A



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Inquiry #1:

Q: RFP states Development Agreement for 65-year land lease.

- Is land to be lease at \$1 per year?
- Can lease be extended to 75 years if required for financing?



Inquiry #2:

Q: RFP indicates developer participation in EIS approval process.
– Who will be responsible for preparation and ultimate submittal?



Inquiry #3:

Q: RFP enumerates target demographic specific to eligible native Hawaiians being defined as individuals having at least 50% Hawaiian blood quantum...but also denotes providing independent living facilities for kupuna, student or faculty housing as well as homeless beneficiaries.

- Do all residents need to satisfy blood quantum requirements?
- If yes, can this requirement be waived should developer be unable to fill available units?



Inquiry #4:

Q: RFP indicates proposal security deposit / bid bond in an amount equal to at least 5% of estimated construction cost.

- What is the purpose of this security since no MOA has yet been negotiated or signed?



Inquiry #5:

Q: RFP references AG 103D General Conditions and DHHL General Conditions.

- Which controls in event of conflict between the two documents?



Q&A:

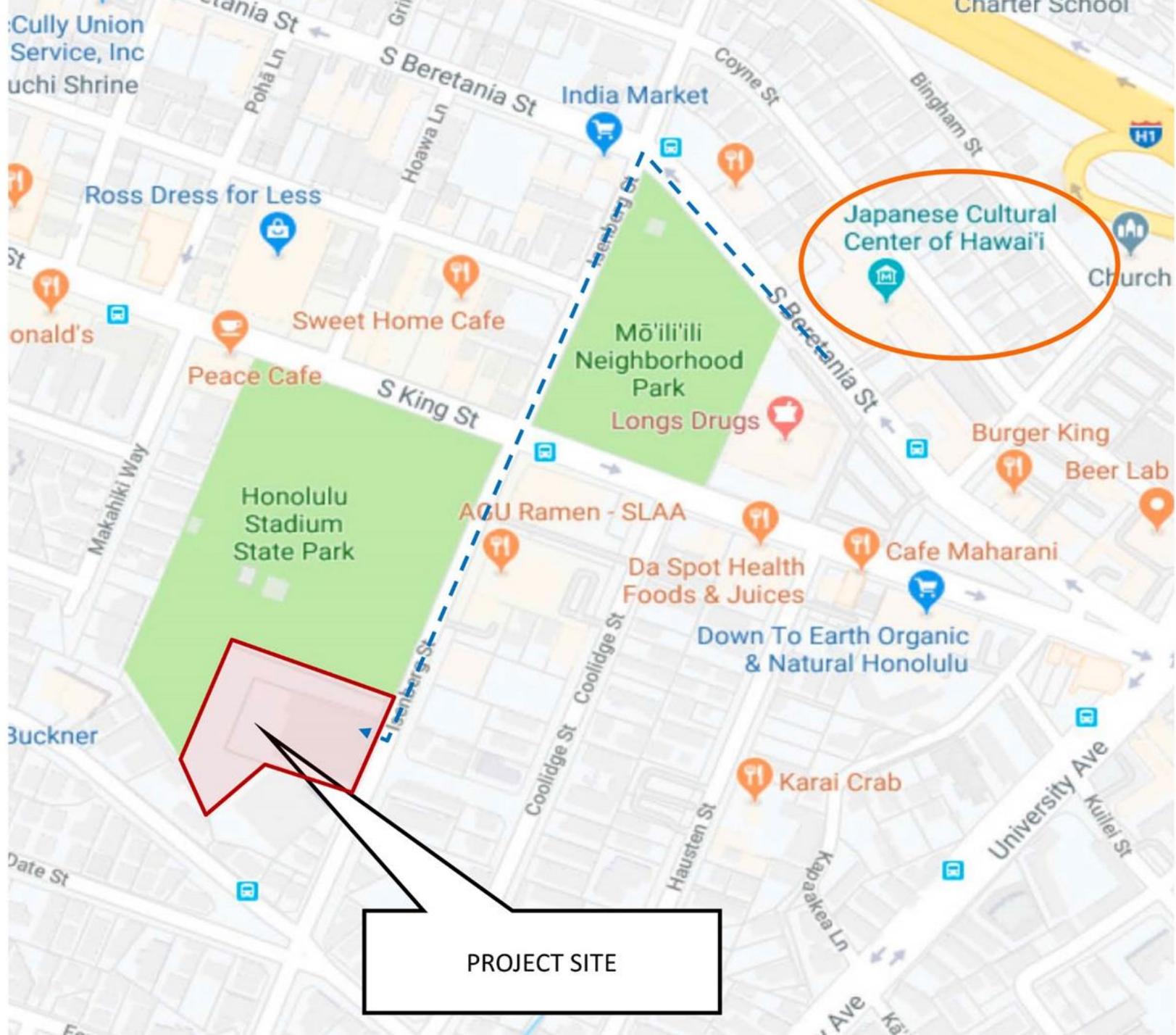
Additional questions
today?



Mahalo!

proceed to site inspection





PROJECT SITE