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# Oahu public housing projects advance

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By [Andrew Gomes](#)

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RENDERINGS COURTESY HIGHRIDGE COSTA DEVELOPMENT CO. (SCHOOL STREET, MAYOR WRIGHT HOMES) AND THE MICHAELS ORGANIZATION (KUHIO PARK)

Mayor Wright Homes.



Three long-delayed Oahu public housing redevelopment projects took big steps forward last week and could produce 554 new homes in 2026 and 911 more in 2028.



Most of these 1,465 homes would be rentals for low-income households, and represent initial phases of larger plans to redevelop run-down Hawaii Public Housing Authority properties in or near Kalihi: Mayor Wright Homes, HPHA's administrative campus and two parts of Kuhio Park Terrace called Kuhio Homes and Kuhio Park Terrace Low-Rise.

A portion of one project also might include leasehold condominiums for sale to buyers with higher incomes.

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The image shows the 'FOX NATION ORIGINAL' logo in a 3D, metallic style. The logo is centered and illuminated by several spotlights from above, creating a dramatic effect. The background is dark with some smoke or dust particles visible. The word 'FOX' is in a large, bold, sans-serif font, with 'NATION' below it in a slightly smaller font, and 'ORIGINAL' at the bottom in a similar style. The entire logo is set against a dark, textured background.

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The board of a state agency that helps private developers finance affordable housing, the Hawaii Housing Finance and Development Corp., on Thursday

approved financing for two projects and accepted an application for a third project seeking exemptions to city fees and zoning regulations ahead of a consideration for financing.

The total development cost for the trio of projects is \$892 million.

Of the three, the one closest to starting construction would add 250 rental apartments for seniors on part of HPHA's 12-acre administrative campus at 1002 N. School St.

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Construction is slated to start in March on this project led by California-based Highridge Costa Development Co. after past difficulties.

### **School Street plan**

HPHA had selected another developer in 2016 to produce 800 rental homes reserved for low-income seniors on its administrative campus, including an initial phase once projected to be finished this month.

But the deal with the California-based nonprofit Retirement Housing Foundation ran into design problems that inhibited permitting approvals, as well



as rising costs and frustration by Retirement Housing that HPHA wasn't paying an equal share of increased pre- development costs.

In November, HPHA's board approved a takeover of the three-phase School Street project by Highridge under a 55-year land lease from the state.

"This is ... in the best interest of making sure that affordable housing continues," Highridge President Mohannad Mohanna told HHFDC's board Thursday.

HHFDC's board was being asked to approve extra financing for the first phase on top of what it authorized in 2021, including a \$67.9 million low-interest loan, up from \$40 million, and \$88.7 million in bonds, up from \$71.5 million. Highridge also was granted more federal and state tax credits that it can sell to replace much of the bond debt.

The total development cost for the 250 units jumped about 20% to \$164 million from \$136 million in 2021.

David Oi, HHFDC's housing finance manager, told the agency's board that construction and interest rate expense increases mainly drove up the price of the project.

If construction proceeds as expected, the new building would be ready for occupancy in 2026.

Apartments would be restricted for households earning up to only 30% of Honolulu's median income for some units and up to 50% or 60% for others.



Based on current income data, 60% of the median equates to \$55,020 for a single person, \$62,880 for a couple and \$78,600 for a family of four.

Projected monthly rents range from \$553 to \$1,241 for studios, \$580 to \$1,317 for one-bedroom units and \$666 to \$1,550 for two-bedroom units.

## **Kuhio Park**

The second HPHA project receiving HHFDC funding approval was the first of three redevelopment phases at Kuhio Park where The Michaels Organization, a New Jersey-based firm, is slated to replace 176 existing low-income rentals with 650 new rentals for households with low, moderate and higher incomes.

Phase one involves 304 apartments developed in four buildings that would replace 64 existing units. Construction is expected to start sometime between July and September, followed by occupancy in 2026.

Moving ahead with this project follows more than a decade of travail.

Michaels successfully renovated and assumed operating HPHA's twin 16-story Kuhio Park Terrace towers now known as The Towers at Kuhio Park in 2012, but redeveloping the adjacent Kuhio Homes and Kuhio Park Terrace Low-Rise has been an ordeal.

HPHA originally anticipated that all the work at KPT would have been finished by now under a deal with Michaels announced in 2009.

But after the tower renovations were done, remaining work got derailed that was then comprised of replacing 176 low-rise apartments with 450 new homes.



HPHA terminated its arrangement with Michaels in 2017, then revived an amended version in 2019. Now, Michaels plans to develop up to 650 new homes on the Kuhio Park property under a 65-year land lease.

The initial phase with 304 apartments reserved for households with maximum income levels ranging from 30% to 60% of the median is projected to cost \$182 million. HHFDC approved a \$49 million low-interest loan along with state and federal tax credits that the developer can sell to replace \$93 million in bonds provided by the city.

“We are really excited to get moving on this,” Sharon Har, Hawaii vice president of development for Michaels, told HHFDC’s board. “The revitalization of Kuhio Park is finally coming to fruition.”

New units will range from studios to four-bedroom apartments, with larger units serving households at the lower end of the income range.

Projected monthly rent based on current income data ranges from \$767 to \$1,224 for studios, \$562 to \$1,296 for one-bedroom units, \$637 to \$1,519 for two-bedroom units, \$1,044 to \$1,723 for three-bedroom units and \$1,129 to \$1,887 for four-bedroom units.

### **Mayor Wright**

Redevelopment is further off for Mayor Wright Homes, a 70-year-old complex where 364 low-rise apartments are to be replaced by 2,450 new homes in 10 towers on 15 acres in four phases from 2028 to 2036.



An initial phase with three towers and 911 homes is projected for delivery in 2028 and is estimated to cost \$546 million.

Highridge is leading this project, which aims to more quickly obtain a major city approval under an emergency affordable-housing proclamation issued in July by Gov. Josh Green.

Highridge seeks a package of exemptions to city regulations that include waivers on permitting fees, park dedication requirements, height limits and density that typically can be granted by the Honolulu City Council for qualified affordable-housing projects.

Under the proclamation, granting the exemptions will be up to the director of the city Department of Planning and Permitting.

The developer also is seeking an exemption to pay general excise taxes and a \$10.6 million school impact fee that can be granted by a special panel under the proclamation.

HHFDC accepted Highridge's application to qualify the project as affordable housing under a state law governing such qualifications.

Mohanna told the agency's board he was grateful for how fast the agency handled the application.

"This is record time," he said.

Gary Mackler, board chair, said in response, "This has been a project long-time coming. It's great to see the progress."





Originally, HPHA tentatively picked a team led by Texas-based Hunt Development Corp. in 2014 to redevelop Mayor Wright. But HPHA terminated its \$1.7 billion agreement with the Hunt group in 2020 over design, budget and other issues.

HPHA in July picked Highridge to lead the Mayor Wright project under a land lease for at least 75 years.

Of the three towers, one would contain 306 rentals for households with maximum incomes from 30% to 60% of the median. A second tower would contain 352 rentals for households with maximum incomes from 80% to 100% of the median.

A third tower would contain leasehold condos for sale to households with maximum incomes from 110% to beyond 140% of the median if financing for such condos can be obtained. If the leasehold condo plan doesn't pan out, the third tower would instead be rentals.

Rents would be pegged to income levels for all the units, which are slated to range from studios to five-bedroom units.

The next step for Mayor Wright will be for HHFDC to consider financing.

### **Master plan**

Eight more state public housing projects are expected to be redeveloped in the next decade and beyond under HPHA partnerships with private developers and long-term land leases.



The agency in July selected Highridge to be the master developer to lead the effort, which has been named Ka Lei Momi and involves replacing 1,187 existing apartments and adding potentially 10,880 more homes for low- and middle-income households at nine public housing projects on Oahu, Maui, Kauai and Hawaii island.

The nine Ka Lei Momi projects include Mayor Wright but not School Street or Kuhio Park.

All the public housing redevelopment work will involve providing displaced tenants with equally affordable replacement housing during redevelopment and the option of returning to the property they left after work is completed.

Ka Lei Momi is described by state leaders as one of the largest moves in the country made by a public housing authority, and an effort to develop new affordable housing more quickly than before in Hawaii.

“We’re going to build as big and as fast as we can for our people,” Green said in July when announcing the partnership with Highridge.

The master plan is expected to cost more than \$6 billion and involve Highridge doing some projects or working with other developers to carry them out.

Hakim Ouansafi, HPHA director, said in a Friday statement that the agency is moving “full speed ahead” with developing new communities.

“We are thrilled to see our housing projects accelerate, not only addressing the critical need for housing and igniting hope and prosperity for our communities, but also creating hundreds of jobs along the way,” he said.



## **PUBLIC HOUSING REDEVELOPMENT**

*Three projects are being advanced under long-term land lease deals with private developers*

### **School Street**

>> **Homes:** 250

>> **Cost:** \$164 million

>> **Completion:** 2026

>> **Developer:** Highridge Costa

### **Kuhio Park**

>> **Homes:** 304

>> **Cost:** \$182 million

>> **Completion:** 2026

>> **Developer:** The Michaels Organization

### **Mayor Wright Homes**

>> **Homes:** 911

>> **Cost:** \$546 million



>> **Completion:** 2028

>> **Developer:** Highridge Costa



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