



Affordable Housing Briefing

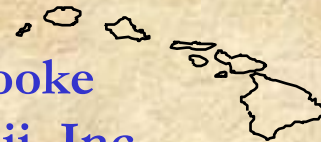


**Presentation for Senate Committee on Commerce,
Consumer Protection and Affordable Housing**



**Castle & Cooke
Homes Hawaii, Inc.**

January 10, 2008



Mililani Tech Park



Wehilani at Waikoloa



Mililani



**Castle & Cooke
Hawai'i**



Dole Cannery



Dole Plantation

Creating Communities

Delivering Dreams . . .

Providing Homes for Hawai'i Families:

◆ Mililani Master Planned Community	16,000 +
◆ Royal Kunia - Phase 1	1,600 +
◆ Other infill developments through the State	2,400 +
Total	20,000 +



Investing in Hawaii



Nearly 40 Years in Mililani - 1968 to 2008

Over 16,000 homes, over \$3.850 Billion invested in:

- ◆ Offsite infrastructure = over \$ 600 million
- ◆ Onsite infrastructure = over \$ 750 million
- ◆ Vertical construction = over \$ 2.5 billion

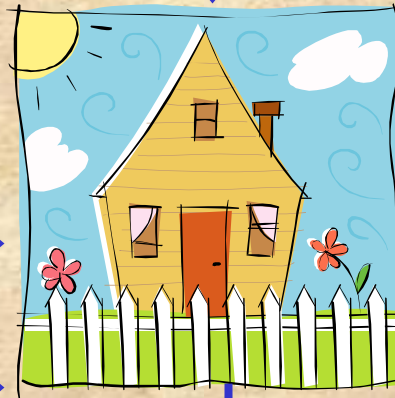
Averaging over \$ 96 million per year

Resulting Product Mix = 50% Multi-family & 50% Single-family

Development Challenges



Acts of God

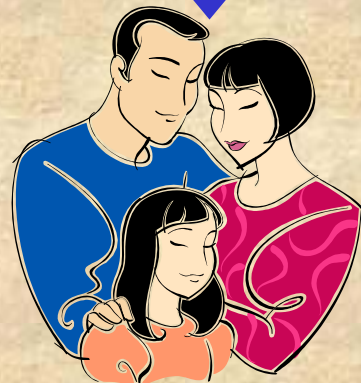


1. Entitled Land:
Conditions & Exactions

2. Adequate Infrastructure

4. Market Conditions

3. Financing



5. Ready & Willing Buyers

Current Affordable Projects



- ◆ Oahu - Mililani
 - ◆ 48 rental units targeting 60% AMI group - City Unilateral Agreement requirement
 - ◆ 80 for sale units targeting 100%-130% AMI group -Voluntary

- ◆ Big Island – Waikoloa Village
 - ◆ 49 for sale units targeting 140% AMI group - Voluntary

- ◆ Lanai – Lanai City
 - ◆ 48 rental units targeting 60% AMI group – 201G requirement
 - ◆ 36 workforce housing units – 201G requirement



Villages of Kapolei

An Affordable Housing Opportunity



Public Private Partnership



Shared Vision with HHFDC



Hawaii Housing Finance and Development
Corporation (HHFDC) mission:

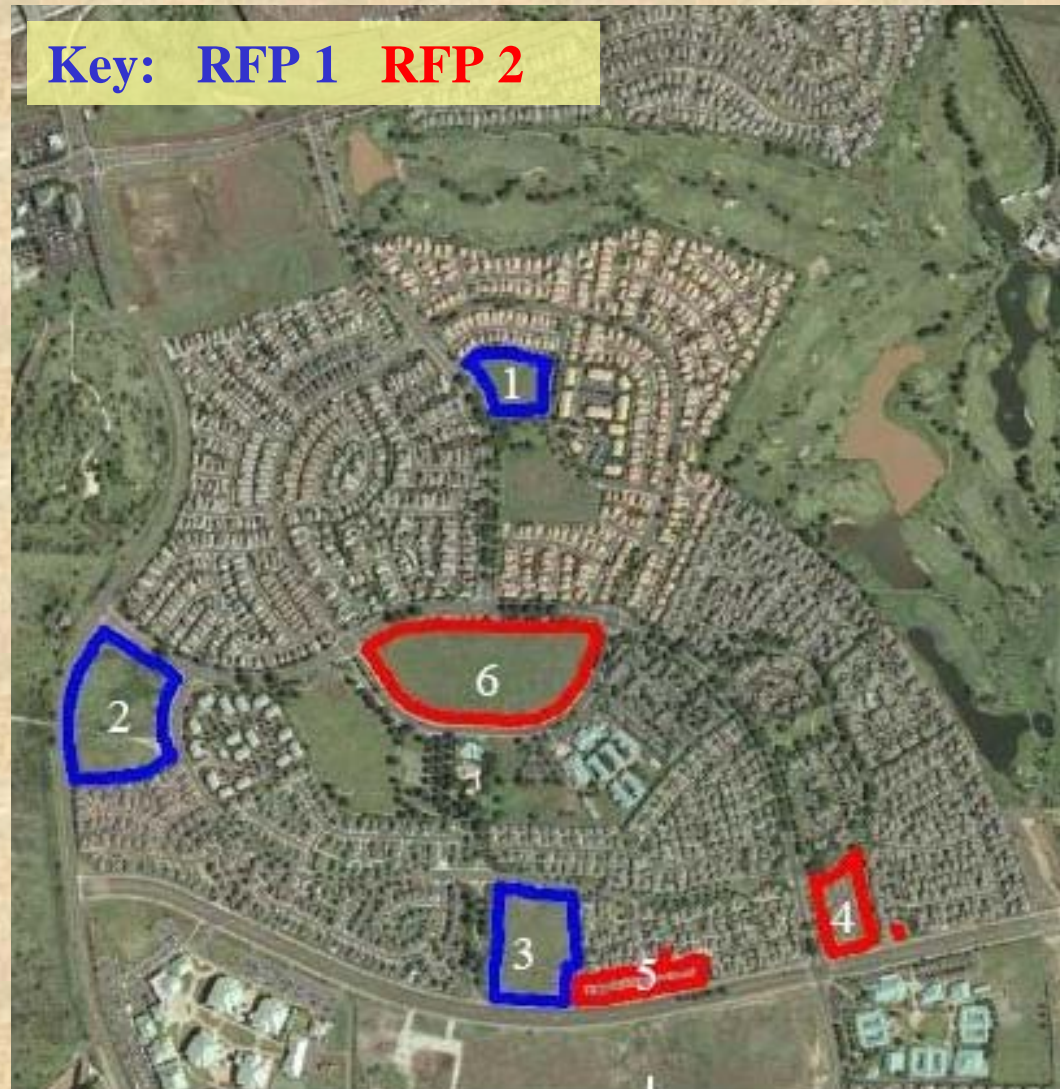
“... making housing dreams come true”

Castle & Cooke Hawaii (CCHHI) mission:

*“Investing in Hawaii, Creating Communities,
Delivering Dreams”*

Overview – Villages of Kapolei

- 737 Affordable Units
- 2 Commercial Condos
- 12 Live / Work Units
- 1 Church Site
- 1 Community Center



Project Summary

NAME	PROJECT DESCRIPTION	CCHHI ROLE
Kapolei 1		
1. <u>Villas at Aeloa</u>	72 affordable tax credit rentals targeting renters at 60% AMI and below	General contractor and partial interim financing
2. <u>Kealakai</u>	112 affordable for sale units targeting buyers at 120% AMI and below	Developer
	102 affordable rentals targeting renters at 100% AMI and below	Developer. Project to be sold at completion.
	72 affordable tax credit rentals targeting renters at 60% AMI and below	General contractor
3. <u>Nohona at Kapolei</u>	118 affordable for sale units targeting buyers at 140% AMI and below	Developer
Kapolei 2		
4. Village 4 Rental	64 affordable tax credit rentals targeting renters at 60% AMI and below	General contractor
5. Village 5 Destiny	32 affordable for sale units targeting buyers at 140% AMI and below	Developer
6. Village Center	72 affordable for sale units targeting buyers at 120% AMI and below	Developer
	93 affordable for sale units targeting buyers at 140% AMI and below	Developer
	2 commercial condos, 12 Live/Work units, and church site	Developer
	Community Center	Developer. To be turned over to Kapolei Assoc.

Affordable Housing Mix

Project	Rental		For Sale	
	60% AMI and below	100% AMI and below	120% AMI and below	140% AMI and below
1. Villas at Aeloia	72			
2. Kealakai For Sale			112	
Kealakai Gap Rental		102		
Kealakai Tax Credit Rental	72			
5. Nohona at Kapolei				118
6. Village 4 Rental	64			
7. Village 5 For Sale				32
8. Village Center For Sale 1			72	
9. Village Center For Sale 2				93
Total	208	102	184	243

2007 Area Median Income, Max Pricing, and Rental Rates

	Percent of Median Income			
	60%	100%	120%	140%
2007 AMI for Honolulu				
2 Person	\$35,760	\$58,800	\$70,560	\$82,320
3 Person	\$40,260	\$66,150	\$79,380	\$92,610
4 Person	\$44,700	\$73,500	\$88,200	\$102,900
5 Person	\$48,300	\$79,380	\$95,260	\$111,130
Max. Sales Pricing [1]				
2 Bedroom			\$308,500	\$359,900
3 Bedroom			\$342,700	\$399,900
4 Bedroom			\$370,200	\$431,800
Max. Monthly Rental Rates				
1 Bedroom	\$894	\$1,470		
2 Bedroom	\$1,007	\$1,654		
3 Bedroom	\$1,118	\$1,838		

Villages of Kapolei Partnership

A State / HHFDC and Castle & Cooke Hawaii partnership to provide affordable housing for Hawaii families

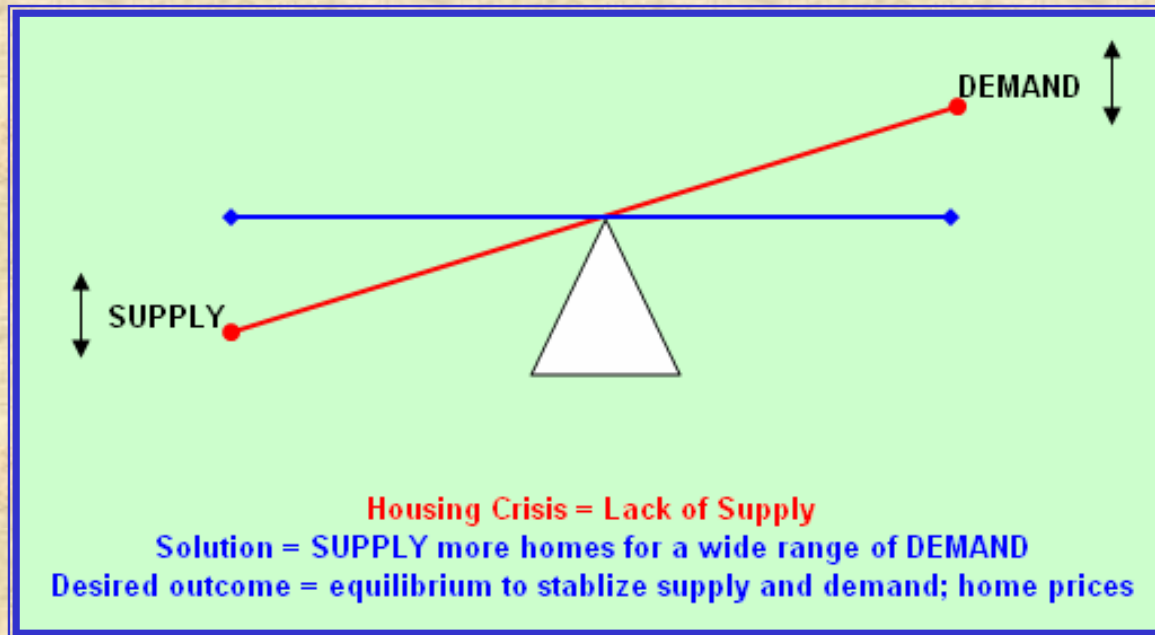
PUBLIC (State/HHFDC) and PRIVATE (Castle & Cooke Hawaii) partnership to provide affordable housing (rental and sale units) for Hawaii families

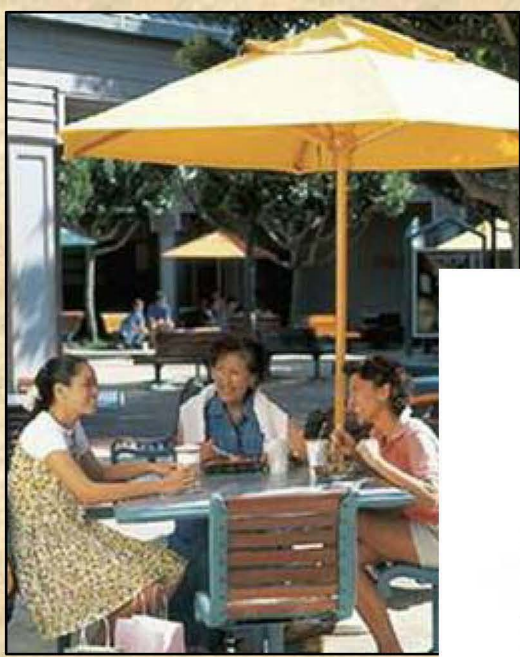
Development Elements	PUBLIC responsibilities	PRIVATE responsibilities
Land		
Acquisition	YES	
Entitlements		
State land Use	YES	
County Zoning	YES	
Major Off Site costs/contributions:		
School sites	YES	
Highway improvements	YES	
water, sewer, drainage	YES	
utilities	YES	
county parks	YES	
Master Association facilities	YES	
Affordable Rental Programs		
GET waiver	YES	
Developer/Owner		YES
Design, Construction & CM		YES
Property Management		YES
Interim/Construction Financing		YES
Permanent Financing		YES
Low Income Tax Credits	ALLOCATE	SALE FOR EQUITY
Affordable For Sale Programs		
GET waiver	YES	
Developer		YES
Design, Construction & CM		YES
Sales Program		YES
Interim/Construction Financing		YES
Permanent Financing		YES
County Permit Processing		YES
RISK	YES	YES

The Law of Supply and Demand

Supply and demand is a basic economic principal in which a product's price is either positively or negatively affected by the availability of the product . . . high demand for a product that is in low supply, the price of this product will escalate due to market conditions that will support a higher price . . . low demand for a product that is in high supply, the price of this product will decrease due to market conditions that are influenced by the high availability of this product.

Supply and demand - Everything Real Estate (http://www.everythingre.com/Supply_and_demand)





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