

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

January 10, 2025

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Issuance of Right-of-Entry Permit to Hawaii Housing Finance and Development Corporation for Due Diligence Purposes; General Lease No. S-5805; Waikiki Community Center, Lessee, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008.

APPLICANT:

Hawaii Housing Finance and Development Corporation, a State agency.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waikiki, Honolulu, Oahu, identified by Tax Map Key: (1) 2-6-025:008, as shown on the map attached as **Exhibit 1A** and **1B**.

AREA:

1.56 acres, more or less.

TRUST LAND STATUS:

Acquired after Statehood, i.e. non-ceded.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

LEASE CHARACTER OF USE:

Youth, education and multi-service community center to house human services and community activities purposes.

TERM OF LEASE:

30 years, commencing on April 1, 2007 and expiring on March 31, 2037. Next rental reopening is scheduled for April 1, 2027.

ANNUAL RENTAL:

\$480.00

TERM OF RIGHT-OF-ENTRY PERMIT:

One year upon acceptance of terms and conditions, or completion of the project, whichever is the earlier.

RENTAL FOR RIGHT-OF-ENTRY PERMIT:

Gratis.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules ("HAR") § 11-200.1-15 and -16 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing", Part 1, Item 44, that states the "Permits, licenses, registrations, and rights-of entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing". General Exemption Type 5, "Basic data collection, research, experimental management, and resource and infrastructure testing and evaluation activities that do not result in a serious or major disturbance to an environmental resource", Part 1, Item 1, that states "Conduct surveys or collect data on existing environmental conditions (e.g., noise, air quality, water flow, water, etc.)"

The subject request is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR, as a de minimis action.

DCCA VERIFICATION:

Not applicable. Governmental agency.

REMARKS:

In 1982, the State acquired the subject property, formerly known as St. Augustine School, together with the improvements for \$5.2 million. The purpose of the acquisition was to establish a community center in Waikiki. Since the State acquired the property, Waikiki Community Center (WCC) has been the tenant under a direct lease issued to a nonprofit entity pursuant to Section 171-43.1, HRS.<sup>1</sup>

Over the years, WCC has utilized the improvements to house other non-profit agencies providing comprehensive human services and to provide space for community activities and meeting. WCC always came to the Board asking for consent to the subleases they entered with other non-profit entities. Waikiki Health Center (WHC) is one of the sublessees with its lease term running coterminous with the master lease.

WCC was contemplating development of the subject parcel into affordable rental housing together with social services that would continue to be provided on site. WCC started collaboration efforts with the Hawaii Housing and Finance Development Corporation (HHFDC) in anticipation for a redevelopment package over the subject property.

At its meeting of September 12, 2024, the Board of HHFDC approved various items in relation to the contemplated mixed-use redevelopment. The approval covered: (1) entering into a memorandum of agreement with WCC that contemplates the RFP process; (2) requesting a set aside of the appropriate portion of the parcel to HHFDC; (3) requesting approval on the activities relating to the leasehold development; (4) requesting approval of the Board of Land and Natural Resources for activities relating to the leasehold development; and (5) approving an interim Dwelling Unit Revolving Fund loan of up to \$5 million for the RFP developer's pre-development expenses. A copy of the entire HHFDC submittal and the draft memorandum of agreement between HHFDC and WCC are attached as **Exhibit 2A** and **2B** respectively for the Board's reference.

After meeting with the representatives from both HHFDC and WCC, Land Division believes that, at this time, the granting of the above-requested approvals from the Board of HHFDC are pre-mature at this stage. Typically, a process would involve request for proposal from interested developers which will be followed by negotiation of a development agreement. Therefore, a right-of-entry permit for due diligence purposes to HHFDC, if approved today, would be the most appropriate land disposition at the moment. Both HHFDC and WCC indicated no objection to the approach.

Land Division will return to the Board seeking approval for any appropriate requests in the future.

WCC is currently in compliance with the terms and conditions of the subject master lease.

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<sup>1</sup> General Lease No. 4825 was issued to WCC covering the period from April 1, 1982 to March 31, 2007, which was subsequently superseded by the subject General Lease S-5805 commencing on April 1, 2007.

Other than HHFDC, staff did not solicit comments from other governmental agencies on the requested right-of-entry permit. Within the past several months, WCC representatives have met with its state Senator Sharon Moriwaki, state Representative Adrian Tam, City Council Chair Tommy Waters and reached out to Governor Green's office on this potential project. In addition, on July 9, 2024, WCC made a presentation to the Waikiki Neighborhood Board about the potential redevelopment to include affordable housing. On July 14, 2024, the Honolulu Star Advertiser reported on WCC's preliminary plans for adding affordable housing to the subject property and its presentation to the Neighborhood Board.

There are no other pertinent issues or concerns relating to the subject request. Staff recommends the issuance of the subject right-of-entry permit.

RECOMMENDATION: That the Board

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1-15 and -16, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment as a de minimis action.
2. Authorize the issuance of a right-of-entry permit to Hawaii Housing and Finance Development Corporation for due diligence purposes covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time;
  - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State; and
  - C. The Chairperson may extend the right of entry permit for good cause.

Respectfully Submitted,

*Barry Cheung*

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Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:



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Dawn N. S. Chang, Chairperson

*KEM RT*



**TMK (1) 2-6-025:008**

**EXHIBIT 1A**



**TMK (1) 2-6-025:008**

**EXHIBIT 1B**



**FOR ACTION**

**I. REQUEST**

Approve: (1) a Memorandum of Agreement with the Waikiki Community Center, a Hawaii Non-Profit Corporation; (2) Request for a Set Aside of a Portion of the Property from the Board of Land and Natural Resources (BLNR); (3) Activities Relating to the Leasehold Development of the Project; (4) Request for Approvals from BLNR for Activities Relating to the Leasehold Development of the Project; and (5) an Interim Loan from the Dwelling Unit Revolving Fund for the Proposed Waikiki Community Center Mixed-Use Project Located at 310 Paoakalani Avenue, Honolulu, Oahu, TMK No.: (1) 2-6-025: 008

**II. FACTS**

Project:	Waikiki Community Center Mixed-Use Project
Address:	310 Paoakalani Avenue, Honolulu, Oahu, Hawaii
TMK:	(1) 2-6-025: 008
Land Area:	1.56 acres or 67,950 square feet
Zoning:	Apartment Precinct (Waikiki Special District), with a height limit of 220 feet
Development Plan (DP):	Primary Urban Center DP
DP Land Use Map:	Medium and Higher Density Residential/Mixed Uses
Special District:	Waikiki Special District
Fee Owner:	State of Hawaii (under General Lease No. S-5805 to the Waikiki Community Center (WCC)); not ceded land
Proposed Land Tenure:	Leasehold
HHFDC Involvement:	Lessor/Lender (proposed)
No. of Units:	Initial conceptual plan could involve the following: Approximately 135 – 200 units <sup>1</sup>
Target Market:	Family Rental All of the units in the Project, except for managers <sup>3</sup> units, will be affordable at 140% or below the U.S. Department of Housing and Urban Development area median income (AMI) Parking Stalls as required under the Land Use Ordinance 25,552 square feet WCC Space 9,700 square feet (existing) Waikiki Health

- A. The State of Hawaii owns in fee simple the property at 310 Paoakalani Avenue, Waikiki, Honolulu, Oahu, Hawaii, TMK No. (1) 2-6-025: 008, totaling approximately 67,950 square feet (1.56 acres) (Property), as shown on the attached **Exhibit A**.
- B. The Property is zoned Apartment Precinct (Waikiki Special District) with a height limit of 220 feet. The Property is outside the Special Management Area.
- C. The Property is subject to General Lease No. S-5805 dated April 1, 2007, from the State of Hawaii, by its Board of Land and Natural Resources (BLNR), to WCC, a Hawaii nonprofit corporation, for 30 years until March 31, 2037, to be used solely

<sup>1</sup> Estimated, depending on unit size and density; from conceptual WCC Campus Master Plan Vision (described herein). Actual unit counts and parking to be determined through the RFP and entitlement process.

for youth, education and multi-service community center to house human services and community activities (General Lease). The lease rent is a nominal amount, pursuant to BLNR's authority under Section 171-43, Hawaii Revised Statutes (HRS), to lease State land to eleemosynary organizations for nominal consideration.

- D. WCC is a non-profit 501(c)(3) organization and has been assisting some of the most vulnerable members of the community since 1978 – young children, seniors, families and others in need. Its mission is to care for kupuna, keiki and community as 'ohana. They do so through direct services and also by partnering with a variety of non-profit tenants, organizations/associations, civic groups (e.g., Waikiki Neighborhood Board), and community members to whom they provide space at low- to no-cost. Prior to the pandemic, more than 95,000 people utilized the WCC annually. Its largest sublessee is Waikiki Health (WH), which operates autonomously and has a separate entrance to the Property from Ohua Avenue. The WH sublease is co-terminus with WCC's ground lease with BLNR.
- E. The Property was purchased by the State from the Roman Catholic Bishop of Honolulu in 1983, and the existing buildings formerly served as a church, offices and dormitories. The original buildings were built in 1946, 1967, and 2001's, thus for the most part, are 57-78 years old, deteriorating with age, not fully accessible, and lack electrical and technology capacity.
- F. COVID-19 has truly demonstrated the fragility of WCC's community, especially the hard-hit visitor industry and the senior population. WCC has experienced an exponential increase in need for services to address issues such as food and housing insecurity, kupuna basic needs and isolation, childcare/early education, transportation, and other social services. Nearly one in three residents in Waikiki are seniors, many who live alone, lack transportation, and are living on fixed incomes.
- G. WCC understands that the Property is underutilized and has been working on a campus master plan vision (Campus Master Plan Vision) for WCC in the future.

### III. DISCUSSION

- A. The Hawaii Housing Finance and Development Corporation (HHFDC) received a letter from WCC dated August 30, 2021, requesting a preliminary review of conceptual WCC's Campus Master Plan Vision and the viability of the redevelopment of the Property using the Memorandum of Agreement (MOA) of HHFDC's Judiciary Alder Street Project<sup>2</sup> as a similar concept.
- B. WCC's initial conceptual Campus Master Plan Vision prepared by Callison RTKL includes the addition of affordable rental housing as a significant component identified as a desperately unmet need, and envisioned the following:

Approximately 215,600 square feet of gross building area (all uses)<sup>3</sup>  
(depending on final plans)  
Approximately 355 parking stalls (depending on final plans)

<sup>2</sup> Hale Kalele at 902 Alder Street, Honolulu, Hawaii, TMK (1) 2-3-012: 019. The land at Hale Kalele is owned by the State of Hawaii. The project involved the demolition of existing buildings and development of a new 20-story, 201-unit affordable rental housing tower and ancillary parking for families earning up to 60% of the AMI, and a Juvenile Services Center/Shelter of approximately 35,000 square feet and ancillary parking. The ground leases for each of the residential and Judiciary uses were \$1/year for 75 years.

<sup>3</sup> See attached **Exhibit D**.



135 – 200 residential rental units (depending on unit size and density)<sup>4</sup>

The conceptual project design and floor areas were derived from a review of the Waikiki Special District guidelines and the typical building form of the surrounding buildings, and also contemplates some additional building density that can be authorized under Section 201H-38, HRS, for affordable housing projects. This conceptual project design has not been reviewed or confirmed by the City Department of Planning and Permitting. A portion of the Potential Redevelopment Envelope shown on the attached **Exhibit B** is where the proposed redevelopment could be located.

- C. In 2023, WCC refined and reduced its space program requirements potentially reducing its capital cost by almost 50% while right-sizing its facility to adequately address current and anticipated community needs as follows:<sup>5</sup>

	<u>Square Feet</u>
Preschool (10 classrooms and support spaces)	9,576
Auditorium (200 people/commercial kitchen)	4,220
Senior Planet (gathering, technology, co-working)	5,000
Administration and case management	2,856
Community partners/tenants, excl. Waikiki Health (7 spaces)	<u>3,900</u>
	25,552

WCC's reduction of about 24,000 square feet in overall floor area could be eliminated or allocated to other uses, such as the residential units.

- D. Since 2019, WCC has had meetings with Governor David Ige, the Department of Land and Natural Resources (DLNR) and HHFDC on the proposed project. More recently, WCC met with its state Senator Sharon Moriwaki, state Representative Adrian Tam, City Council Chair Tommy Waters and reached out to Governor Green's office on the possible project. On July 9, 2024, WCC made a presentation to the Waikiki Neighborhood Board indicating that it has had preliminary discussions with DLNR and HHFDC about the possibility of adding affordable housing at the Property. On July 14, 2024, the Honolulu Star Advertiser reported on WCC's preliminary plans for adding affordable housing to the Property and its presentation to the Neighborhood Board (copy attached as **Exhibit C**).
- E. Initial concept for the proposed development of a mixed-use project at the Property could consist of the following (Project):
1. Pre-school area. The area of the existing pre-school (see Exhibit A-3) (New Project Area) will be redeveloped with a new project tower (New Project Tower).
  2. WCC-related uses. The lower few levels of the New Project Tower will include a new WCC pre-school, WCC office space and related program space. WCC estimates that this space, including the existing WCC building (see Exhibit A-3), will be approximately 25,552 square feet as described above.

<sup>4</sup> Depending on unit sizes of 750 square feet and 500 square feet, respectively, and 84% efficiency ratio, 119,000 square feet of gross floor area.

<sup>5</sup> WCC letter dated June 26, 2023.

3. Parking. Parking for approximately 355 stalls for the WCC-related uses and the affordable rental housing would be located above the WCC-related uses in the New Project Tower.
  4. Affordable rental housing. Approximately 135 to 200 residential rental units for families earning up to 140% of the AMI would be built over the parking levels in the New Project Tower.
  5. Existing WH and WCC buildings. The existing WH and WCC buildings (see Exhibit A-3) (Other Existing WCC & WH Area) will be developed by WCC in the future when they are ready.
- F. This For Action seeks approval of an MOA with WCC for the leasehold development of the Project. Major terms include:
1. Purpose: Coordinate the development of the mixed-use Project with the WCC-related uses, affordable housing, parking, and other incidental uses at the Property.
  2. HHFDC obligations:
    - a. Coordination with WCC and DLNR in the approval of the MOA.
    - b. Coordination with WCC and DLNR in obtaining a cancellation of the General Lease and issuance of a new long-term ground lease from DLNR to WCC that contemplates the proposed Project (Interim Ground Lease).
    - c. Issuance of a request for proposals (RFP) for the preparation of a master plan, required studies and analysis to comply with Chapter 343, HRS, and leasehold development of the New Project Tower.
    - d. Preparation, solicitation, execution, and management of a development contract(s) for the New Project Tower.
    - e. Establishment of a process for WCC to review and approve the detailed scope of services for the development contract(s).
    - f. Coordination with WCC on the various phases of the Project, including the preparation of the RFP, preliminary evaluations, developer selection, construction contracts, and public outreach, and permit WCC to name two WCC representatives to serve on the developer selection committee.
    - g. Obtaining a budget for an interim loan to the RFP developer for pre-development expenses.
    - h. Coordination with WCC and the RFP developer, as applicable, in obtaining from DLNR applicable approvals needed in furtherance of the development of the Project, including without limitation, authorization for obtaining subdivisions, condominium property regimes, easements, and rights-of-entry for construction and other related purposes.

- i. Coordination with WCC in obtaining from DLNR: (a) cancellation of the Interim Ground Lease; (b) execution of a new ground lease to WCC for the Other Existing WCC & WH Area; and (c) set aside of the New Project Area to HHFDC for affordable housing and related purposes that allow the WCC-related uses.
  - j. Issuance of long-term ground leases<sup>6</sup> of the condominium units in the New Project Area for the residential use to the RFP developer<sup>7</sup> and the WCC-related uses to WCC.<sup>8</sup>
3. WCC obligations:
- a. Negotiation with DLNR for the cancellation of the General Lease and execution of the new Interim Ground Lease for the Property.
  - b. Assisting HHFDC in the formulation of the RFP, including providing program requirements for the applicable elements of the WCC-related uses located within the New Project Tower.
  - c. Naming two representatives to serve as members of the developer selection committee.
  - d. Providing pertinent background information about the Property from materials currently in possession of WCC.
  - e. Reviewing and commenting on work products in a timely manner.
  - f. Working closely with HHFDC in evaluating various proposals in selection of the RFP developer.
  - g. Supporting HHFDC's public outreach and education efforts to promote interest and input in the Project.
  - h. Issuing a right-of-entry to HHFDC and its consultants for inspection, planning, and design of the New Project Tower.
  - i. Consenting to a mortgage of the Interim Ground Lease to secure HHFDC's interim loan to the RFP developer.
  - j. Obtaining funding for the allocated costs for the applicable elements of the WCC-related uses located within the New Project Tower.
  - k. After division of the Property between the New Project Area and the Other Existing WCC & WH Area, negotiation with DLNR for the cancellation of the Interim Ground Lease and execution of a new WCC long-term ground lease for the Other Existing WCC & WH Area.

<sup>6</sup> Up to 99 years as approved by the Executive Director.

<sup>7</sup> The ground lease rent to the RFP developer shall be subject to HHFDC's policy for minimum base lease rents approved by the HHFDC Board of Directors on November 18, 2021.

<sup>8</sup> The ground lease rent to WCC shall be consistent with BLNR's Minimum Rent Policy then applicable to an eleemosynary organization, or to a similar policy or arrangement that is consistent with the intent and language of BLNR's Minimum Rent Policy.

- l. Entering into a ground lease(s) for the condominium unit(s) within the New Project Tower for the applicable elements of the WCC-related uses.
  - m. Relocation of the existing pre-school tenants from the New Project Area prior to commencement of construction of the New Project Tower.
  - n. Development of the Other Existing WCC & WH Area by WCC and its sublessees when they are ready.
- 4. The MOA shall continue until the earliest to occur of the following:
    - a. Any party may terminate the MOA with sixty (60) days prior written notice to the other party; or
    - b. Fulfillment of the objectives of the MOA.
  - 5. The MOA has been reviewed by DLNR and incorporates comments made by DLNR.
- G. This For Action seeks approval of all activities required of HHFDC, and to request approval from BLNR for all applicable activities required for the planning, development, construction, and leasehold ownership of the Project as described in the MOA, or as deemed necessary by the Executive Director, including but not limited to the following:
- 1. Execution of the MOA;
  - 2. Cancellation of the General Lease and execution of the Interim Ground Lease;
  - 3. Issuance of an RFP;
  - 4. Execution of a Development Agreement with the RFP developer;
  - 5. Rights of entries to HHFDC, the RFP developer, their subconsultants, and contractors;
  - 6. Non-exclusive easements and cancellations of easements;
  - 7. Master plan;
  - 8. HRS Chapter 343 compliance
  - 9. Creation of, amendments to, and execution of documents for a condominium property regime, and/or subdivision of the Property to separate the New Project Area and the Other Existing WCC & WH Area;
  - 10. After separation of the New Project Area and the Other Existing WCC & WH Area, cancellation of the Interim Ground Lease and execution of a new long-term ground lease to WCC for the Other Existing WCC & WH Area;
  - 11. Set aside of the New Project Area to HHFDC;

12. Creation of, amendments to, and execution of documents for a condominium property regime for the New Project Area to separate the WCC-related uses from the residential use;
13. Issuance of long-term ground leases in the New Project Tower from HHFDC to WCC for the WCC-related uses and to the RFP developer for the residential use;
14. Mortgage of the Interim Ground Lease as security for the DURF loan to the RFP developer for pre-development expenses;
15. Mortgage of the ground lease to the RFP developer in the New Project Tower as security for a loan(s), and tax credit financing for the construction and development of the residential use in the New Project Tower;
16. Demolition of existing improvements at the New Project Area; and
17. Construction of the New Project Tower.

H. This For Action also seeks approval of a budget of up to \$5 million from the Dwelling Unit Revolving Fund (DURF) for an interim loan to the RFP developer for pre-development expenses for the Project, as follows:

Loan Amount:	Up to \$5 million, excluding interest.
Borrower:	RFP developer, or other affiliate entity approved by the Executive Director.
Interest Rate:	5% per annum, compounded annually.
Loan Fee:	2 points.
Loan Term:	Five (5) years, with two 1-year options to extend at the sole discretion of the Executive Director, at one percent of the total loan amount per extension, or earlier termination with the Development Agreement, unless otherwise extended at the sole discretion of the Executive Director. No pre-payment penalty.
Security:	Interim Ground Lease; <sup>9</sup> non-recourse loan; total debt of the residential use in the New Project Tower, including the DURF loan, shall not exceed 100% of the total cost of the residential use in the New Project Tower; after the condominium spatial units in the New Project Tower is completed and a ground lease for the residential use has been issued to the RFP developer, the Interim Ground Lease to WCC will be replaced as security for the DURF loan by the long-term ground lease to the RFP developer for the residential use in the New Project Tower.
Mortgage priority:	Junior mortgage; the DURF loan shall not be enforceable prior to the maturity date of the first-priority construction loan.

<sup>9</sup> Paragraph 20 of the General Lease prohibits mortgaging of the General Lease.

DURF Funds: DURF II or FAMIS 382 – Taxable Bond Funds (Unrestricted Use), unless otherwise approved by the Executive Director.

As of July 31, 2024, the balance of net available DURF funds is approximately \$103.0 million.<sup>10</sup>

Special conditions:

1. The developer's overhead, project management, and developer's fee shall not be paid from the DURF loan.
  2. The DURF loan will be forgiven if the Project is determined to be unfeasible due to factors beyond the control of the developer, as approved by HHFDC.
  3. If the DURF loan is forgiven, all plans, approvals and work product paid by the DURF loan shall be assigned to HHFDC.
  4. The DURF loan will be repaid from the interim or permanent financing of the residential use in the New Project Tower.
- I. If this For Action is approved, HHFDC plans to seek DLNR approval of the MOA and the issuance of an RFP for the leasehold development of the New Project Tower. After execution of the MOA, HHFDC plans to work on the RFP and seek coordination with WCC and DLNR for the concurrent cancellation of the General Lease and issuance of the Interim Ground Lease for the Property with consent to the mortgaging of the Interim Ground Lease as security for the DURF loan. HHFDC will not be able to issue the DURF loan to the RFP developer if there is no security for the DURF loan.

#### IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following for the planning, development, construction, and leasehold ownership of the Waikiki Community Center Mixed-Use Project at 310 Paoakalani Avenue, Honolulu, Oahu, TMK No.: (1) 2-6-025: 008, substantially as described in this For Action:

- A. An MOA between HHFDC and WCC;
- B. Request for a set aside of a portion of the Property to HHFDC for affordable housing, WCC-related uses, parking and other incidental uses, as approved by the Executive Director;
- C. All activities required of HHFDC for development of the Project as approved by the Executive Director;
- D. Request for approvals from BLNR for all applicable activities required for development of the Project, as approved by the Executive Director;
- E. Approval of a budget of up to \$5 million from DURF funds for an interim loan to the RFP developer for pre-development expenses; and

<sup>10</sup> Act 230, SLH 2024 appropriated cash infusion to DURF for FY2025 of \$50,000,000. This appropriation is not included in the estimated net available cash balance.



- F. The Executive Director shall be authorized to take all actions necessary to effectuate the purposes of this For Action;

Subject to the following (as applicable):

- G. Approval of the MOA by BLNR;
- H. Consent to the use of the Interim Ground Lease as security for the DURF loan;
- I. Availability of DURF funds;
- J. Approval of release of DURF funds by the Governor;
- K. Approval as to form of applicable documents by the Department of Attorney General and execution by the Executive Director; and
- L. Compliance with all laws and rules, and such other terms and conditions as may be required by the Executive Director.

Attachments: Exhibit A – Location Map of Property  
Exhibit B – Potential Redevelopment Envelope  
Exhibit C – Honolulu Star Advertiser article, Waikiki Community Center redevelopment could support senior housing, July 14, 2024  
Exhibit D – Initial Campus Master Plan Vision

Prepared by: Stan S. Fujimoto, Project Manager SF  
Reviewed by: Albert Palmer, Development Section Chief AP  
Reviewed by: Randy Chu, Development Branch Chief rc


Approved by the Board of Directors as

Circulated       Amended

On September 12, 2024

Development Branch

Please take necessary action.



Executive Director

Google Maps 310 Paoakalani Ave



EXHIBIT A-1

Imagery ©2022 CNES / Airbus, CyberCity 3D, Inc. / 3D Travel Inc., Maxar Technologies, U.S. Geological Survey, USGS, Map data ©2022 Google 1000 ft



EXHIBIT A-2

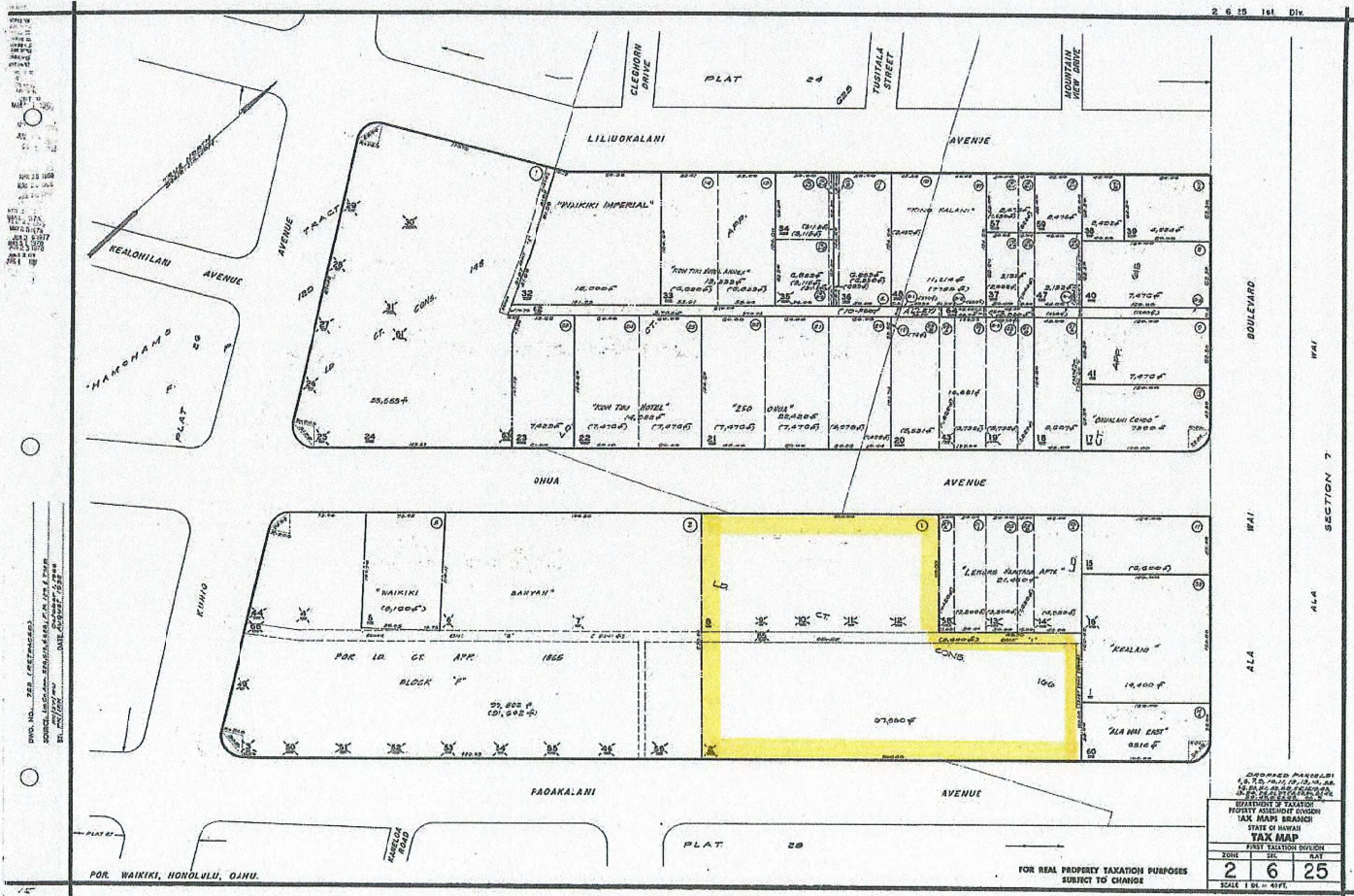
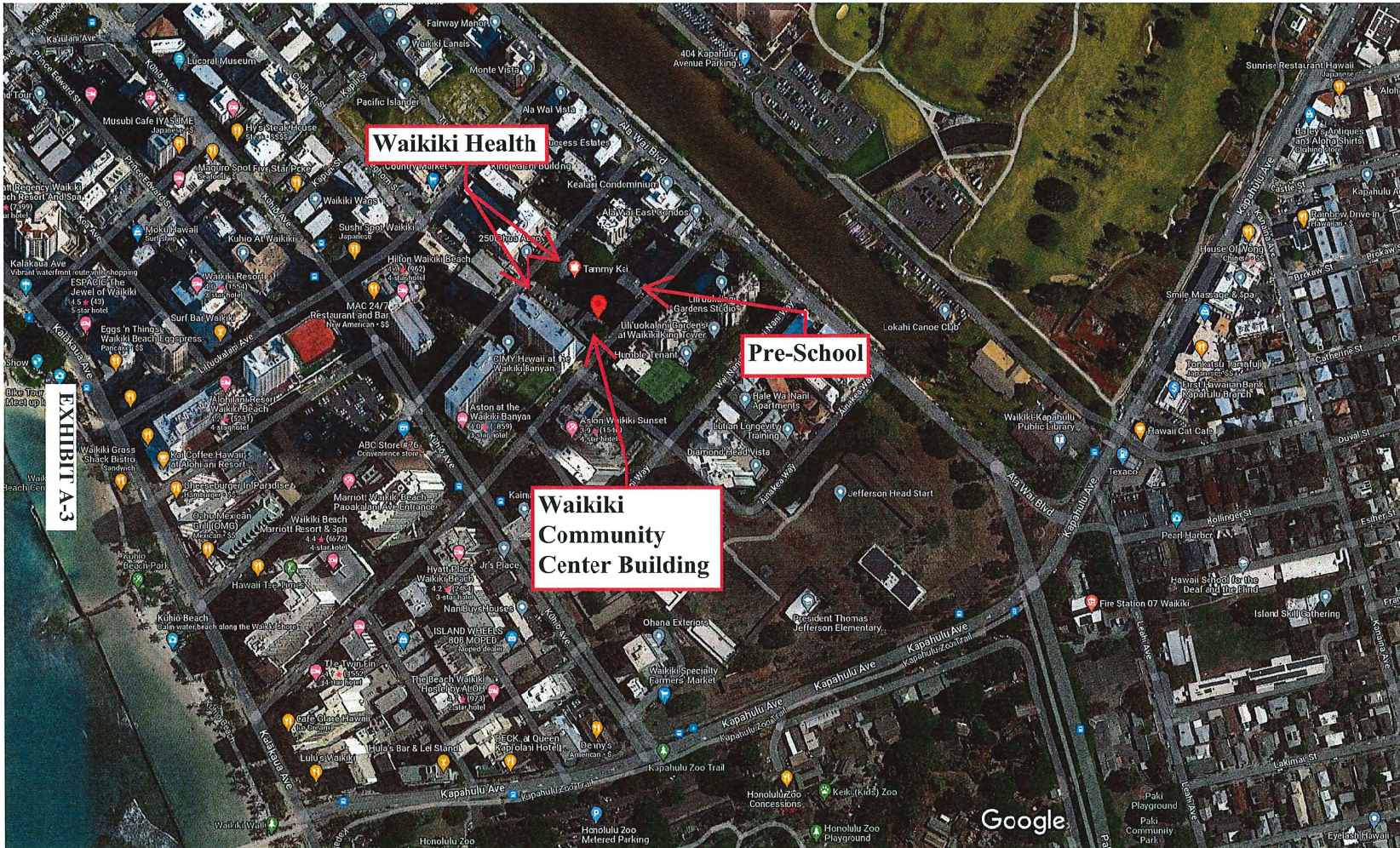


Exhibit B







## POTENTIAL REDEVELOPMENT ENVELOPE

310 Paoakalani Avenue, Waikiki

Landowner: State of Hawaii, DLNR

Lessee: Waikiki Community Center,  
a Hawaii nonprofit corporation

TMK: (1) 2-6-25:008

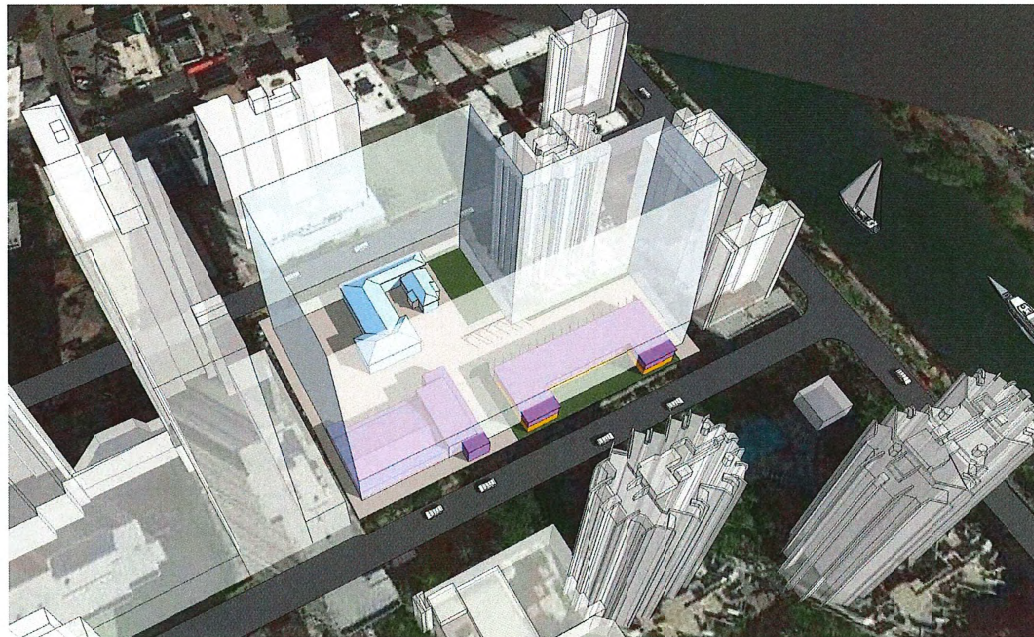
Area: 1.56 Acres; 67,950 Sq. Ft

Existing buildings are shown in color.

The site is currently very underutilized.

New buildings may occupy a portion of the potential building envelope, shown in transparent outline.

EXHIBIT B



HAWAII NEWS

# Waikiki Community Center redevelopment could support senior housing



By Allison Schaefer  
July 14, 2024



2/2 *Swipe or click to see more*  
CINDY ELLEN RUSSELL / CRUSSELL@STARADVERTISER.COM

The Waikiki Community Center hopes to better serve its community by possibly creating affordable rental housing. Above, the center's preschool and administration buildings.





The Waikiki Community Center is planning for the first major redevelopment of its site, which could include senior affordable housing to support its goal of providing holistic services.

The nonprofit, which has served the community since 1978, is discussing a collaboration with the Hawaii Housing Finance and Development Corp. to redevelop a portion of its property into a mixed-use facility that could include a preschool, offices and senior affordable housing, according to HHFDC Development Branch Chief Randy Chu.

"Discussions are preliminary at this point," Chu said in an email. "We look forward to working with WCC to provide enhanced benefits for the Waikiki community."

Center President Caroline Hayashi said the center is a "one-stop shop" for everything from homelessness prevention to low-cost preschool options, volunteering opportunities, outlets for socializing and other social services such as making sure people have enough to eat, are financially literate and are building savings.

The center serves all of Oahu, though many clients come from Waikiki.

Hayashi said that as the center looks to a future where client needs are likely to be more critical and their complexity requires a breadth of services, it is necessary to redevelop its site, which spans Paoakalani Street and Ohua Avenue. Included are three buildings from the former St. Augustine School that were built in the 1940s and 1950s and are coming to the end of their natural life.

The center site is zoned for building heights of up to 220 feet; however, redevelopment discussions are still in the early stages. Hayashi said details still have to be fleshed out with the site's owner, the state Department of Land and Natural Resources,



and with HHFDC. Even after that occurs, she said moving forward means the center must embark on its most aggressive capital campaign ever.

"We've never had a major renovation, and we've gotten to the point where things keep breaking down or we are doing expensive patches," she said.

The site is currently occupied by the community center and its on-site tenants, including United Self Help, Aina Momona, Hope Chapel Waikiki, Hawaiian Community Assets and Waikiki Health, which occupies a separate building on Ohua Street.

During an informational briefing Tuesday at the Waikiki Neighborhood Board, Hayashi said that greater site flexibility is part of the center's redevelopment vision. She said current site limitations mean there is only room for one large function at a time, and the site's second-floor space is used sparingly because it lacks an elevator to make it accessible. Modernizing also means putting in air conditioning and technology upgrades, Hayashi said.

While there are many details to work out, she told the Star-Advertiser that a key reason to proceed with a holistic redevelopment plan is the growing evidence that "getting people to the bare minimum is not enough."

"When you look at a person holistically, it's not just meeting their critical needs, it also includes meeting social-emotional needs such as addressing loneliness," she said. "AARP recently cited a study saying that loneliness is more detrimental than smoking a pack of cigarettes a day."

Hayashi said empowering the growing pool of older residents on Oahu, especially in Waikiki, is a center focus. Those over age 60 make up 30% of Waikiki's population, according to the latest



**EXHIBIT C**

U.S. Census, and she said that population is expected to increase significantly over the next 20 years.

“Waikiki has one of the highest percentages of older adults in the state, and Hawaii has one of the highest percentages of older adults in the nation,” she said.

Hayashi told the neighborhood board the center is seeing a rise in kupuna who have lived in their space for decades and are now facing rent increases of sometimes more than 50%, or are in imminent danger of becoming homeless because their buildings are being sold or renovated.

“I understand why it’s happening. But the result is we have more kupuna in danger of becoming homeless, and I don’t think any of us want to see that,” she said.

Hayashi told the Star-Advertiser that the center also has made a commitment to continue its Thrive by 5 Affordable Preschool Initiative, which reduces tuition by about 50% for so-called ALICE (asset limited, income constrained, employed) families, who need support to gain access to quality early education.

She highlighted impact summary statistics from 2023 showing the center engaged with more than 20,000 community members, increased holistic wellness for 1,489 kupuna, supported 5,027 community members by distributing 18,815 pounds of food and served 108 families at the preschool.

Several members of the Waikiki community who spoke to the Star-Advertiser expressed support for the redevelopment proposal.

Rick Egged, who serves on the community center board and is president of the Waikiki Improvement Association, said it “makes a lot of sense, as everyone is aware we have a critical housing shortage in Honolulu, particularly in Waikiki.



#### EXHIBIT C



"This land is state property that is leased for the community center. It's a compatible use," said Egged, speaking on his own behalf. "It is clear that the community is looking to be able to develop more housing. Waikiki Community Center could be part of that solution."

Waikiki Neighborhood Board Chairperson Bob Finley called the affordable housing component "a logical expansion" of the community center.

"We know that we have people with housing challenges in Waikiki and it would be hard to move them to a different district. We should have affordable housing for them," Finley said. "A lot of progress has been made in taking someone off the street, but if there isn't any housing, what good are all of those efforts?"

Waikiki resident Denise Boisvert-Jorgensen said, "Offering an affordable housing opportunity to kupuna on the Waikiki Community Center property, conveniently located in the heart of Waikiki's residential apartment precinct, is a commendable idea. Hopefully it will only be a mid-rise building because it is already a high-density area with several nearby towers obstructing air flow."

She added, "My main concern would be to have vigilant oversight to ensure that the apartments will remain rentals and be forever affordable. I wouldn't want a bait-and-switch to condo conversion or rental-market rates to take place after a few years."

Neighborhood Board member and urban planner Jeff Merz said the center is a good community partner and will likely find ways to mitigate density concerns.

"Now that Waikiki does not require parking with developments, they could provide more green space," he said. "They could



#### EXHIBIT C

really creatively do something for that area. They haven't touched it in years; it could use a refresh."

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#### WAIKIKI LIGHTS 2024, PAINT THE TOWN

A fundraiser for the Waikiki Community Center

>> When: Aug. 22 at 5 p.m.

>> Where: Hilton Hawaiian Village Waikiki Beach Resort

>> Honorees: Debi Bishop, managing director Hilton Hawaiian Village; Jackie Reed, CEO of TS Restaurants; Kelly Knox, Southwest Airlines' corporate responsibility advisor

>> Why: Sponsorship helps the Waikiki Community Center provide programs and services to children and seniors who live and work in Waikiki.

>> Registration: [waikikicommunitycenter.org](http://waikikicommunitycenter.org), email [jokimura@waikikicommunitycenter.org](mailto:jokimura@waikikicommunitycenter.org) or call (808)923-1802

>> Ticket prices: \$600 for individuals, table prices for eight range from \$4,500 to \$15,000 depending on the level of sponsorships.

 1 COMMENTS



EXHIBIT C

8/29/24

INITIAL CAMPUS MASTER PLAN VISION  
WAIKIKI COMMUNITY CENTER

Waikiki Community Center's (WCC) initial conceptual Campus Master Plan Vision prepared by Callison RTKL envisioned the following:

	<u>Square Feet</u>
WCC:	
• Auditorium, commercial kitchen, computer lab (Senior Planet), programs, case management, meeting rooms, administrative and leased space	40,400
• Preschool	<u>9,200</u>
Subtotal	49,600
Waikiki Health	47,200
Affordable rental housing	<u>119,000</u>
Total gross building area (excludes parking)	215,800

Approximately 3.18 floor area ratio (FAR) on land area of 67,950 square feet. This will require modifications from zoning requirements. According to the Honolulu Land Use Ordinance, Table 21-9.6(B), which provides the Development Standards for the Waikiki Special District, the permitted FAR for a property of this size is 1.9. Relying only on the Property site plus one-half the abutting right-of-way area of any public street or alley (as allowed under Table 21-9.6), WCC estimates that without zoning modifications (such as under HRS Chapter 201H, for example), the Property could be developed with up to 162,450 square feet of floor area. WCC letter of August 30, 2021.



MEMORANDUM OF AGREEMENT

BETWEEN THE

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION AND THE

WAIKIKI COMMUNITY CENTER

This Memorandum of Agreement (“**Agreement**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the Hawaii Housing Finance and Development Corporation, a public body and a body corporate and politic of the State of Hawaii, whose business and post office address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813 (“**HHFDC**”), and the Waikiki Community Center, a Hawaii non-profit corporation, whose business and post office address is 310 Paoakalani Avenue, Honolulu, Hawaii 96815 (“**WCC**”)(collectively, the “**Parties**”).

WITNESSETH:

WHEREAS, the State of Hawaii (the “**Fee Owner**”) is the owner in fee simple of that certain parcel of land consisting of 67,950 square feet (1.56 acres) situated at 310 Paoakalani Avenue, Waikiki, City and County of Honolulu, State of Hawaii, 96815, Tax Map Key No. (1) 2-6-025: 008, described in **Exhibit A** attached hereto and made a part of this Agreement (the “**Property**”).

WHEREAS, the Property is not ceded land.

WHEREAS, the Property is subject to General Lease No. S-5805 dated April 1, 2007 between the Fee Owner and WCC for thirty years from April 1, 2007 to and including March 31, 2037, recorded at the Office of Assistant Registrar of the State of Hawaii as Document No. 3679727 on Certificate of Title No. 283,273 (the “**General Lease**”).

WHEREAS, the General Lease was issued under Hawaii Revised Statutes (“**HRS**”) § 171-43.1, which authorizes the Board of Land and Natural Resources (the “**BLNR**”) to lease at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization, such as WCC, which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended.

WHEREAS, pursuant to HRS § 171-43.1, the BLNR set the rent for the first 10 years of the General Lease at \$156.00 per annum; for the second 10 years of the General Lease rent was set at \$480.00 per annum; and the rental shall be reopened at the 20<sup>th</sup> year of the General Lease with the rental at that time to be based upon the BLNR’s then-prevailing minimum rent policy.

**EXHIBIT 2B**

WHEREAS, under the General Lease, the character of use of the Property states that WCC “shall use or allow the premises leased to be used solely for youth, education and multi-service community center to house human services and community activities.”

WHEREAS, existing improvements at the Property currently include buildings for the WCC, including assembly and meeting spaces, senior case management spaces, foodbank, and general office space; a pre-school; and Waikiki Health (“**WH**”).

WHEREAS, the Parties desire to re-develop the Property into: (i) a mixed-use project to include affordable residential rental housing and complementary WCC-related uses (the “**New Project Tower**”); and (ii) and the “**Other Existing Uses**”, comprised of other existing WCC uses, WH, parking, and incidental uses. The New Project Tower and the Other Existing Uses are hereinafter collectively referred to as the “**Project**”.

WHEREAS, one concept for the Project is to develop the New Project Tower on the location of the existing pre-school and offices (the “**New Project Tower Area**”) with a high-rise mixed-use residential tower, the lower few levels of which will have a new WCC pre-school, WCC office space and related program space, and WCC parking located above, and with the affordable rental housing use located above the parking.

WHEREAS, under that concept, the remainder of the Property (the “**Other Existing Uses Area**”) would continue to be used exclusively for the additional elements of the WCC Project.

WHEREAS, the mixed-use development concept for the Project would generally entail:

- (a) HHFDC’s preparation, in consultation with WCC, of a request for proposals (“**RFP**”) for the leasehold development of the New Project Tower;
- (b) Selection of the RFP developer (the “**Developer**”) by HHFDC and WCC;
- (c) The Developer’s preparation of a refined master plan for the Project, subject to the approval of HHFDC and WCC;
- (d) Developer’s satisfaction of the environmental review requirements under HRS Chapter 343 for the Project;
- (e) Cancellation of the existing General Lease and execution of a new long-term lease between the Fee Owner and WCC that contemplates the proposed Project (the “**Interim Ground Lease**”);
- (f) The Developer’s securing of all entitlements for the Project, likely including without limitation City Council approvals under HRS Chapter 201H;

- (g) The Developer's division of the Property by subdivision and/or condominium property regime into the New Project Tower Area and the Other Existing Uses Area;
- (h) Cancellation of the Interim Ground Lease, execution of a new long-term lease between the Fee Owner and WCC for the Other Existing Uses Area (the "**New WCC Ground Lease**"), and set aside, pursuant to all appropriate statutory, executive, and legislative requirements, of the New Project Tower Area to HHFDC for affordable housing and related purposes, including WCC-related uses to be located within the New Project Tower Area;
- (i) HHFDC's issuance of a ground lease or leases for separate condominium units (or other conveyable property interests) in the New Project Tower Area to the Developer and, to the extent WCC-related uses are located within the New Project Tower Area, to WCC;
- (j) Developer's clearing and redevelopment of the New Project Tower Area into the New Project Tower;
- (k) WCC (and its sublessees) redevelopment of the Other Existing Uses Area when WCC is ready; and
- (l) HHFDC's undertaking of all necessary tasks within the scope of its authority in furtherance of the development of the New Project Tower.

WHEREAS, the Parties desire to enter into this Agreement to define their respective roles and responsibilities in pursuing the Project.

NOW, THEREFORE, the Parties mutually agree as follows:

A. HHFDC Obligations. HHFDC shall be responsible for the following:

1. Obtaining HHFDC Board of Directors approvals as required, including for this Agreement, and at HHFDC's discretion, an interim loan of up to \$5 million to the Developer from the Dwelling Unit Revolving Fund for planning and development of the New Project Tower ("**DURF Loan**").
2. Coordination with WCC in obtaining consent or approval of this Agreement and all subsequent agreements or related approvals from the Fee Owner.
3. Coordination with WCC on each of the various phases of the Project, including the preparation of the RFP, the preliminary evaluations, developer selection,

development agreement(s) for the New Project Tower, development document(s), and public outreach.

4. Allowing WCC to name two WCC representatives to serve on the RFP developer selection committee; provided, however, that WCC shall have the absolute right to reject any proposed RFP developer should WCC determine in its sole discretion that the development proposal presented in response to the RFP is not consistent with WCC's vision or needs.
5. Issuance of an RFP for leasehold development of the New Project Tower, which will set forth the future Developer's obligations including without limitation the following:
  - a. Refinement of a master plan and satisfaction of the environmental review requirements under HRS Chapter 343 for the Project;
  - b. Hazardous waste assessment of the New Project Tower Area, including assessments for asbestos and lead paint, testing and abatement as necessary for development of the New Project Tower Area;
  - c. Project delivery expectations, including space program requirements for the WCC;
  - d. Division of the Property by subdivision and/or condominium property regime between the New Project Tower Area and the Other Existing Uses Area;
  - e. Pursuit of any and all entitlements needed for the Project;
  - f. Assuming the Project includes a high-rise mixed-use residential tower:
    - i. Creation of a condominium property regime for the New Project Tower such that there are separate leasable units for the WCC-related use and for the affordable rental housing use; and
    - ii. Provision of an allocation of costs for the development and construction of the WCC-related uses located within the New Project Tower.
6. As an option, coordination with WCC and the Fee Owner in requesting for a set aside of the Property to HHFDC for affordable housing, WCC-related uses,

parking, and other incidental uses, subject to approvals by the Fee Owner of applicable activities relating to the leasehold development, ownership and operation of the Project, including but not limited to (as applicable) consent to the cancellation of the General Lease, consent to the Interim Ground Lease, consent to the cancellation of the Interim Ground Lease, consents to the New WCC Ground Lease and a new ground lease to WCC for the Other Existing Uses Area, consent to a new ground lease to the Developer, subdivision of the Property, authorize the creation, amendments, and execution of documents for a condominium property regime, issuance of rights-of-entry to HHFDC and the Developer, and consents to mortgages.

7. Coordination with WCC and the Fee Owner in obtaining the cancellation of the General Lease and issuance of the Interim Ground Lease to WCC.
8. Coordination with WCC in obtaining any necessary approvals from the Fee Owner for a Right-of-Entry to HHFDC and the Developer and its consultants for inspection, hazardous waste assessments and testing, master planning, and HRS Chapter 343 evaluation and compliance for the Project.
9. In consultation with WCC, preparation of a development agreement with the Developer for the New Project Tower that shall provide adequate protection of WCC's interests, to be determined in WCC's sole and absolute discretion.
10. Execution and management of the development agreement.
11. Coordination with WCC and the RFP Developer, as applicable, in obtaining from the Fee Owner any and all approvals needed in furtherance of the development and establishment of the Project, including without limitation authorization for obtaining entitlements, subdivisions, condominium property regimes, easements, and rights-of-entry for construction and other related purposes.
12. Coordination with WCC in obtaining from the Fee Owner
  - a. cancellation of the Interim Ground Lease;
  - b. execution of the New WCC Ground Lease;
  - c. set aside of the New Project Tower Area to HHFDC for affordable housing and related purposes that allow the intended WCC-related uses.

13. Issuance of long-term ground leases of the condominium units in the New Project Tower Area for the affordable rental housing use to the RFP Developer, and, if applicable, for the elements of the WCC-related uses located therein to WCC.<sup>1</sup>
14. Agree that costs other than those specifically identified herein shall be allocated to the benefitted party and that specifics related to said allocations will be determined in good faith on a case-by-case basis.

B. WCC Obligations. WCC shall be responsible for the following:

1. Obtaining required approvals from the WCC board.
2. Coordination with HHFDC in obtaining consent or approval of this Agreement and all subsequent agreements or related approvals from the Fee Owner.
3. In coordination with HHFDC, requesting consent from the Fee Owner for the use of the Interim Ground Lease as security for the DURF Loan.
4. Assisting HHFDC in the formulation of the RFP, including providing program requirements for the applicable elements of the WCC-related uses located within the New Project Tower.
5. Naming two representatives to serve as members of the RFP Developer selection committee.

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<sup>1</sup> HHFDC's ground lease to the RFP Developer shall be subject to HHFDC's policy for minimum base lease rents approved by the HHFDC Board of Directors on November 18, 2021. Section III.C.5. of the HHFDC For Action dated November 18, 2021 provides,

“Annual Base Rent. The new ground lease shall provide for annual base rent payable annually in advance based on the below schedule and increasing by three percent (3%) per year (compounded) during the entire term of the lease. (The purpose of the annual base rent is to help to pay for HHFDC's estimated allocated lease administration costs, and it is recommended that these costs be reevaluated every five years.)

<u>Lease</u> <u>Commencement Date</u>	<u>Initial</u> <u>Annual Rent</u>
Fiscal Year 2022	\$10,000
Fiscal Year 2023	\$10,500
Fiscal Year 2024	\$11,000
Fiscal Year 2025	\$12,500
Fiscal Year 2026	\$13,000”

HHFDC's ground lease to WCC will not be subject to said HHFDC policy. It is the intent of the Parties that HHFDC's ground lease to WCC will be consistent with the Board of Land and Natural Resources Minimum Rent Policy then applicable to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended, or to a similar policy or arrangement that is consistent with the intent and language of the Board of Land and Natural Resources' Minimum Rent Policy.



6. Participating in good faith in the selection of the RFP Developer.
7. Participation in the Project by:
  - a. Providing pertinent background information about the Property from materials currently in possession of WCC.
  - b. Reviewing and commenting on work products in a timely manner.
  - c. Working closely with HHFDC in preparing the RFP and evaluating various proposals in making the selection of the RFP Developer.
  - d. Supporting HHFDC's and the Developer's public outreach and education efforts to promote interest and input in the Project.
  - e. Issuing a right-of-entry to the Developer and its consultants for inspection, hazardous waste assessments and testing, master planning, and HRS Chapter 343 evaluation and compliance for the Project.
  - f. If applicable, entering into a ground lease with HHFDC for the condominium unit(s) within the New Project Tower for the WCC-related uses located therein upon terms agreeable to the Parties and consistent with the nominal rental provisions set forth in footnote 1.
8. Obtaining funding for the allocated costs for the applicable elements of the WCC-related uses located within the New Project Tower.
9. Relocating the existing pre-school tenants and all other WCC-related uses from the New Project Tower Area prior to commencement of construction of the New Project Tower.
10. Development of the Other Existing Uses Area by WCC and its sublessees when they are ready.
11. Agree that costs other than those specifically identified herein shall be allocated to the benefitted party and that specifics related to said allocation will be determined in good faith on a case-by-case basis.

C. CAM. In the event all WCC uses, including the Other Existing Uses are located on separately subdivided lots or units and no part of the WCC uses including the Other Existing Uses share any common area with the New Project Tower, no common area

maintenance charges (“**CAM**”) for the New Project Tower shall be assessed against WCC for any uses within the New Project Tower Area or the Other Existing Uses Area. Should any of the WCC uses, including the Other Existing Uses be integrated within the New Project Tower, including parking, access, or common area, then WCC and HHFDC shall negotiate CAM and parking costs.

D. Other Constraints.

1. Pursuant to Section 201H-12(a), HRS, for mixed-use developments, depending upon whether the New Project Tower is on a separate subdivided lot, the Project or the New Project Tower, as applicable, shall be approved by the county in which the Project is located and shall be subject to Chapter 104, HRS, title 40 United States Code sections 3141, 3142, 3143, 3144, 3146 and 3147, or a project labor agreement by law or contract in the construction of the Project.
2. Pursuant to Sections 15-307-26(a)(3)(C), 15-307-27(2), and 15-307-52, Hawaii Administrative Rules, depending upon whether the New Project Tower is on a separate subdivided lot, the Project or the New Project Tower, as applicable, shall be primarily designed for affordable housing.<sup>2</sup>

E. Conflict of Interest. No employee, officer or director of WCC or HHFDC who participates in the planning, RFP, evaluation, award, and approval of proposals, and monitoring of the development and operation of the Project shall assist the Developer with the Project for a fee or other consideration during, and for 12 months after such period of employment or appointment at WCC or HHFDC.<sup>3</sup> HHFDC and WCC shall not enter into a contract with a Developer who was assisted by an employee, officer or director of HHFDC or WCC who participated in the Project and was an employee, officer or director of HHFDC or WCC within the 24 months preceding execution of the contract.<sup>4</sup> No third-party consultant who participated in the planning of the Project, shall assist in the preparation of any proposal for the RFP for the Project. After the Developer has been selected and approved by HHFDC, the third-party consultant may serve as members or consultants on the selected Developer’s team.

F. Term. This Agreement shall be effective as of the dated listed above and shall continue until such time that the Parties determine that the objectives of this Agreement have been fulfilled, unless sooner terminated as provided herein.

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<sup>2</sup> More than 50% of the gross floor area (excluding parking) of the project on the subdivided lot shall be for affordable housing.

<sup>3</sup> See Sections 84-18(b) and (c), HRS.

<sup>4</sup> Section 84-15(b), HRS.

G. Termination of Agreement.

1. Either party may terminate this Agreement with sixty (60) days' prior written notice to the other party.
2. Upon termination of this Agreement, HHFDC and WCC shall be released from any further obligations hereunder.

H. Notice. All notices required or permitted to be given under this Agreement shall be in writing to the individuals listed below and shall be deemed to have been given and received (a) when personally delivered, or delivered by same-day courier; or (b) on the third business day after mailing by registered or certified mail, postage prepaid, return receipt requested; or (c) upon delivery when sent by prepaid overnight express delivery service (e.g., FedEx, UPS); or (d) when sent by email and upon the receipt by the sending party of written confirmation by the receiving party; provided, however, that an automated email read receipt shall not constitute such confirmation. The Parties are responsible for notifying each other in writing of any change of address.

WCC Point of Contact:      Caroline Hayashi  
    310 Paoakalani Avenue  
    Honolulu, Hawaii 96815  
    T: (808) 923-1802  
    E: chayashi@waikikicommunitycenter.org.

HHFDC Point of Contact:    Name  
    Address  
    Telephone  
    Email

I. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

J. Waiver of Contractual Right. The failure of either party to enforce, or the granting of a waiver of, any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

K. Amendment. This Agreement may be modified, amended, or extended only by mutual written agreement signed by both Parties.

L. Entire Agreement. This Agreement contains the entire agreement of the Parties and there are no other promises or conditions in any other agreement whether oral or written relative to this Agreement. This Agreement supersedes any prior written or oral agreements, conditions, understanding, promises, warranties or representations whether express or implied between the Parties.

M. Applicable Law. This Agreement shall be governed by the laws of the State of Hawaii.

N. Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which shall be deemed a duplicate original, but all of which taken together shall constitute one and the same instrument. The Parties agree that this Agreement may be executed (whether by original (“wet-ink”) signature or an electronic signature (including through e-sign services providers such as DocuSign)) and the signature pages transmitted by facsimile, electronic image scan transmission (such as emailing a “pdf” file), or other electronic transmission. The delivery of such signature pages via facsimile, electronic image scan transmission, or other electronic transmission shall constitute effective execution and delivery hereof. If so executed and delivered by one or both parties hereto, the effectiveness of this Agreement shall not be affected by the non-delivery of any manually-signed signature page.

The remainder of this page intentionally left blank.

IN VIEW OF THE ABOVE, HHFDC and WCC execute this Agreement by their signatures, on the dates below, to be effective as of the date first above written.

APPROVED AS TO FORM:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

\_\_\_\_\_  
Deputy Attorney General

\_\_\_\_\_  
Dean C. Minakami  
Executive Director

Date: \_\_\_\_\_

“HHFDC”

WAIKIKI COMMUNITY CENTER  
a Hawaii nonprofit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

“WCC”

EXHIBIT A

(Legal description of the Property)