

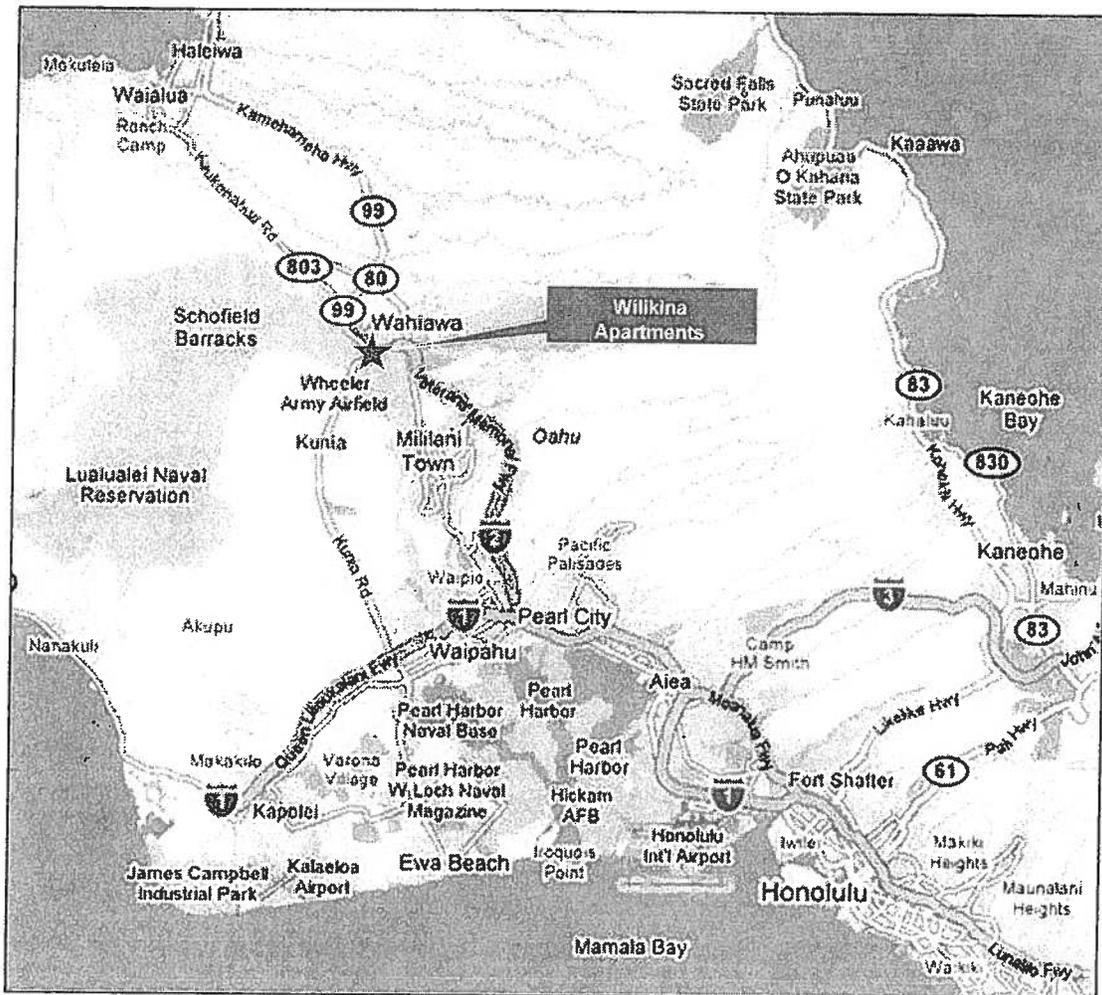
<b>Name of Property:</b> Wilikina Apartments	<b>Address:</b> 730 Wilikina Drive
<b>Number of Units:</b> 119	<b>Unit Type:</b> 79= 1 bdr /40 = 2bdr
<b>Request for Proposal Issued:</b> March 2008	
<b>Selection of Buyer:</b> September 17, 2009	
<b>Buyer:</b> VB Wilikina Limited Partnership (	
<b>Purchase &amp; Sale Agreement signed:</b> February 22, 2010	
<b>Sale Price:</b> \$ 10,000,000.00	<b>Net Sales Proceeds:</b> estimated at \$4,750,000.00
<b>Use of Net Proceeds:</b> To fund capital replacement and operating reserves for the HPHA	
<p><b>Overview:</b></p> <p>This property is held by a single asset nonprofit entity called HHA Wilikina Apartment Projects, Inc. It is considered an affiliate of the HPHA and has its own Board comprised of HPHA board directors. It is not considered public housing but is part of the HUD multi-family portfolio. As a result, the HPHA cannot use federal capital dollars for renovations.</p> <p>This property is to be sold as leasehold to ensure it remains affordable. The HPHA will retain the ground lease.</p> <ul style="list-style-type: none"> <li>• Determines Project Scope and Location</li> <li>• Issued Developer RFP</li> <li>• Will enter into Development Agreement</li> </ul> <p>In the initial offering there were four entities that submitted "best and final offers" They were:</p> <ul style="list-style-type: none"> <li>• The Amerland Group</li> <li>• Phoenix Family Housing (PFH)</li> <li>• Mutual Housing Association of Hawaii, Inc. (MHAH)</li> <li>• Hawaii Assisted Housing, Inc. &amp; Allied Pacific Development (APD)</li> </ul> <p>The offer of Amerland Group was accepted. However after negotiations it was determined that the Amerland Group did not have the financial wherewithal to complete the project based on the terms and conditions as articulated in the RFP.</p> <p>A second round of "best and final offers" was requested from the remaining 3 offerors. It was from the second round that PFH offer was accepted.</p> <p>PFH is a 501(c)(3) and a general partner along with VB Wilikina Apartments, Inc., in the Limited Partnership of VB Wilikina Limited Partnership Not-for-Profit entity owns project –Developer provides uses.</p> <p>This public/private partnership provides the following benefits:</p> <ul style="list-style-type: none"> <li>• Transfer certain risks to the private sector</li> <li>• Speed of project completion. The HPHA has estimated repairs/renovation at approximately \$11 million. The HPHA would have to perform the work in phases</li> </ul>	

which would allow the time to secure the balance of the funds to complete the renovations/repairs. This could take up to 3-4 years.

- Private party enters into a ground lease; HPHA retains fee interest
- Asset reverts back to the HPHA at the end of the lease

The disadvantages may be:

- Because the tenant is responsible for making substantial improvements, the landlord has a potential risk that the tenant will not complete the improvements and the landlord will be faced with the need to expend funds to complete or demolish the partially completed improvements.
- Because of the likelihood of leasehold financing and the "lender protection" provisions a mortgagee will require, the transaction will likely be more complicated than a sale would have been.



**Wahiawa**

Wahiawa is located approximately 21 miles from downtown Honolulu and provides easy access via Hawaii's I-H2. Wahiawa is also home to Wheeler Army Base and the Schofield Barracks Army Base.

The town of Wahiawa has an estimated population of 15,732 and annual median income per household of \$49,625. Although slightly lower than the national median and the island overall, the region is sustained by local businesses, access to the Honolulu market, and its proximity to the local military bases. This community also benefits from its centralized location, being nearly equidistant to both the North Shore and Honolulu.



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