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**P48**



# HAWAII RESPONDS

## AFTER A DEVASTATING SUMMER, THE ISLANDS REFOCUS





# A Longstanding Commitment

Tax credit syndication arm of national real estate company continues bringing affordable housing to Hawaii

Affordable housing is more expensive than ever to build. This is particularly true in Hawaii, where added obstacles demand even greater investments in an already cost-escalated market. For this reason, the islands need allies like Hunt Capital Partners (HCP) who can deliver both expertise and capital to get deals done.

HCP is the syndication division of Hunt Companies, a family-owned principal investment firm founded in 1947 based in El Paso, Texas, with interests in the real estate, infrastructure and financial services sectors. The company has a global portfolio that employs more than 4,700 people spanning North America, Europe, Australia and Africa and provides solutions to critical priorities. As a prime example, the company and its partner Scatec Solar North America conceptualized and initiated development of the 5MW-AC Kalaeloa Renewable Energy Park (KREP) on Oahu, which, at the time, was one of Hawaii's largest operational solar energy generation facilities.

Hunt's broad investment portfolio includes military housing, multifamily housing, construction services, renewable energy and a host of financial services. HCP specializes in the syndication of federal and state low-income housing tax credits (LIHTC) in addition to specialized programs, such as solar and historic tax credits and Rental Assistance Demonstration (RAD). Since its inception in 2010, HCP has raised over \$3 billion in tax credit equity, helping to create affordable and workforce housing across the nation—including in Hawaii.

HCP is an intrinsic part of the affordable housing landscape on the islands. Its parent company and several affiliates have maintained a presence in Hawaii for over three decades and consider themselves

well-connected, with deep roots in the state. In fact, HCP is the only affordable housing syndicator with a true presence on the Hawaiian islands, bringing an added degree of familiarization and commitment to the state's communities.

In light of the tragedies related to the Maui wildfires this summer, HCP is leveraging its tax credit syndication expertise and presence in Hawaii to help rebuild, create new homes and give back to the residents of the islands. Further, Hunt Companies and its affiliates have collectively donated more than \$250,000 to support relief efforts.

### 30+ YEARS IN HAWAII

Hunt and its affiliates have had a formal presence in Hawaii for over 30 years, beginning with military housing developed by Hunt Building Company at the former Naval Air Station Barber's Point on Oahu. Several additional military housing projects were awarded to Hunt in the subsequent 10 years, supporting all the branches. When the military privatized their housing in the late '90s, Hunt became a major player in that field and is now the largest owner of privatized military housing in the country. In Hawaii, Hunt now owns and manages over 7,000 homes for the Navy and Marines, hosting over 19,200 people in 40 neighborhoods.

Through the years, several other Hunt affiliate companies have deepened their roots on the islands and helped contribute to overall community development, including Hunt Development Group

(HDG), Moss Construction and CGL. Over on Kauai, HDG developed 'Ahuimanu, a 42,000 square-foot retail and dining center completed in 2019. Most recently on Oahu, HDG and Moss worked together to deliver the University of Hawaii's Residences for Innovative Student Entrepreneurs (RISE), a unique innovation center coupled with student housing. CGL is currently working with the Hawaii Department of Public Safety (PSD) and Department of Accounting and General Services on the planning and design of the Women's Community Correctional Center (WCCC) Expansion project in Kailua on Oahu.

In the realm of tax credit equity, HCP has made significant contributions that have not only impacted the islands' affordable housing stock but also bolstered their local economies. HCP has raised equity to build these units, of which 65.1 percent of equity has been sourced from banks and investors across the continental U.S. This capital has assisted in the creation of 21 properties totaling 1,665 affordable housing units on three islands. In sum, HCP has helped house over 5,100 individuals.

One of the biggest benefits HCP has to offer is its widespread partnerships in the larger real estate investment industry. Hunt's family of companies lends connections and expertise across the spectrum of financing, development and construction. And, thanks to its national presence, HCP has the ability to bring investors on the continental U.S. to the islands, offering a much larger pool of capital than local Hawaii banks could provide alone.



President :: Jeff Weiss | Location :: Los Angeles, California



“Our business—the affordable housing syndication business, affordable housing development business—is a relationship business. And, because of Hunt’s entrenchment and Hunt Capital Partners’ experience in Hawaii, we’re very much able to leverage our relationships,” says Jeff Weiss, President of HCP. “We have raised equity for 21 developments in Hawaii and have a pipeline of five additional developments scheduled to close over the next 12 months. We are able to leverage our relationships with both Hawaii-based investors and investors on the continental U.S. to help finance transactions. The fact that Hunt has a significant Hawaii presence and has been in the islands for more than 30 years gives a lot of comfort to investors on the continental U.S. because we have a deep commitment to Hawaii. But also, Hunt’s multiple divisions and affiliates bring expertise where we can help our development partners.”

**SETTING NEW STANDARDS**

This investment value-add is evident in several ongoing deals HCP helped fund across the islands. On Oahu, HCP is involved in the financing of Hālawā View II, developed by Pacific Development Group, with assistance from Hunt Development Group, the State of Hawaii and the City and County of Honolulu. The high-rise property will deliver 302 new affordable homes for households earning below 60 percent AMI, alongside amenities like a fitness center, an outdoor plaza overlooking Hālawā Stream and resident lounges. The building will complement the first phase of Hālawā View, which was renovated in 2012. The community is walking distance from Honolulu’s new Skyline metro rail system.

“We’re very excited about that [deal]. The transit-oriented nature of it, across from the new Skyline rail stop near Pearl Harbor, and also adjacent to Aloha Stadium—that’s going to be a very important property to [provide] much-needed affordable housing in that area,” Weiss says. “We’re very proud that J.P. Morgan bought the federal credits. It’s one of the few organizations that could come in and buy that amount of credits, and that was great.”

This July, HCP closed on \$80 million in federal LIHTC and \$40 million in state LIHTC financing for the development. This represents the largest allocation of federal and state tax credits on the islands to date. HCP’s expertise in bringing investors from the continental U.S. was critical to making the deal happen, which brought J.P. Morgan into the mix through its proprietary fund, Hunt Capital Partners Tax Credit Fund 40. Hālawā View II is expected to open in summer 2025.

“J.P. Morgan is honored to be playing a part in the creation of 302 affordable units for families in an area where many are rent-burdened, and quality affordable housing is scarce,” says Amber Beeman, Executive Director at J.P. Morgan.

HCP has also been involved in several deals in Lāhainā on Maui. Last year, the company helped finance and open Kaiāulu o Kupuohi, an 89-unit affordable building built by Blieu (formerly Urban Housing Communities) and Ikaika Ohana. Unfortunately, this community was lost in the Maui wildfires this August. The development team is creating a strategy to rebuild the property and other replacement housing as soon as possible.

Fortunately, another property just across the street, Kaiāulu o Kūku’ia, was spared in the fires. This 200-unit affordable community is under construction and will be the first to come to market following this year’s tragedy. Ikaika Ohana, the developer, is working with HCP and its government partners to expedite construction of the property and offer the much-needed units to families in need.

“Prior to Hālawā View on Oahu, Kaiāulu o Kūku’ia was the largest allocation of federal and state credits in the state. So, we’re pushing the boundaries here. Kaiāulu o Kūku’ia was a very important deal at the time. And because of the Lāhainā wildfires, the project is even more critically needed,” Weiss says. “At one time, it was much-needed additional housing; unfortunately, it’s now replacement housing.”

**REBUILDING TOGETHER**

The wildfires exacerbated an already dire affordability crisis on Maui, in particular. Prior to the devastation, more than half of Maui renters were considered rent-burdened, and fewer than one in three Maui households could afford a single-family home.

A comprehensive effort is required to rebuild Maui and provide additional housing options to the low- and moderate-income citizens of the county. Hunt and HCP have put forth monetary and social support to do their part in the rebuilding effort. All residents from the Kaiāulu o Kupuohi community have been accounted for, and HCP has worked with the project team to relocate and provide support to each household that’s been displaced. The company’s entire staff has also rallied to fundraise for and support the island.

“In regard to how we think we can help, we need to offer our assistance, but the residents of Maui, and specifically Lāhainā, need to chart that path. If the decision is they want to build 10 new affordable deals, we want to be part of it and we want to help provide support,” Weiss says. “The path of rebuilding is very complicated and it’s emotional. All I can do is offer my assistance. I’ll offer ideas if I’m asked, but it’s not [our] decision of how to rebuild Lāhainā. I don’t want to tell people what to do; I want to offer my assistance.”

One thing is clear—HCP’s expertise and capabilities will remain an integral part of Hawaii’s affordable housing future. Paired with their connections to the local community, Hunt and its affiliates are positioned to offer valuable help on the path forward.

“Hunt has long been a familiar face on the Hawaiian islands for many years and is well-integrated within the state’s fabric. Our active involvement in the community, marked by our presence on Oahu, Maui and the Big Island, has really provided our team keen insight,” Weiss says. “We have resourceful relationships with local change-makers who have the capacity to drive meaningful change. Hunt has employees who live and work in Hawaii—many of whom were born and raised there. So, [we’re] very much aware of what happens in the islands, but more importantly, I think [we’re] aware of the needs of Hawaii and the communities that we’re in.”

# Together, We Build.

Hawai’i has a special place in our hearts. We’ve been part of the islands for over thirty years with a firm commitment to the people and communities across the state. The wildfires on Maui and the Big Island were devastating, and all of us at Hunt Companies extend our heartfelt sympathies to those affected.

To our residents, partners, and friends in Hawai’i, especially those on Maui, we want you to know you remain in our thoughts and prayers. And know, too, that Hunt Companies and our affiliates, many of whom live and work in Hawai’i, are supporting the Maui Strong Fund and other initiatives, including direct financial support to our residents affected by the Lahaina fires. To date, giving has exceeded \$250,000.

We have seen firsthand the strength of Hawai’i’s people. We believe in the aloha spirit. And we know that together we will rise above this tragedy. Together, we build.



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