Financing secured for Kūhiō Park Terrace Redevelopment; 302 affordable units coming to Kalihi

HONOLULU, HI, UNITED STATES, October 24, 2025 /EINPresswire.com/ -- The City and County of Honolulu, through its Department of Housing and Land Management (DHLM), together with the Hawaiʻi Public Housing Authority (HPHA), today announced the financial closing for the first phase of the Kūhiō Park Terrace redevelopment — a multi-year, multi-phase effort to revitalize one of Kalihi's largest public housing communities.

Rendering of the first phase of the Kūhiō Park Terrace Low-Rises and Homes redevelopment in Kalihi, which will replace aging buildings with 302 new affordable rental homes and two manager units. Images courtesy of HPHA and Lowney Architecture.

Located at 1449 Ahonui St., the Kūhiō Park Terrace Low-Rises and Homes are adjacent properties that currently contain 174 units of federally subsidized public housing on 22 acres in a densely populated, diverse neighborhood. Working in partnership with HPHA and its developer partner Highridge Costa Development Company, the full master plan envisions 650 new low-income rental homes across three phases.

“The Kūhiō Park Terrace community was originally built in the 1950s and 1960s, during a very different era for Honolulu,” said Mayor Rick Blangiardi. “While these homes have served families for generations, the time has come to invest in the future. This redevelopment will create safe, modern, and affordable homes while also strengthening the Kalihi community with the services and amenities families deserve. Most importantly, it shows what can be achieved when the State and the City work together with our partners to tackle affordable housing head-on.”

For this first phase, the City is investing $115,700,000 — including $107,700,000 in Private Activity Bonds (PABs) and $8,000,000 from its Affordable Housing Fund (AHF) — to deliver 302 new affordable rental units, and two manager units. These will replace 60 aging existing units with three mid-rise buildings ranging from six to eight stories. The new homes will include one-, two-, three-, and four-bedroom units, along with community amenities such as a playground/tot lot, picnic area, community meeting room, fitness loop, and gardens. Ninety-six parking stalls (38 off-street and 58 on-street) will be provided, exceeding TOD guidelines.

“Kūhiō Park Terrace has been a cornerstone of the Kalihi community for generations, and today we are taking a major step forward in ensuring that it remains a place of dignity, opportunity, and hope for Hawaiʻi families,” said Governor Josh Green, M.D. “This redevelopment shows what is possible when the State and City work side by side with private partners and the community: creating homes that are safe, modern, and truly affordable. My administration is committed to accelerating housing at every level, and projects like this demonstrate that together we can — and will — deliver the homes our people need.”


Project rendering courtesy of HPHA and Lowney Architecture.


Project rendering courtesy of HPHA and Lowney Architecture.

All units will be reserved for households earning 30%, 40%, and 60% or below of the area median income (AMI). To ensure deep affordability, HPHA will provide 65 project-based vouchers and also guaranteeing some units for households at or below 30% AMI. Two additional units will be set aside for onsite resident managers. Importantly, HPHA has already rehoused the 60 existing tenant families into safe, decent, and sanitary housing with a guaranteed right to return once the new homes are complete. Residents were supported through relocation options including Tenant Protection Vouchers, HPHA vouchers, and other resources, and HPHA has held multiple resident engagement meetings to ensure a smooth transition.

“In building this affordable housing, we’re creating more than just walls — we’re building homes for kūpuna, families, and working people who deserve safe, attractive, and high-quality housing,” said Moe Mohanna, president of Highridge Costa Development Company. “With HPHA’s leadership and the support of Governor Green’s office, the State of Hawaiʻi, the City and County of Honolulu, and HHFDC, this redevelopment will raise the standard of housing in Kalihi and provide much-needed homes for the community.”

The Hawaiʻi Housing Finance and Development Corporation (HHFDC) is providing more than $10,180,000 each in 4% Federal and State Low-Income Housing Tax Credits, along with

$48,600,000 in gap financing through the Rental Housing Revolving Loan Fund. The project’s tax credit equity investor is the Royal Bank of Canada, with construction financing provided by Bank of Hawaiʻi. The total capitalization for Phase 1 is approximately $214,300,000.

Construction on Phase 1 of the Kūhiō Park Terrace Redevelopment is expected to begin in October 2025, with completion anticipated by mid-2028. (Note: HPHA held a resident meeting on October 13, 2025, updating residents on the upcoming construction.)

For more information, please visit:

https://www.kuhiopark.com/

> “This redevelopment will create safe, modern, and affordable homes while also strengthening the Kalihi community with the services and amenities families deserve.”
>
> *Mayor Rick Blangiardi, Mayor at City and County of Honolulu*

Stay connected with Mayor Rick Blangiardi on social media:
Facebook - Mayor Rick Blangiardi
Instagram - @MayorRickHNL

Justin Limasa
Honolulu City & County, Dept. of Housing and Land Management
+1 808-768-4052
justin.limasa@honolulu.gov
Visit us on social media:
Instagram
Facebook