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State touts shipping containers for homes

An official wants inexpensive ideas from developers for a site in Palama

By [Gordon Y.K. Pang](#)

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Micro-units, used shipping containers, prefabricated modular units and other nontraditional but low-cost concepts are being sought from developers wanting to create a mixed-income, mixed-use housing complex on the site of the Hawaii Public Housing Authority's administrative offices.

Saying the project could serve as a model for future developments, Housing Authority Executive Director Hakim Ouan-safi announced plans Tuesday to issue a Request for Qualifications in search of a developer to create 600 to 1,000 public housing units after tearing down the 13 single-story buildings that have been at North School Street and Lana-kila Avenue in Palama for decades.

"We're not interested in the 400-square-foot type of housing, but we're trying to secure a very creative design," Ouan-safi said.

As for the existing complex, "The board feels that using 6 acres for our offices is a waste," he said.

Steel shipping containers have been used in other parts of the world to construct seven-story buildings, he said. "They are able to do amazing things; you actually wouldn't be able to tell that it's container living. But it's easy to stack, it's easy to weld, they're very solid structures."

Ouansafi said he envisions a multilevel complex where the Housing Authority can place its roughly 200 employees on one or two floors, with mixed-income housing units on subsequent levels. The current height limit allows for up to six- or seven-story buildings, and the Request for Qualifications calls for towers of such heights, he said. The request also says commercial uses may be allowed.

He said he expects to get a number of suitors for the project. "There is money to be made," he said, noting that there are tax credits, low-interest loans and other government incentives that make developing a low-income project attractive.

In addition, a public-private partnership will allow the state to pay perhaps \$40,000 for each low-income unit produced instead of \$350,000 per unit if it develops them on its own, he said.

The deadline to submit Requests for Qualifications is March 10, and the selection of a master developer is expected May 21. Ouan-safi said he expects groundbreaking by late 2016.

The North School Street site is actually the third of seven projects the Housing Authority is eyeing, Ouan-safi said. Within two months the agency is set to announce updated plans for a second phase of

Kuhio Park Terrace that would add 400 units to the public housing inventory. In November the authority selected three companies as master developers expected to transform Mayor Wright Homes into a mixed-income and mixed-use residential development.

The state is looking at "any land that we have" as potential sites for low-income housing projects, he said. Two areas being looked at include a federal property near Aloha Stadium and property in Iwi-lei, both of which are along the city's upcoming 20-mile transit route from east Kapo-lei to Ala Moana Center.

The agency has a waitlist of about 12,000 families and 28,000 people in all. The goal is to develop 10,000 new public housing units in the next five years, Ouan-safi said.

Housing Authority Chairman David Gier-lach said it's up to government to help provide housing for those most in need. "These are the poorest among us, people who make 30 percent or less of the area adjusted median income," he said. "They need government housing. Private developers can't afford to do it."

Jenny Lee, staff attorney for the Appleseed Center for Law and Economic Justice, applauded the Housing Authority's call for unconventional methods in a mixed-income and mixed-use development.

"I'm excited to see the state trying to take the lead on this," she said.

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