

Low-income status extended for senior housing

By [Andrew Gomes](#)

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Two private development firms used state financing to improve Husten Gardens as part of a renovation project that will maintain affordable rents for the next 45 years.



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Michael Yano, above, an artist who lives at Hausten Gardens, shows his work in his condo to Makani Maeva, CEO of Ahe Group, one of the developers.

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A mid-rise apartment building in Moiliili recently turned 40, but today is commemorating the next 45 years as affordable housing for seniors with low incomes.

Two private development firms with state financial backing bought Hausten Gardens two years ago and recently completed renovating the eight-story building with 50 one-bedroom apartments where tenants pay \$400 a month for rent on average.

The project at 808 Hausten St. near the former Willows restaurant represents a small but important step in maintaining local supply of affordable housing.

“Artists don’t make much money,” said Michael Yano, a 68-year-old painter who moved into Hausten Gardens a year ago and has numerous canvasses largely featuring colorful cloud scenes arranged in the living-area-turned-art-studio of his apartment.

Yano and other residents have most of their rent covered by the federal government through Section 8 contracts that ensure they pay no more than 30% of their income in rent. The Department of Housing and Urban Development pays \$1,135 per unit on average.

This arrangement serving low-income seniors with HUD rent subsidies existed when Hausten Gardens was built in 1978, but became uncertain a few years ago when a local family connected with the building’s original developer decided to sell the property.

Makani Maeva, CEO of local affordable-housing development firm Ahe Group, said someone could have bought the building and converted it to market-priced housing.

“It was really at risk,” she said. “There was no obligation for this to be affordable housing.”

Ahe partnered with Texas-based Redwood Housing Realty LLC to buy the property for \$9.25 million in 2017 using a short-term Bank of Hawaii loan. Then the firms obtained \$15.5 million from the Hawaii Housing Finance and Development Corp. to cover the purchase and a \$3 million renovation that included new flooring, windows, kitchens and bathroom fixtures as well as a new elevator, security system, manager’s office, paint and landscaping.

The development partnership is scheduled to hold a Hawaiian blessing and rededication ceremony for the property today.

Hawaii Housing Finance is a state agency that helps developers finance affordable-housing projects. Under the financing arrangement for Hausten Gardens, Ahe and Redwood must maintain affordable rents for 45 years and restrict units to seniors who are at least 62 years old and earn no more than 60% of Honolulu's annual median income, which equates to \$49,020 for a single person or \$55,980 for a couple.

Most of the roughly 60 Hausten Gardens residents earn considerably less, and thus receive the HUD subsidy under a 20-year contract.

Yano said the building upgrades, such as renovations to a community room that now includes two computer workstations, are impressive. "It's providing a very nice lifestyle," he said. "The quality is beyond what I would have ever imagined in senior housing."

Paul Gouveia, a 64-year-old retiree who taught English to adults in Hawaii and Japan, added, "I'm proud to be living here."