

# SKY

## THE FLATS

### Affordable Housing Unit Announcement

JL Avalon Capbridge LLC, a Hawaii limited liability company ("Developer"), the developer of the Sky Ala Moana East condominium project ("Project") located at 1390 Kapiolani Blvd., Honolulu, HI 96814 (Tax Map Key No. (1) 2-3-016-049), will be offering for sale the 84 fee simple affordable housing units in the Project ("AH Units") listed below, which units are to be known as The Flats, to owner-occupants who meet certain eligibility requirements set forth in that certain Sky Ala Moana Affordable Housing

Regulatory Agreement and Declaration of Restrictive Covenants, dated September 24, 2021 ("AHA").

To maximize the number of persons benefitting from the affordable housing program, there is an occupancy requirement for each unit type based on the number of bedrooms in the AH Unit.

The following are the AH Units and the unit number, unit type, approximate square footage, number of bedrooms and bathrooms, minimum price, and occupancy requirement of each:

Unit Number	Unit Type	Unit	Unit SF	BD/BA	Minimum Unit Pricing	Occupancy Requirement
901, 1001, 1101, 1201, 1301, 1401	F-01	1 BR	424	1/1	\$321,000	1 to 3 persons
902, 1002, 1102, 1202, 1302, 1402	F-02	2 BR	598	2/1	\$412,000	2 to 5 persons
903, 1003, 1103, 1203, 1303, 1403	F-03	Studio	299	0/1	\$288,000	1 to 2 persons
904, 1004, 1104, 1204, 1304, 1404	F-04	Studio	299	0/1	\$288,000	1 to 2 persons
905, 1005, 1105, 1205, 1305, 1405	F-05	Studio	299	0/1	\$272,000	1 to 2 persons
906, 1006, 1106, 1206, 1306, 1406	F-06	Studio	299	0/1	\$272,000	1 to 2 persons
907, 1007, 1107, 1207, 1307, 1407	F-07	Studio	299	0/1	\$272,000	1 to 2 persons
908, 1008, 1108, 1208, 1308, 1408	F-08	Studio	299	0/1	\$272,000	1 to 2 persons
909, 1009, 1109, 1209, 1309, 1409	F-09	Studio	299	0/1	\$282,000	1 to 2 persons
910, 1010, 1110, 1210, 1310, 1410	F-10	Studio	290	0/1	\$270,000	1 to 2 persons
911, 1011, 1111, 1211, 1311, 1411	F-11	2 BR	489	2/1	\$398,000	2 to 5 persons
912, 1012, 1112, 1212, 1312, 1412	F-12	2 BR	622	2/1	\$500,000	2 to 5 persons
913, 1013, 1113, 1213, 1313, 1413	F-13	Studio	299	0/1	\$298,000	1 to 2 persons
914, 1014, 1114, 1214, 1314, 1414	F-14	Studio	299	0/1	\$298,000	1 to 2 persons

The minimum prices of the AH Units are as of the date of this announcement and are subject to change by Developer. Prices shown here do not include the cost of parking. Parking is sold separately, and each buyer has the option to buy one (1) parking stall for an additional \$38,000. Estimated maintenance fees are approximately 63 cents (\$0.63) per square foot, plus an additional fee for cable and internet. Maintenance fees do not cover electricity, water and sewer usage fees, which will be charged to each unit based on individually metered use levels.

Developer will offer the AH Units to prospective owner-occupants who are Eligible Persons. An Eligible Person means a person who meets all of the following criteria:

1. Be a citizen of the United States or a resident alien;
2. Be at least eighteen (18) years of age;
3. Be domiciled in the State of Hawaii and have a bona-fide intent to physically reside in the AH Unit as an owner-occupant for the duration of the restriction period;
4. Have a total Gross Household Income not exceeding the AH Unit's designated income limit;
5. Have a sufficient Gross Household Income to qualify for the loan to finance the purchase and spend no more than thirty-three percent (33%) of the Gross Household Income toward monthly housing payments;
6. Have total net available household assets not exceeding the purchase price of the AH Unit. The Director of the City Department of Planning and Permitting ("Director") may determine on a case-by-case basis to waive this requirement if there has been an extreme hardship (i.e. an extenuating circumstance outside of the control of a person or household as may be determined by the Director);
7. Be a person or household member who, either oneself or together with a household member, does not own or has not owned for a period of three years prior to application, a majority interest in fee simple or leasehold lands suitable for dwelling purposes. The Director may determine on a case-by-case basis that previous or current ownership of a majority interest in fee simple or leasehold land be allowed under extreme hardship; and
8. Not be a person who previously has received assistance under a program designed and implemented by any State of Hawaii or county agency to assist persons to purchase affordable housing units. The Director may determine on a case-by-case basis to waive this provision in the event of: (A) extreme hardship; or (B) a significant change in household size, as originally certified or exceeds the occupancy requirement. Provided, that the applicant sells the dwelling unit before escrow closing for the AH Unit.

"Gross Household Income" means the total annual income from all sources received by the Household. Gross Household Income includes, without limitation, income from: wages, salaries, overtime pay, commissions, fees, tips and bonuses; other compensation for personal services; pensions and social security; incomes from assets, dividends and interest; net income from businesses or professions; cost of living adjustments; variable housing allowances; basic allowance for quarters; child support; unemployment compensation; and governmental assistance, including, but not limited to, veterans affairs disability compensation, disability, and Section 8 housing programs. Gross Household Income does not include the income of a co-mortgagor (as described in Hawaii Revised Statutes § 201H-46) who is not a household member; income from the employment of minor children (including foster children); income from the employment of full-time students up to twenty-three (23) years old; and the income of a Live In Aide (i.e. a person approved by the Director who provides essential care services to a household member).



"Household" means a single person; two (2) or more persons that live together and are related by blood, marriage or by operation of law; or no more than five (5) unrelated persons who have lived together for at least one (1) year, who have executed an affidavit, and who have provided proof acceptable to the Department of Planning and Permitting, City and County of Honolulu in its sole discretion. A Live In Aide is not included in a household.

In addition to the foregoing qualifications, an Eligible Person must meet the income limit for the target household size (as of July 11th, 2022) as follows:

Household Size	100% of AMI	120% of AMI
1	\$91,500	\$109,800
2	\$104,500	\$125,400
3	\$117,600	\$141,120
4	\$130,600	\$156,720
5	\$141,100	\$169,320

"Area Median Income" or "AMI" means that Area Median Income determined annually by the United States Department of Housing and Urban Development for the Honolulu Metropolitan Statistical Area, as adjusted for household size.

The AH Units will be subject to certain restrictions on transfer, use and sale (the "City's Transfer, Use and Sale Restrictions") during the 30-year period from the original sale of the AH Unit (the "Restriction Period"). The City's Transfer, Use and Sale Restrictions require, among other things, that: (a) the AH Unit be occupied as a buyer's principal residence at all times during the Restriction Period; and (b) if a buyer wishes to sell or transfer title to the AH Unit during the Restriction Period, the City and County of Honolulu ("City") may exercise its first option to purchase the AH Unit at a certain sales price and under certain conditions.

Beginning Saturday, August 27th, 2022, at 10:00 a.m., interested persons may contact Developer's broker, Associated Real Estate Advisors LLC ("Broker"), at the Sky Ala Moana Sales Office located at 1538 Kapiolani Blvd., Suite 102, Honolulu, HI 96814 (open daily between 10:00 a.m. to 6:00 p.m. excluding holidays); telephone (808) 517-4373, to obtain an Affordable Housing (For Sale) Application and Affordable Housing Packet and any other information concerning the Project. Interested persons may also visit [www.theflatshonolulu.com](http://www.theflatshonolulu.com) to review eligibility requirements, download the application and packet, view the public report, and obtain more information about the Project. The last day to pick up or download a packet is October 2nd, 2022 at 5:00 p.m. to be entered into the lottery.

The earliest date that a Completed Application Packet may be submitted is Saturday, September 10th, 2022, at 10:00 a.m. at the Sky Ala Moana Sales Office. Broker will continue to accept Completed Application Packets until October 16th, 2022 at 5:00 p.m. **Completed Application Packets must be submitted in person.** Buyers will be selected in a public lottery. In order to participate in the public lottery, prospective owner-occupants must submit a completed Affordable Housing Application Packet, which shall include a completed and executed as applicable, (1) Affordable Housing (For Sale) Application, (2) Registration Agreement, (3) Eligibility Affidavit, (4) Loan Pre-Approval and Eligibility Criteria Letter (collectively, "Completed Application Packet"). If two (2) or more prospective owner-occupants intend to reside jointly in the same AH Unit, they shall submit one (1) Completed Application Packet and only one (1) of the prospective owner-occupants shall be entitled to enter the public lottery. Broker will compile and maintain a list of all prospective owner-occupants who have submitted Completed Application Packets and will conduct a virtual public lottery on October 28th, 2022, at 11:00 a.m. to determine the order in which prospective owner-occupants may select an AH Unit with or without parking for purchase.

At the time of unit selection prospective owners **must** provide a nonrefundable review fee in the form of a cashier's check or money order in the amount of \$75.00 made payable to "The City and County of Honolulu". The director will review all unit selected applications for eligibility. Approved applicants will be notified and required to execute a sales contract, and submit an earnest money deposit in the amount of 5% of the purchase price of the AH Unit. Only personal or cashier's checks made out to Title Guaranty Escrow Services, Inc. will be accepted. Wired funds will not be accepted. If a buyer provides a personal check, and the check is subsequently returned on account of insufficient funds, then, and in such event, the buyer's sales contract will be cancelled. Please see the Owner-Occupant Packet for more details.

*The AH Units will be available to any qualified resident. This announcement is intended to comply with the terms and provisions of the AHA. To the extent that there is any conflict between this announcement and the AHA, the AHA shall prevail.*