

Hawai'i Community Development Authority
Department of Business, Economic Development and Tourism
State of Hawai'i

ADDENDUM NO. 2

REQUEST FOR PROPOSALS
RFP-HCDA-2026-01

PROPERTY MANAGEMENT SERVICES AT
THE HONUAKAHA AFFORDABLE HOUSING COMPLEX

Date Issued: March 25, 2026

This Addendum is hereby made a part of the RFP and is issued for the following:

1. QUESTIONS AND ANSWERS
2. OPTIONAL SITE VISIT

All other requirements of the RFP remain unchanged.

1. QUESTIONS AND ANSWERS

This section contains responses to twenty-four (24) written questions received via HiePRO by the March 20, 2026 deadline. Answers are provided in order in which the questions were received.

Question 1: Are there mandated office hours for on-site management staff? If so, what are the minimum required hours of operation?

Answer 1: No. Offeror may propose a staffing schedule and office hours appropriate to meet the requirements of this RFP.

Question 2: Is the current on-site management office (3rd floor, one-bedroom unit) included in the contract at no cost to the contractor, or is the contractor expected to provide or fund office space separately?

Answer 2: Yes. The existing on-site management office (located on the 3rd floor) will be provided at no cost to the Contractor.

Question 3: Will the current on-site staff — one property manager and one maintenance employee — be transitioned to the new contractor, or is the contractor expected to recruit entirely new staff?

Answer 3: Offerors should be prepared to recruit their own staff. The current property manager is employed by the existing management company. The current on-site maintenance personnel are contracted and not employees of the managing agent (see also Answer 17 regarding existing maintenance services).

Question 4: Are there any existing union or collective bargaining agreements covering current on-site staff that the incoming contractor should be aware of?

Answer 4: No.

Question 5: Is the contractor required to maintain a full-time on-site presence, or is a roving management model acceptable?

Answer 5: A full-time on-site presence is not required. Offerors may propose a management approach that meets the needs of the Project.

Question 6: Should advertising and paid marketing costs for vacant units be included in the monthly management fee, or may they be itemized separately in the Rate Schedule?

Answer 6: Offerors may include advertising and marketing costs for vacant units in their Rate Schedule.

Question 7: Are there any existing vendor contracts, service agreements, or equipment leases — including the laundry equipment — that the incoming contractor will be required to assume or honor?

Answer 7: HCDA will provide information regarding existing service contracts, agreements, and equipment leases during the transition. The selected Contractor will not be required to assume or honor such agreements; however, coordination with existing vendors and potential continuation of services may be subject to discussion and mutual agreement (see also Answer No. 17).

Question 8: Will HCDA provide office equipment such as computers, copiers, phones, and internet for on-site staff, or is that the contractor's responsibility to be covered by the mobilization fee?

Answer 8: The Contractor shall be responsible for providing all necessary office equipment and technology. These costs should be included in the proposed mobilization fee.

Any equipment, furnishings, or materials purchased using State funds under this contract shall be deemed property of the State and shall remain at the Project upon contract expiration or termination, subject to inventory verification.

Question 9: Are there any existing software or property management systems currently in use that the contractor will be expected to continue using, or is the contractor free to implement its own systems?

Answer 9: The selected Contractor may implement its own property management systems, subject to HCDA approval.

Question 10: What is the expenditure threshold, if any, below which HCDA pre-approval is not required for routine maintenance or repairs?

Answer 10: Pre-approval threshold is \$500; however, HCDA will sign all invoices and checks.

Question 11: How quickly does HCDA typically respond to expenditure approval requests, and is there an emergency expenditure protocol for urgent repairs?

Answer 11: Two (2) business days for expenditure approval requests. For emergency expenditures, the Contractor should immediately make the payment and subsequently obtain approval from the HCDA.

Question 12: Will the contractor have access to a reserve fund or operating account for day-to-day expenses, or must all expenditures be individually invoiced and reimbursed by HCDA?

Answer 12: The Contractor should open an operating account to deposit all revenues and pay all expenditures. The net cash should be remitted to the HCDA on a monthly basis.

Question 13: Does HCDA have an existing approved lease form, or is the contractor expected to provide one for HCDA approval?

Answer 13: The selected Contractor shall develop a lease form for HCDA review and approval.

Question 14: Since the property is no longer subject to LIHTC restrictions, does HCDA have an approved policy for market-rate leasing of vacant units, or will that be developed collaboratively with the new contractor?

Answer 14: HCDA will work collaboratively with the selected Contractor to develop leasing policies.

Question 15: Are there any known deferred maintenance issues, active work orders, or capital improvement projects underway that the incoming contractor should be aware of?

Answer 15: Current projects affecting the Project include:

1. Vacant Unit renovations (managed by HCDA; anticipated completion June 2026)
2. Hot water system repairs (managed by HCDA; permits pending; extended timeline anticipated)

Question 16: Does HCDA have an existing preventative maintenance schedule in place, or will the contractor be expected to develop one from scratch?

Answer 16: HCDA will provide any existing maintenance records or information available. The Contractor should be prepared to develop and implement a preventative maintenance program.

Question 17: Are there any active vendor or maintenance contracts currently in place that the incoming contractor will be expected to manage or renegotiate?

Answer 17: A contract is currently in place with Hawaii Building Maintenance for one full-time maintenance staff. HCDA has an interest in retaining this personnel due to familiarity with the Project and property; however, the final staffing structure may be negotiated with the selected Contractor. (See also Answer No. 7).

Question 18: Will the current manager be required to cooperate in the transition, and what records and materials will be provided to the incoming contractor?

Answer 18: Yes. The current manager will be required to cooperate in the transition. All available project records and materials is expected to be transferred to the incoming Contractor.

Question 19: Can the required Crime/Fidelity coverage of \$500,000 be satisfied through a blanket fidelity bond, or does it need to be a standalone policy?

Answer 19: The required coverage may be satisfied through a blanket fidelity bond, provided it meets or exceeds the minimum coverage amount and complies with the insurance requirements of the RFP.

Question 20: Will HCDA share the previous contractor's monthly management fee for reference purposes?

Answer 20: The current monthly management fees varies. Under the current agreement with the Honuakaha Limited Partnership, management fees are calculated in accordance with HUD requirements and are generally based on a percentage of collected income.

Offerors are advised to develop their own pricing based on the scope of services outlined in the RFP.

Question 21: Are there any known regulatory, legal, or compliance issues currently affecting the property that the incoming contractor should factor into their proposal?

Answer 21: HCDA is currently not aware of any regulatory or legal matters that would materially impact the Contractor's performance under this solicitation.

Question 22: Does HCDA anticipate any significant rent increases or policy changes in the near term that would affect the contractor's management approach?

Answer 22: Other than what is stated in the RFP, no significant rent increases are anticipated for existing tenants.

Question 23: Does the property have current financial records for this year and 2024?

Answer 23: Yes. Financial records for the Project for prior periods will be made available to the selected Contractor during the transition.

Question 24: Has the property had any SIGNIFICANT maintenance or health and safety issues in the past until current. Issues that are still pending for oncoming management?

Answer 24: The Project has experienced intermittent issues with the tankless hot water system installed in 2021, which exclusively services the 151 residential units within the Project. HCDA has engaged a mechanical engineer and is currently managing the repair process, which is in the permitting phase. The Contractor will not be responsible for these repairs but may be required to assist with coordination, tenant communication, and access.

Recent flooding occurred in the Victory Deck area during severe weather beginning March 13, 2026, including associated leaking into adjacent portions of the Honuakaha complex. Assessment and any necessary repairs are ongoing.

Past issues have included plumbing-related moisture concerns; however, there are no known active issues of this nature as of this addendum.

The Honuakaha complex has previously been referenced in public reports regarding a wastewater-related incident, which was determined to be a laundry wastewater pipe leak (not a sewage system failure) and has since been addressed.

HCDA is not aware of any other material or ongoing health, safety, or maintenance issues affecting the Project beyond those described above.

2. OPTIONAL SITE VISIT

HCDA did not receive sufficient interest to conduct a group site visit as described in Section 2.4 of the RFP. One interested party submitted a request to attend a site visit by the deadline specified in the RFP. In response, HCDA accommodated a limited site walkthrough for that party. The walkthrough included observation of select vacant units and common areas.

One question was asked during the site visit as follows:

Question: How many units have been renovated?

Answer: Twenty-eight (28) units have been recently renovated.

No additional information was provided that would materially affect proposal preparation beyond what is included in the RFP and its exhibits.

END OF ADDENDUM NO. 2