

While the University of Hawaii is cutting a third of student housing beds offered on its Manoa campus this fall due to [the COVID-19 pandemic](#), a project continues to move forward to redevelop the former Atherton YMCA property to include a sizable dormitory space on the edge of a residential neighborhood.

The original plans started small, but have grown exponentially with the addition of a six-story building that would house 350 students and include 40 to 50 parking stalls, causing neighboring residents to raise concerns of blocked view planes and hordes of students parking on their streets.

The project morphed into a \$58.6 million innovation and entrepreneurship center where students live, learn and work collaboratively. Construction is scheduled to begin in eight or nine months and completed by fall 2023.

When the UH Foundation purchased the property on Metcalf Street and University Avenue for \$8 million in 2017, its board envisioned renovating the historic pink Charles Atherton House to house 30 to 40 students at a cost of \$5 million.

But it quickly became clear the 1930s concrete building would not meet the university's standards with its poor plumbing and outdated mechanical system; and renovation costs were closer to \$10 million, said Lance Wilhelm, project coordinator.

Although it would have been cheaper to tear it down and rebuild, the building was so iconic and important to the neighborhood, the university and the broader community, it was necessary to save it, he said. The adjacent concrete block Mary Atherton Richards House will be torn down to make way for the larger building.

"If you have to spend \$10 million to fix up 30 or 40 beds, it makes sense to spend way more money for a couple hundred beds," Wilhelm said.

So UH and the foundation looked at alternatives and found the public-private partnership option seemed to solve the funding problem of preserving and restoring the historic Atherton House, while offering student housing, which would help pay for the restoration while using the property for student activities and classrooms.

By clicking submit, you agree to Star-Advertiser's [Terms of Service](#) and [Privacy Policy](#). This site is protected by reCAPTCHA and the Google [Privacy Policy](#) and [Terms of Service](#) apply.

Enter your email address

Sign Up

She says there is an “exploding demand” in the area of entrepreneurship and more space to accommodate all the students.

She is working on the project with Hunt and hopes it will attract students from a variety of majors who can contribute to the “ecosystem” there.

She points to Arizona State University as a success story, where “whole tech parks were built with P3 (public private partnership) developers, all financed on university property, with cash flow from businesses, rents and restaurants.”

“In these times, we need to double down on innovation and entrepreneurship or we will always be at the mercy of tourism,” she said.

But she said there is constant conversation. “We keep going back to RBC (Hunt’s financial partner). Can you finance this? What is it going to be like three years from now? Will we still be in COVID?”

Yamada said, “Nothing is a done deal. We have to just keep moving forward.”

Hunt and its affiliates, which Hunt Companies Senior Vice President Mike Lam says are now independent, offer a complete package including financing, maintenance and operation of the project.

As a public-private partnership, the \$58.6 million project will require no taxpayer dollars to build. The project will be privately financed and will be paid for by the student housing rental income.

Lam explained Hunt is a fee developer but declined to disclose its fees, which are not included in the \$58.6 million price tag.

While UH will be unable to collect student housing fees this fall from at least 1,000 students since only 2,000 of its existing 3,000-bed inventory will be offered, the partners are planning for the future.

He said the Manoa Neighborhood Board voted 9-1 in favor of the project in November.

“There was concern in the Rocky Hill neighborhood,” he said, which is located behind Punahou School. Residents at the top of Rocky Hill “will see an impact to the skyline. ... I try to think of the ecosystem. Parking is a concern.”

Lam said the original design plans were shrunk to satisfy the neighborhood after that meeting.

“The project is shaped like a backwards C, and the two wings that run Ewa of the project have been clipped off,” he said. That removal includes Banan, a soft-serve shop where a Burger King once stood.

The six-story building exceeds the 25- to 30-foot height limitations for the current residential zoning, but once the city approves rezoning it to fall under the university’s domain, it will not need a variance, Lam and Wilhelm said.

The project will take up at least 114,000 square feet and will provide the following functions: Student housing and residential common areas (70,000 square feet); innovation and entrepreneurial center (30,000 square feet); project service areas (12,000 square feet); and retail (2,000 square feet). No estimate was available for the parking stalls.

“While on-site parking plans call for 40 to 50 stalls, the balance of the necessary stalls will be addressed by and coordinated with the various parking facilities planned for in the university’s master plan,” Lam said.

UH has 5,675 parking stalls, and issues parking permits (\$175/semester) to 100 students who demonstrate a need out of the 3,835 students it accommodated (prior to COVID-19) in its Student Housing Programs.

UH spokesman Dan Meisenzahl said of student housing prior to COVID-19, “supply often exceeded demand.”

“It’s a complex project that involves a mixed-use development with a historic preservation component in a tough economic cycle — there are risks with this project,” Meisenzahl said. “By using a public-private partnership model, or P3, we can diversify and transfer some of the risks and really focus on our goal, which is the enhancement of the Manoa campus and expansion enrichment opportunities for our faculty and students.”



Be the first to know

Get [web push notifications](#) from *Star-Advertiser* when the next breaking story happens — it's FREE! You just need a supported web browser.

Subscribe for this feature



 Our Privacy Policy has been updated. By continuing to use our site, you are acknowledging and agreeing to our updated [Terms of Service](#). I Agree

