Lunalilo Home Master Plan Review Report
August 2015
Lunalilo Home was established by the will of King William Charles Lunalilo. His will established a perpetual trust to be administered by three Trustees to be appointed by the Justices of the Hawaiian Supreme Court. The purpose of the Trust was to build a home to accommodate the poor, destitute, and infirmed people of Hawaiian blood or extraction, with preference given to elderly people. The will charged the Trustees with selling all of the estate’s land to build and maintain the Home.

**Lunalilo Home’s history**

In 1879, the land for the first Lunalilo Home was granted to the estate by the Hawaiian government and consisted of 21 acres in Kewalo/Makiki Makai of the President Roosevelt High School. The construction of the original Lunalilo Home at that site was paid for by the sale of estate lands. The original Lunalilo Home was completed in 1883 to provide care for 53 residents. An adjoining 39 acres for pasture and dairy was conveyed by legislative action to the Estate in 1888.

After 44 years, the Home in Kewalo had deteriorated and become difficult and costly to maintain. The Trustees located a 20-acre site in Maunalua on the slopes of Koko Head, owned by the estate of Bernice Pauahi Bishop and consisting of farmland and buildings leased to the Radio Corporation of America (RCA). The Maunalua site was purchased by the Brown family (John Ii Estate, Ltd.) and given as a gift to Lunalilo Home in memory of their mother, Irene Ii Holloway, daughter of John Ii, who was a close friend of King Lunalilo’s father. With Court approval in 1927, the Kewalo/Makiki property was subdivided and sold. The proceeds from the sale were then used to purchase and renovate the RCA’s buildings in Maunalua to accommodate 56 residents.

In 1959, with the advent of Henry Kaiser’s development of the Bishop Estate’s land of Maunalua surrounding Lunalilo Home, agricultural
land was altered for residential and commercial purposes and the area later became known as Hawai‘i Kai. In 1969, Lunalilo Home developed 15 acres of its property into a residential tract of 80 leasehold lots, leaving the remaining five acres devoted to the Home.

Pursuant to Hawai‘i State law pertaining to leasehold-to-fee conversion, in 1983, under terms approved by the Circuit Court, the Trustees sold all of the residential lots. Lunalilo Home temporarily ceased operations from 1997 to 2001 to undertake major renovations to its structure. Upon reopening, it was licensed by the State Department of Health as an Adult Residential Care Home (ARCH) to accommodate 42 residents.

In recent years, Lunalilo Home has added elderly services including adult day care, respite care, meals-to-go, and caregiver support programs. While continuing to focus on serving Hawaiians, the Home has also opened its doors and services to non-Hawaiians, and provides care for kūpuna of all ethnicities.

PURPOSE OF THE INITIATIVE

This grant is classified as an Office of Hawaiian Affairs (OHA) Board of Trustees (BOT) initiative. At the BOT meeting on September 5, 2013, the Board approved an appropriation of $100,000 for this initiative.

To assist Lunalilo Home in furthering the ability to implement their services, this initiative provides funding to Lunalilo Home to develop a master plan that includes a maintenance study, masterplan drawings, cost estimate, and business plan.

Per the proposal submitted by the Executive Director of Lunalilo Home on February 27, 2014, the elements of the aforementioned master plan are as follows:

**Deferred Maintenance Study of Existing Home**

This study investigates the condition of the existing Lunalilo Home facility and determines the extent of repairs and renovations to bring the building into conformance with current codes and best practices.

**Conceptual Master Plan Drawings**

- Summary of Land Use and Building Permitting Procedures. Schedule and submission requirements.
- Space Program outlining functional requirements and square footages of indoor and outdoor spaces in addition to existing home.
Conceptual Master Plan Drawings (Continued)

- Conceptual Masterplan including drawings of:
  - Site plan sketch
  - Sketch rendering of project
  - 1st, 2nd, and roof floor plan sketches
  - Longitudinal and transverse building section sketches
  - Building elevation sketches
  - Parking and loading plan sketches
  - Conceptual site and outdoor venue plans
  - Square footages of indoor and outdoor spaces provided in Masterplan

Preliminary “Order of Magnitude” Cost Estimate

This study is prepared based on the Conceptual Masterplan Drawings and consists of the following:

- Estimate of construction costs based on cost per square foot
- Estimate of furniture, fixtures, and equipment (FFE) based on cost per square foot

Conceptual Business Plans For Up to 3 Senior Care Business Lines

Each business plan is between three to four pages with spreadsheets and a narrative write-up. The reports may explore on a conceptual level the following topics:

- Description of service and markets
- Pricing
- Operation and costs
- Breakeven analysis

STAKEHOLDERS

There are four groups of stakeholders with an involvement and interest in this initiative: (1) OHA, (2) Lunalilo Home, (3) Group 70 International, and (4) Lunalilo Home’s beneficiaries who are the recipients of services provided by Lunalilo Home.

The responsibilities of OHA and Lunalilo Home are outlined in the service contract. The role of Group 70 International is in turn negotiated between themselves and Lunalilo Home. OHA is the funding source for this initiative while Lunalilo Home is the recipient of funds who in turn has contracted with
STAKEHOLDERS (Continued)

Group 70 international to complete the aforementioned deliverables.

PURPOSE OF THE REVIEW

The purpose of this review is to report the final results of this initiative and what impact the completion of this contract would have to the benefit of Lunalilo Home’s beneficiaries. This review highlights the results achieved during the period of November 1, 2013 to the end of the agreement on October 31, 2014.

FINAL RESULTS

By the end of the contract period, Group 70 International submitted the following deliverables to Lunalilo Home in the form of a consolidated document, and a copy was also provided to OHA. The deliverables are attached to this review as an appendix.

Conceptual Master Plan Drawings

During this period, representatives of Lunalilo Home continuously met with representatives of Group 70 International to review and discuss: Lunalilo Home’s strategic plans, the changing elderly care environment; expectations of consumers; payment sources and cost considerations; visits with other similar facilities; space utilization; and architectural style preferences.

The outcome of these discussions and progressive architectural designs resulted in the development and delivery of “Conceptual Master Plan Drawings” that included: Overall site plan for new structures and renovation of the existing structure inclusive of two floors, roof plan, and a basement plan; area plan; perspective rendering; elevation mapping; and model pictures.

Order of Magnitude Cost Estimate and Deferred Maintenance Study

Group 70 International arranged for a team comprised of architects, civil engineers, landscape architects, structural engineers, mechanical engineers, electrical engineers, and cost estimators to survey and assess the property and its structures to do a physical assessment of the Lunalilo Home structure in order to document its observed physical and site condition. Additionally, the study investigates land use and zoning, as well as codes and standards for the four existing buildings. The results of these assessments were used to formulate a rough order of magnitude estimate for deferred maintenance to include repairs and improvements at the main buildings at Lunalilo Home.
Conceptual Business Plan

Based on the cost of renovating the existing Lunalilo Home structure, and the cost of an additional building to expand the number of beds to service residents, a conceptual pro forma was developed taking into consideration comparable 2014 community rates for different levels of elder care, as well as a 70% finance structure. Accompanying this conceptual business plan is a preliminary project schedule.

FINDINGS

Due to the fact that were no program activities that warranted the use of performance outcomes and measurements, Lunalilo Home did meet their contractual obligations by having the deliverable documents completed.

Lunalilo Home reported that the deliverables gives Lunalilo Home the possible opportunity to conduct fundraising, should Lunalilo Home’s Trustees decide to do so. Additionally, the reports may be incorporated into a proposed field scan in the area of elder care to further assess the community’s needs and wants, both Hawaiian and non-Hawaiian to better understand the current and future market for elder care, assess potential opportunities for impactful service and growth, and to develop a sustainable business plan.
Lunalilo Home Master Plan Review Report

OFFICE OF HAWAIIAN AFFAIRS
## Cost Table

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<tr>
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### New Building Construction Costs

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### Summary

- Total construction cost: $5,250,000
- New building construction cost: $5,000,000

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**Office of Hawaiian Affairs**