



**Department of Hawaiian  
Home Lands  
Presentation to  
Senate Committee on  
Housing  
Senate Committee on  
Hawaiian Affairs  
House Committee on  
Housing  
House Committee on Ocean,  
Marine Resources, &  
Hawaiian Affairs  
Joint Informational Briefing**

**October 19, 2017**

# Today's Discussion

1. DHHL's four constitutional purposes
2. Background on DHHL
3. Affordable Housing on the Home Lands
4. Higher Density Developments



# Purpose: Article XII Section 1

...“The legislature shall make sufficient sums available for the following **purposes:**

(1) development of home, agriculture, farm, and ranch **lots;**

(2) home, agriculture, aquaculture, farm and ranch **loans;**

(3) **rehabilitation projects** to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved;

(4) **the administration and operating budget** of the department of Hawaiian home lands....”



# Compact: Article XII Section 2

...“The **State and its people** do further agree and declare that the spirit of the Hawaiian Homes Commission Act looking to the continuance of the **Hawaiian homes projects** for the further rehabilitation of the Hawaiian race **shall be faithfully carried out.**”



# “Hawaiian Homes Projects

for the further rehabilitation of the Hawaiian race....”

## Homesteading Program

(Residential, Agricultural,  
Pastoral land leases)

Other Programs (HALE  
program, Native Hawaiian  
Development program, lands  
for community development,  
Aina Mauna program, etc.)

Purpose 1:  
Lots

Purpose 3  
Rehab Projects

Purpose 2:  
Loans

Purpose 4: Funding Administration and Operating Budget

# “Affordable Housing on the Home Lands”

## Homesteading Program

(Residential, Agricultural, Pastoral land leases)

Purpose 1:  
Lots

Purpose 2:  
Loans

Single family  
homeownership  
*Addresses waiting list*

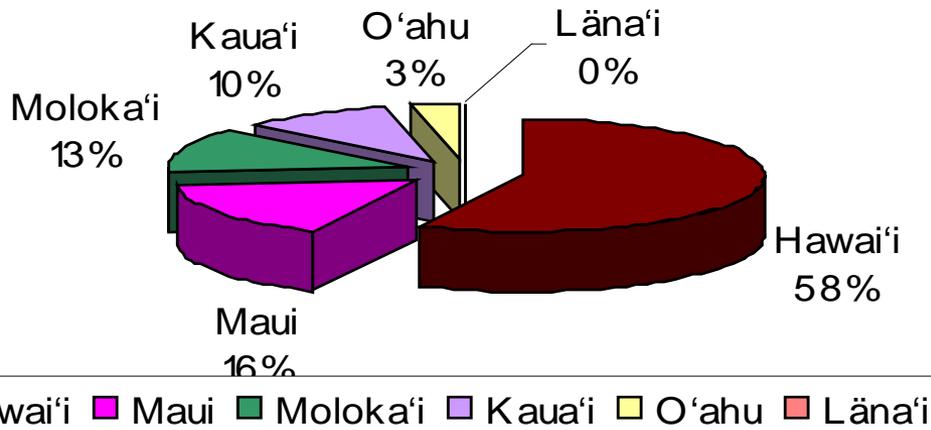
## Other Programs (Rentals)

Purpose 3  
Rehab Projects

Multi-family and single  
family rentals  
*Applicants remain on list*

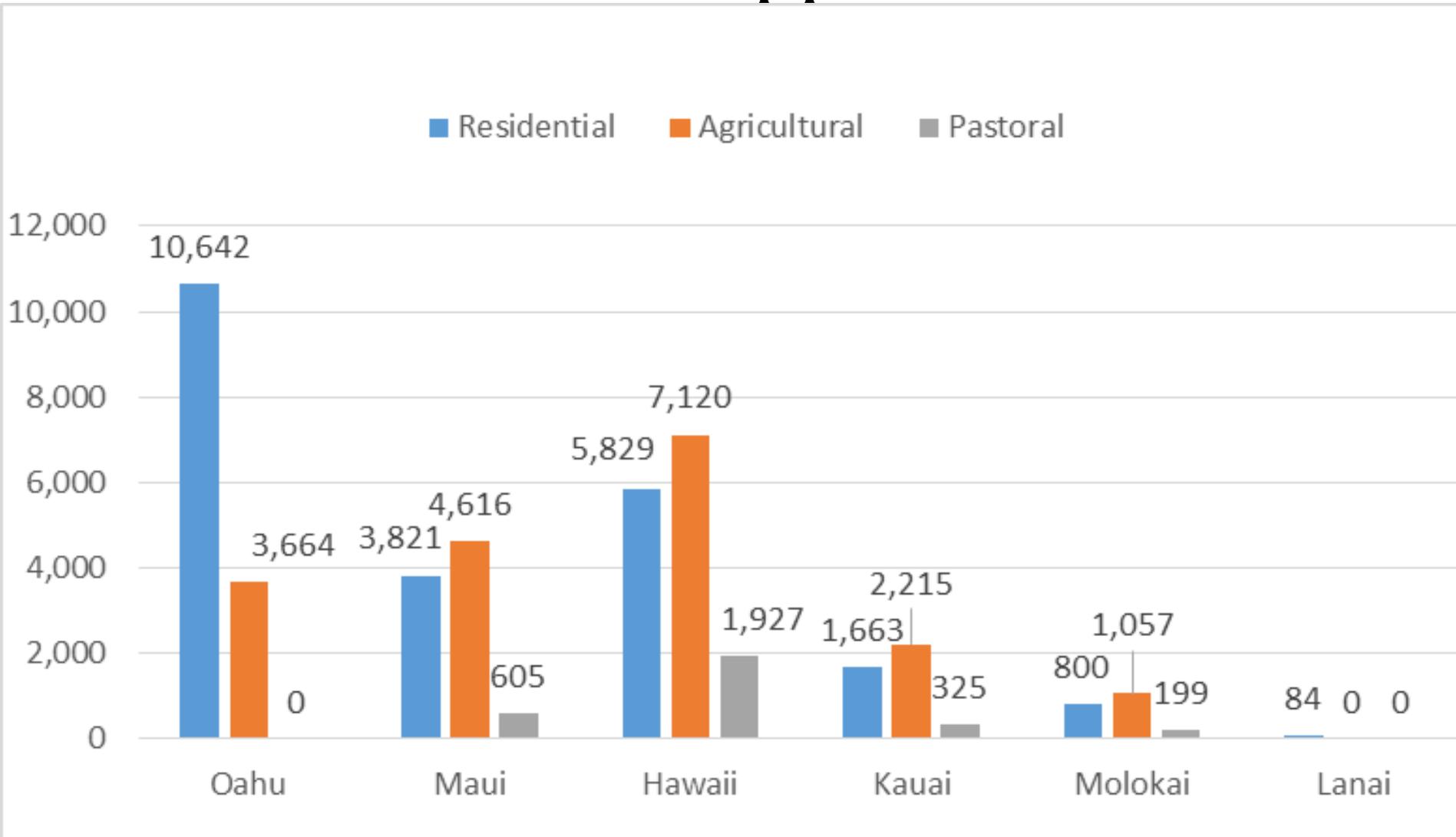
# DHHL Statewide Inventory

Hawaiian Home Lands Trust  
Percent Acres by Island



ISLAND	ACRES
Hawai'i	117,551
Maui	31,904
Moloka'i	25,747
Kaua'i	20,575
O'ahu	8,154
Lāna'i	50
<b>TOTAL</b>	<b>203,981</b>

# Demand -- Applications



Source: Hawaiian Homes Commission Item D-1 Exhibit A (October 16, 2017)

# Development Focus

- Residential homestead leases – earlier priority
- Residential leases and agricultural leases (particularly subsistence agriculture) – future direction
- Subsistence agricultural lot
  - Rural lot; can reside; subsistence lifestyle or beginning farmer



“Affordable Housing”  
Homesteading Program

# What is “Affordable”?

For a family of 4 at 80% of Area Median Income (AMI) in 2017 (income in parentheses):

Maui County: **\$364,400** (\$68,880)

Hawaii County: **\$313,600** (\$59,280)

Honolulu City and County: **\$442,700** (\$83,680)

Kauai County: **\$361,000** (\$68,240)

Assumes 5% down payment; interest rate of 3.75%

Source: HHFDC Affordable Sales Price Guidelines 2017



# Development

## **DHHL KULEANA**

- 3 Parts: Plan (including Env. Compliance), Design, Construction;  
Often phased development
- **Offsite costs**
  - Developing water source/transmission
  - Major highway improvements
  - Upgrading sewer capacity
- **Onsite costs**
  - Roads, water, sewer, grading to prepare lot for construction of the home

## **PARTNERS (NON-PROFIT/FOR PROFIT/FEDERAL GOVT)**

- Provide education to prepare the families
- Provide financing
- Build the home



# Kakaina (Waimanalo)



# Development Partners (past 5 years)

## **PRIVATE:**

### **Gentry Kapolei Development LLC**

**Kanehili Subdivision (Kapolei)**

**330 homes built to date\***

### **Armstrong Builders**

**Kumuhau Waimanalo 45 homes**

**Maui Scattered 25 homes**

**Kakaina 16 homes (under construction)**

**Home prices between \$213,848 2bd/1ba -**

**\$324,775 for 4bd/3ba**







# Development Partners (past 5 years)

## **NON PROFIT:**

### **Habitat for Humanity**

**Home prices between \$90,000 - \$200,000**

**Financing through NAHASDA and USDA-RD**

- **Habitat for Humanity West Hawaii**
  - **22 homes**
    - \* 10 home Blitz Build completed Sept 2017 Prices at \$145,000 for 3 bedroom in Kona
  - **5 lots to be selected Kawaihae**
- **Habitat for Humanity Leeward**
  - **9 homes (4 loans closing)**



# Development Partners (past 5 years)

## **NON PROFIT:**

### **Habitat for Humanity Continued:**

- **Honolulu Habitat for Humanity**
  - **10 homes** (4 loans in process)
- **Kauai Habitat for Humanity**
  - **13 homes** (2 loans in process)
- **Molokai Habitat for Humanity**
  - **4 homes**



# Habitat West Hawaii “Blitz Build”



# Development Partners (past 5 years)

## **NON PROFIT cont. / UH:**

- **Mustard Seed (1 home)**
- **CNHA Self Help (21 homes – completed 2011)**
- **UH Hilo Community College (5 homes)**
  - 1 home per year; 50 homes completed over life of program



# HCC Model Home #50



# Development Partners (past 5 years)

## “PACKAGE HOME” Program:

- NAHASDA program; mortgage payments between \$300-\$500 for 2,3 and 4 bedroom homes
- Initially rolled out in Molokai and Hilo; now available to awardees in Waimanalo; Anahola, Kauai; Waiohuli, Maui\*

**23 homes** (8 completed; 15 under construction or loans in process)

## PARTNERS

- HPM 13 homes
- Honsador 7 homes





72

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# Development Partners (past 5 years)

## **RENT WITH OPTION TO PURCHASE Program:**

- Hoolimalima
- 70 single family homes in Kapolei
- After 15 years of renting, 69 converted to homeownership
- Home prices at conversion between \$75,000 - \$90,000
- NAHASDA financing assisted 29 of the 69 families

## **PARTNER**

- Mark Development



# Kapolei Hoolimalima



“Affordable Housing”  
Rehabilitation Program

# Rentals: “Decent, Safe, Affordable Shelter”

- **Ulu Ke Kukui (Maili) – 80 units**
  - Lease with Department of Human Services; ends 2018
- **Hale Makana o Nanakuli – 48 units**
  - Lease with Nanakuli Hawaiian Homestead Community Association
- **Kulanakauhale Maluhia o Na Kupuna (Waimanalo Kupuna Housing for native Hawaiian Kupuna) – 85 units**
  - Agreement with Pacific Housing Assistance Corporation

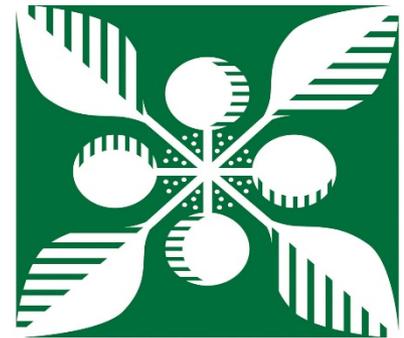


# HALE Program: Housing Related Services

- Home buyer education, financial literacy and case management
- Lease cancellation prevention
- Owner builder education
- NAHASDA funded



# DEPARTMENT OF HAWAIIAN HOME LANDS HALE PROGRAM



NĀNĀKULI HOUSING  
CORPORATION

# Looking Ahead...

- Accessory Dwelling Units
  - Support providing opportunity for beneficiary families
- # of Issues Unique to the Home Lands
  - Rental only to native Hawaiian – who determines NHQ? All homesteads or only some? All county rules? What financing available to build? Enforcement; who enforces?
- Administrative Rules under development



# Looking Ahead...

## CY 2017 Awards (234)

- Completed
  - Anahola 20 lots
  - Waiohuli, Maui 45 lots
  - Hoolimalima conversion 69 homes
- Planned
  - Kapolei Kauluokahai (IIB) 100 lots
    - Turnkey homes to be built with Gentry
    - Home prices: \$239,500 (2Bd/1Ba) - \$357,800 (5Bd/3Ba)

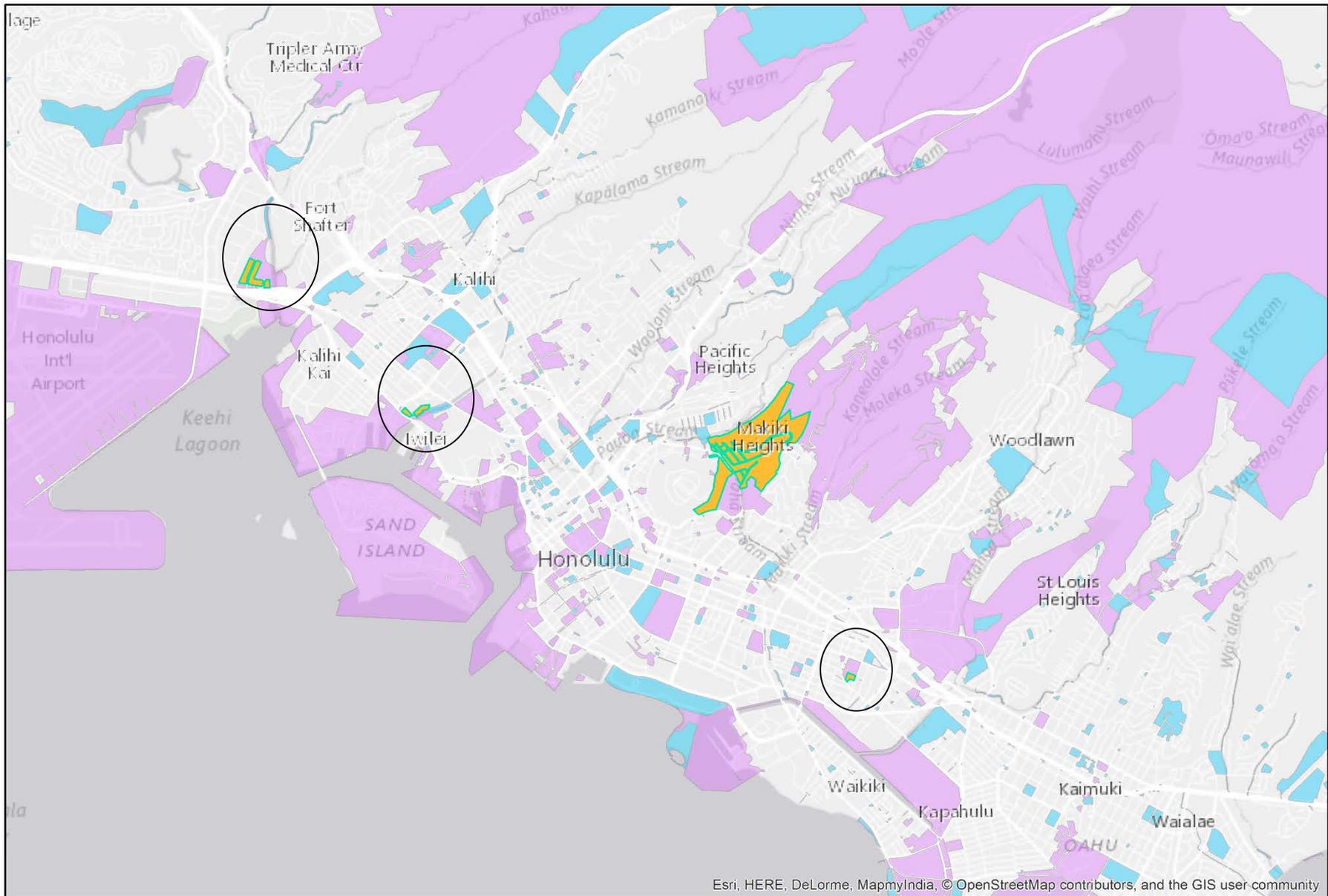
## CY 2018 Awards (477)

- Planned Residential
  - Kapolei Kauluokahai (IIB) 60 lots
  - Anahola 53 lots
  - Waimanalo 17 lots
  - Ka`u 16 lots
- Planned Agriculture
  - Maku`u 31 lots
  - East Hawaii 300 lots (estimated)



# Higher Density Developments





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**Legend**

- City and County of Honolulu
- Other State Agencies
- DHHL Land

## State & County Lands in the Honolulu Urban Core

# Moanalua Kai (Shafter Flats) Property

- Moanalua Ahupua'a
- Total of 13.822 acres
- 20 lots ranging in size from 10,100 sf to 47,700 sf
- Portions of the property are within a 10-minute walk from Lagoon Drive and Middle Street Transit Stations

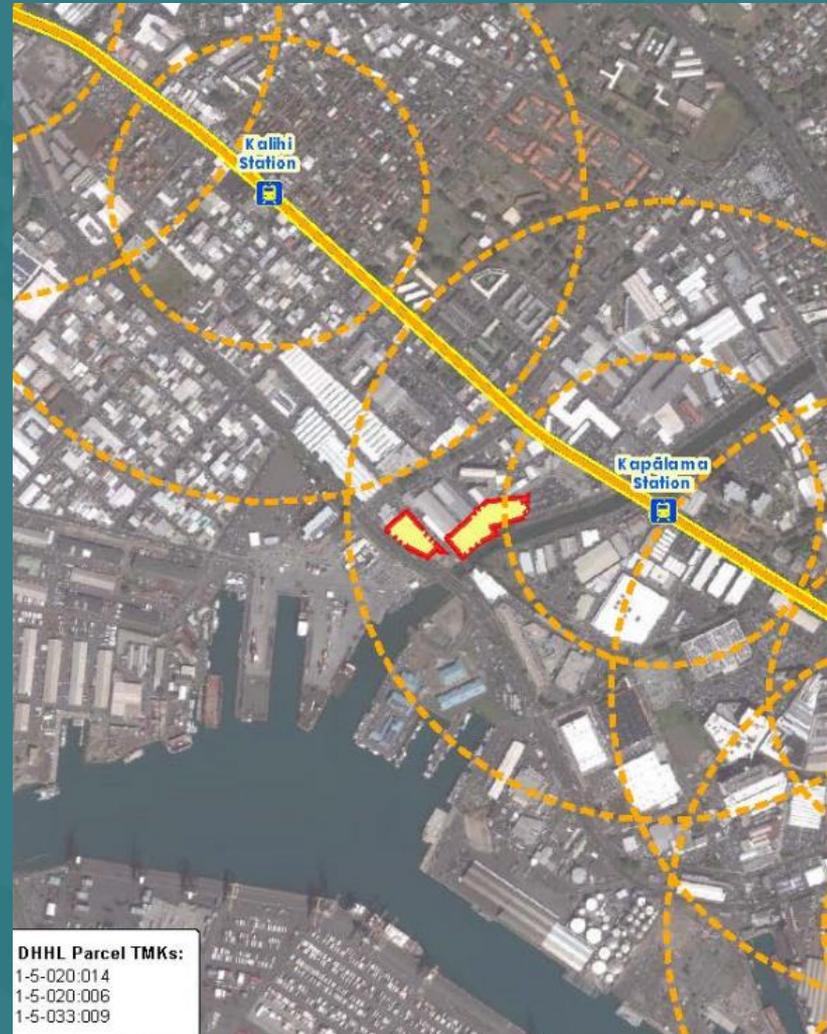


# Leases and Lease Expiration



# Kapālama Property

- **Kapālama Ahupua'a**
- Three Tax Map Key Parcels of about 5 acres total
- TMK: 1-5-020:014, 5,590 sq. ft. under lease for Radio Transmission Tower
- TMK: 1-5-020:006, 2.75 acres City Square Shopping Center and City Square Annex and Kalani Street
- TMK: 1-5-020:014, 1.57 acres under lease for a fresh produce warehouse and distribution facility (Otani Produce), separated from the two parcels above
- Within a five to ten-minute walk from the Kapālama Transit Station



# Bowl • O • Drome

## Planning for Redevelopment

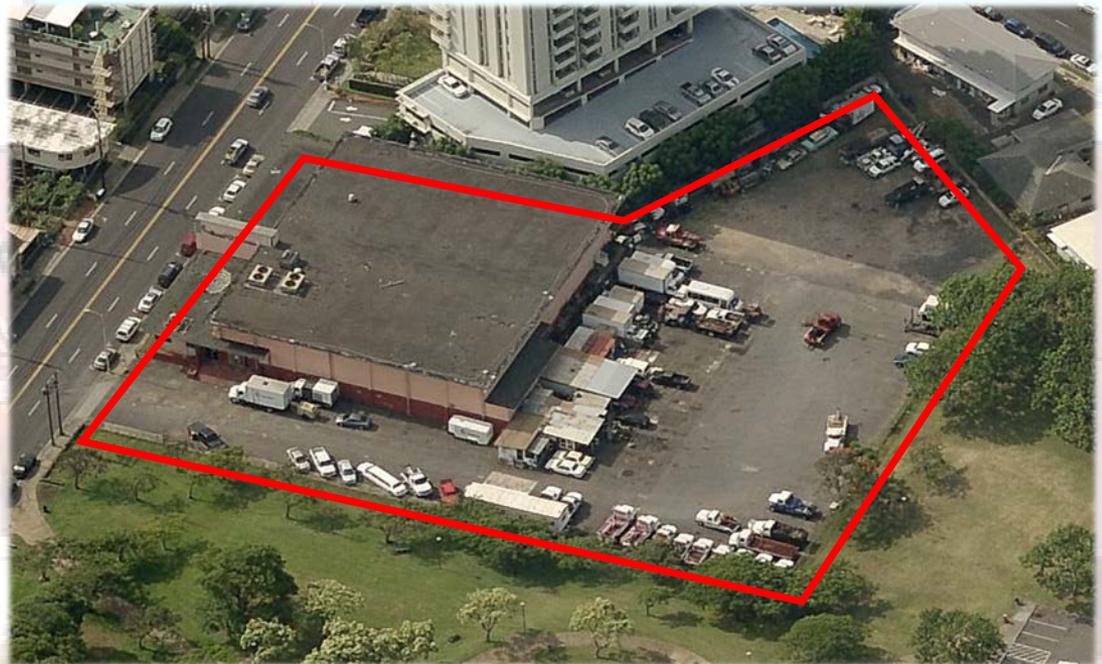
# Kamō‘ili‘ili

*‘the pebbly or stony strip or ridge’ or “the pebbled lizard”*

## Location

- Address: 820 Isenberg Street  
Honolulu HI 96826
- Mokupuni: O‘ahu
- Moku: Honolulu (Kona)
- Ahupua‘a: Waikīkī/Mānoa
- ‘Ili: Mō‘ili‘ili\*

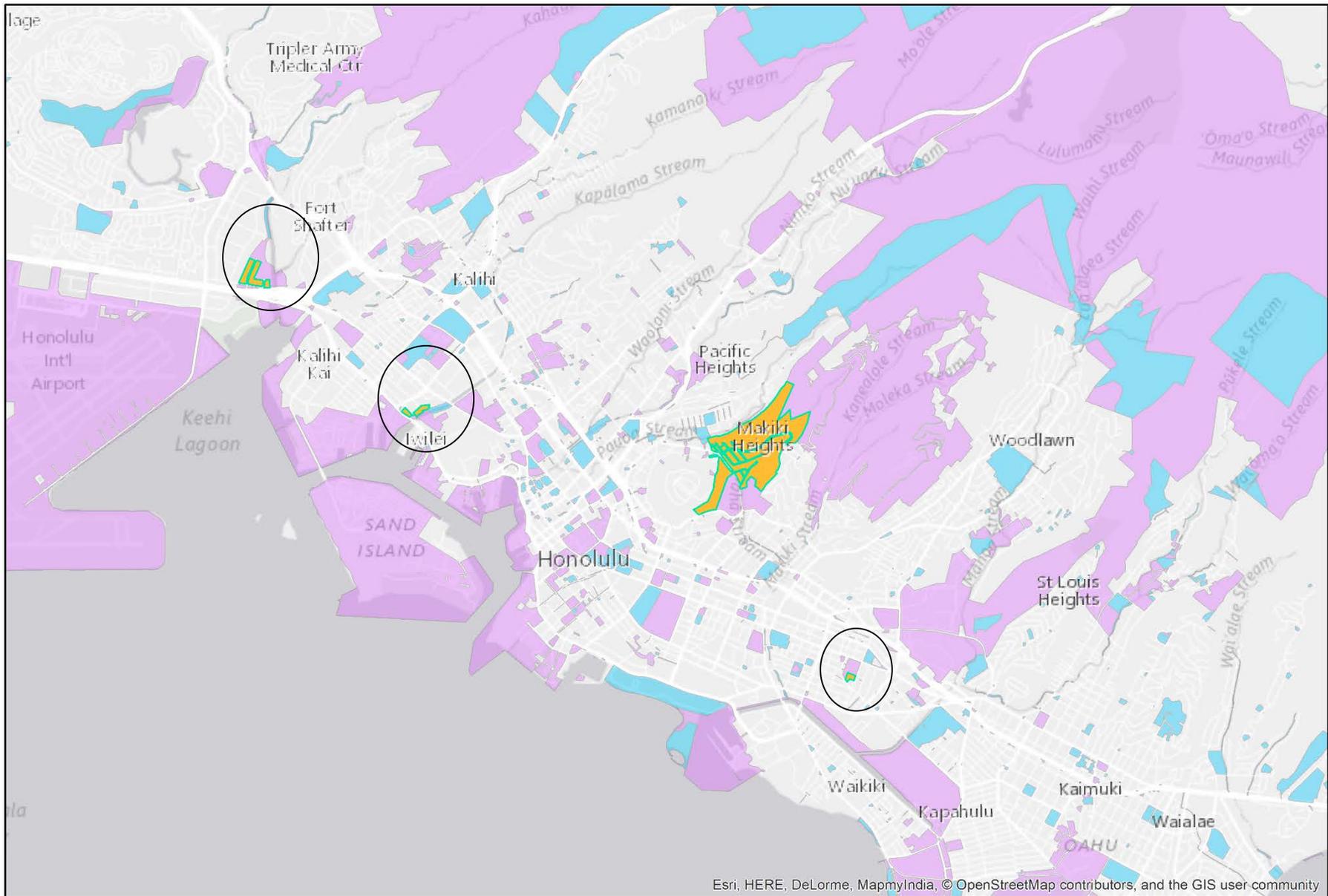
\*reference: ["All About Hawaii: The Recognized Book of Authentic Information on Hawaii"](#)



# project & objectives

**Objective: Work toward developing new housing alternatives in urban Honolulu for Trust beneficiaries**

- Master Plan a broad program of mixed-use concepts
- Advance environmental review to minimize redevelopment uncertainties
- Integrate developer selection with environmental review



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**Legend**

- City and County of Honolulu
- Other State Agencies
- DHHL Land

**State & County Lands in the Honolulu Urban Core**

# A Word About Condos...

For Oahu, condominiums may be a future residential homesteading option...however.

Kalawahine v. DHHL ruling impacts ability to move forward until DHHL promulgates rules regarding DCCRs, or Declaration of Conditions, Covenants and Restrictions. DCCRs govern common expenses and rules homeowners agree to abide by.

## Section 207.5 HHCA

•[§207.5.] **Housing development.** The department is authorized to develop and construct single-family and multifamily units for housing native Hawaiians. The method of disposition, including rentals, *as well as the terms, conditions, covenants, and restrictions as to the use and occupancy of such single-family and multifamily units shall be prescribed by rules adopted by the department pursuant to chapter 91.* [L 1997, c 196, §1] Emphasis added

DCCR initial draft of Admin Rules completed Sept 2017



**Mahalo**