



Association of Hawaiian Civic Clubs

P. O. Box 1135
Honolulu, Hawai'i 96807

COMMITTEE ON OCEAN MARINE RESOURCES AND HAWAIIAN AFFAIRS

HCR112 URGING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO SUBMIT A REPORT TO THE LEGISLATURE REGARDING ITS POLICY TO DEVELOP RENTAL PROPERTIES FOR OCCUPANCY BY ITS BENEFICIARIES AND ENSURE BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD LEASES WHILE RESIDING IN A DEPARTMENTAL RENTAL

Wednesday; March 19, 2014; 9:00 am; Room 325

Aloha Madam Chair Hanohano, vice chair Cullen and members of the House committee. I am Soulee Stroud here to support this resolution that will generate a legislative report from HHL with regard to the Department's policies on rental properties for its beneficiaries.

Just as with other ethnicities, there is a need for rental homes among Native Hawaiians, some of whom would meet the qualifications for HHL rentals if they are available. While we support the concept, we would caution that rentals for beneficiaries also need policies assuring that rentals are temporary and not defeat the purpose of homesteads that are of a permanent nature.

Thank you for the opportunity to testify on this measure.

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STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

COMMENTS OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON OCEAN, MARINE RESOURCES &
HAWAIIAN AFFAIRS

**HCR 112 - URGING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO SUBMIT A
REPORT TO THE LEGISLATURE REGARDING ITS POLICY TO DEVELOP RENTAL
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BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD
LEASES WHILE RESIDING IN A DEPARTMENT RENTAL.**

March 19, 2014

Aloha Chair Hanohano, Vice-Chair Cullen, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) provides the following comments on this resolution that requests a report on DHHL's policy on developing rental properties.

There is currently one rent-with-option-to-purchase demonstration project on Hawaiian home lands that was designed to address the challenges associated with homeownership and managing a mortgage. Hoolimalima is a 70-unit subdivision in our Maluohai community in Kapolei built in 2001 that targeted native Hawaiians on our waitlists making less than 50% and 60% of the Honolulu median income. These units are three- or four-bedroom homes and the models are identical to the units owned by homestead lessees in the same subdivision. The occupants in Hoolimalima must be DHHL applicants, and they retain their position on the waitlist. In 2016, these 70 families will have the opportunity to purchase these units at a cost of approximately

Department of Hawaiian Home Lands
HCR 112
OMH, 3-19-2014
Page 2

\$50,000, and at that time, they will receive a DHHL homestead lease. We are currently working on doing a second rent-with-option-to-purchase in Kona, Hawaii, where we just broke ground last month and plan to build 117 units.

The success of these projects, the kind of projects urged by this resolution, depends on a significant amount of subsidy. The department is already doing what this resolution asks, and we request your support for subsidies like the Rental Housing Trust Fund and other resources appropriated by the legislature help ensure these options can be made available to beneficiaries who require an alternative to homeownership.

Mahalo for your consideration of our comments.