



**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

COMMENTS OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS

**SCR 118 - 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 THAT
BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD
LEASES WHILE RESIDING IN A DEPARTMENT RENTAL.**

March 24, 2014

Aloha Chair Shimabukuro, Vice-Chair Hee, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) provides the following comments on this resolution that requests a report on our 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 \$50,000, and at that time, they will receive a DHHL homestead lease.

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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.



Association of Hawaiian Civic Clubs

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

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

SCR 118 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 THAT BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD LEASES WHILE RESIDING IN A DEPARTMENT RENTAL

Monday, 3/24/14; 2:45 pm; Room 224

Aloha Madam Chair Shimabukuro, vice chair Hee and members of the Senate Committee on Hawaiian Affairs. I am Soulee Stroud president of the Association of Hawaiian Civic Clubs(AHCC) here to speak in support of this Resolution that calls for a report from the Department of Hawaiian Homes with regard to Departmental policy.

Statistics on Native Hawaiians in low and very income situations is dismal. Subsequently, housing problems are alarming for Native Hawaiians, some of whom would qualify for HHL rental properties and/or units if such properties or units were available. As pointed out in this Resolution, there is a significant amount of defaults and delinquencies among current homesteaders. Further, many would-be HHL homesteaders simply cannot qualify for a mortgage and remain in limbo on the waiting list.

AHCC agrees that an updated report on the potential development of rental properties should include rental units for qualified beneficiaries and that beneficiaries should be able to take advantage of such opportunities without losing their placement on the Department waiting list.

This kind of accounting and policy by the Department is desperately needed to find ways to provide homes for those unable to qualify for a mortgage but are still in need of shelter.

Thank you for the opportunity to support this measure.

Contact: jalna.keala2@hawaiiantel.net

Waimanalo Hawaiian Homes Association

TESTIMONY IN STRONG SUPPORT OF SCR 118

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

Monday, March 24, 2014; 2:45 pm; Room 224

Hawaii State Capitol Building

Chairwoman Shimabukuro and Committee members, Aloha!

Please accept this testimony in strong support of SCR 118 relating to the Department of Hawaiian Home Lands (DHHL) *"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 THAT BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD LEASES WHILE RESIDING IN A DEPARTMENT RENTAL."*

We firmly believe this proposal and action will have a positive and direct affect upon all present and future beneficiaries as a "renter" while keeping their position on the "waiting list." We hope that this action along with other relative action such as financial literacy training and debt management-counseling will be to the advantage of the applicant and future homesteader.

We appreciate the opportunity for the submission of this testimony and willing to answer any questions or concerns.

Respectfully submitted,

<signature>

Paul P. Richards, President

Waimanalo Hawaiian Homes Association

From: mailinglist@capitol.hawaii.gov
To: [HWNTestimony](#)
Cc: tamardefries@hotmail.com
Subject: Submitted testimony for SCR118 on Mar 24, 2014 14:45PM
Date: Sunday, March 23, 2014 10:29:38 PM

SCR118

Submitted on: 3/23/2014

Testimony for HWN on Mar 24, 2014 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Tamar deFries	Individual	Oppose	No

Comments: Aloha Chair Shimabukuro, Vice-Chair Hee, and Members of the Committee, Thank you for allowing me the opportunity to provide this testimony on this resolution that addresses the Department of Hawaiian Home Lands and its ability to develop and provide rentals to its beneficiaries. As a homesteader of nearly 15 years, I know that homeownership is not for everyone and that rentals could be a good alternative for many native Hawaiian families on the waitlist. Around the same time I received my homestead lease award, DHHL developed a project in Kapolei that allowed applicants to rent units on homestead land, they could keep their place on the waitlist, and could also have the opportunity to buy the unit and receive a homestead lease. As far as I know, this is a successful program. But the heart of the matter here isn't what DHHL is or isn't doing; the problem here is whether DHHL has sufficient resources. The department knows that single-family units aren't the right product for everyone. The department knows that rentals could be an option for those whose credit and no savings for down payment keep them from owning a home. DHHL has shared in several community meetings over the past year its plans to try this rental model again, as well as look at package homes to reduce the costs of its units. They are looking at reasonable and feasible alternatives to these problems. The real question here is what prevents DHHL from pursuing these options, and how the legislature can help. This resolution is not helpful whatsoever, to the legislature, to the DHHL, or to beneficiaries. I urge your committee to consider re-writing this resolution to request a study be done by the legislature to determine how it can fund subsidies for rentals on DHHL, and other support for the department to explore other housing options. Thank you, Tamar deFries Kalawahine Streamside Hawaiian Home Lands

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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