



DEPARTMENT OF HAWAIIAN HOME LANDS

News Release

LINDA LINGLE
GOVERNOR

Micah Kāne, Chairman
Kaulana Park, Deputy to the Chairman
Phone: (808) 620-9500
Fax: (808) 620-9529

December 13, 2008

The First Undivided Interest Goes Turnkey **111 turnkey lots and 10 vacant lots offered**

KAPOLEI, HAWAII—The Department of Hawaiian Home Lands (DHHL) took an historic step today as the first 111 turnkey homes were offered to Undivided Interest lessees in the 403-unit East Kapolei I master-planned community.

“Two years ago we awarded these homestead leases with the promise to build homes here,” said Micah Kāne, chair of the Hawaiian Homes Commission (HHC). “We also asked the people who took these leases to take this time to prepare to qualify for a mortgage. We have fulfilled our promise and many who took the Undivided Interest lease have fulfilled their promise to get ready. Today, they are selecting their future home and that’s exciting.”

The Undivided Interest Awards program provides a homestead lease for an interest in a larger piece of property. When the property is developed, lessees will then select an individual lot.

The program is designed to provide those who have been on the wait list the longest, the opportunity to receive a homestead lease without needing to financially qualify for a mortgage at that time. Qualifying for a mortgage has been a major roadblock because in the past an applicant needed to financially qualify for a mortgage before they could accept a homestead lease.

Some of the families selecting lots today could not qualify for an adequate loan two years ago, but have worked for the past two years, using the department’s Home Ownership Assistance Program (HOAP) to improve their credit, create savings, pay down debt or improve their earning capacity to qualify for a mortgage.

Located at the end of Kapolei Parkway, East Kapolei I is the first undivided interest awards that are developing into turnkey homes. Ten vacant lots were also offered for those who were interested in building their own homes and had pre-qualification letters for at least \$170,000.

-more-

“This is the first Undivided Interest project where lessees could select a home and home construction will begin in January,” said Kāne. “It is exciting for them to realize a dream and exciting for us to build their new homes. We are looking forward to replaying this success on Kaua‘i, Maui and the Big Island.”

In October 2006, 350 leases were awarded as Undivided Interest Awards in the 403-unit subdivision.

“This is a great day for Hawai‘i’s families because it shows the program works. The Department of Hawaiian Home Lands is living up to its promise of building homes and lessees are getting ready to be homeowners,” said Governor Linda Lingle. “This project is also about our administration’s ongoing commitment to fulfill the state’s obligation to provide affordable housing opportunities for native Hawaiians and to build communities to benefit the entire state.”

“The Undivided Interest lease and the HOAP program is about giving everyone a chance to succeed,” said Kāne. “People who have been on the list for a long time have had at least five chances, sometimes 10 chances at a homestead lease, but were not able to accept because their financial situation acted as a roadblock in qualifying for a mortgage. These are the tools to removing those roadblocks and people need to use them.”

One such individual who entered the HOAP program and was able to qualify to select a lot is Antoinette Kawewehi, a single mother who repaired her creditworthiness in two years. She spent the last two years working on improving her credit score, which improves the amount of money she can borrow.

“Two years ago I qualified for \$118,000 – not enough. But today, I qualify for \$252,000,” she said. “The HOAP program will help everyone and even if I am not able to select today, I will be ready for the next offering and that makes it all worth it.”

Kāne said more 3,000 beneficiaries statewide have taken advantage of the HOAP program, and in less than a year, some have qualified for a mortgage and have been able to select a home.

The developer of the project is Gentry Kapolei Development, LLC. Five home plans were offered with energy efficiency as a central theme. A leader in "green" building, Gentry is offering two-, three-, four-, and five-bedroom homes that range from the two-bedroom, two-bath Kukui model with 1,008 square-feet of living space at \$221,300 to the five-bedroom, three-bath Lokelani model with 1,675 square-feet of living space at \$295,300. Homes include a solar water system, 16-SEER air conditioning, hybrid insulation, "low flow" plumbing fixtures, dual pane Low E vinyl windows, and a fluorescent lighting package.

East Kapolei I is a 92-acre parcel with minimum lot size of 5,000 square feet. On-site improvements, including construction of roadways, drainage, sewer, water and electrical systems cost \$31.7 million. Offsite improvements including the Kapolei Parkway extension, a 4.0 million gallon water reservoir, water transmission, water mains and sewer trunk lines have cost another \$26.3 million for the development.

#####

Media Contact:
Lloyd Yonenaka, Information and Community Relations Office
Cell: 808-754-0078
E-mail: Lloyd.Yonenaka@hawaii.gov