



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

For Immediate Release:
October 18, 2008

DHHL Awards 205 Homestead Leases in East Kapolei Partnerships and OHA funding allow acceleration of affordable housing project

KAPOLEI, O'AHU—The Department of Hawaiian Home Lands (DHHL) continued its effort today to provide native Hawaiians homes by awarding the first 205 residential leases in the East Kapolei II project that will become DHHL's largest master-planned community.

The master-plan community is a result of a partnership with the Department of Land and Natural Resources (DLNR), the Hawai'i Housing Finance and Development Corporation (HHFDC) and the City County of Honolulu.

"Many government agencies came together with a single mission . . . to provide homeownership opportunities for Hawaii's people," said Micah Kāne, Director of the DHHL.

Kāne said the master-planned community will eventually have 1,000 DHHL homes, 1,400 residential units by HHFDC, at least two new schools, and parks. The project sits directly across from the site of the new UH West O'ahu Campus, adjacent to the future Salvation Army's \$100 million dollar Kroc Community Center, and within walking distance to the future Ka Makana Ali'i regional shopping mall being developed by the DeBartolo Group.

The leases issued are under the Undivided Interest Award program that provides a homestead lease for an interest in a larger piece of property. When the property is developed, lessees will select individual lots and their leases will be changed to reflect their specific 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. Qualifying for a mortgage has been a major roadblock because in the past, an applicant needed to qualify for house mortgage before they could accept a homestead lease.

"We learned that our families need time to financially prepare, with a goal in site, said Kāne.

-more-

The project is possible because of funding from the Office of Hawaiian Affairs (OHA). In a recent announcement by OHA and DHHL, OHA will be providing \$3 million per year for 30 years to service revenue bonds authorized during the 2008 legislative session.

“OHA stepping forward, at a critical time when our economy needs an infusion of capital and Hawaiian families are ready, is critical,” said Governor Linda Lingle. “Hawaiian Homes, in partnership with OHA, is fast becoming a major component in our effort to bridge our economy through these tough economic times.”

The development of East Kapolei II is part of the Lingle/Aiona Administration’s effort to accelerate construction projects in support of the state’s economy and families in the industry.

Site work for the project will begin in 2009, with house construction in 2011. In total, it will represent more than \$80 million dollar infused into the state’s economy.

“This is a situation where we all win because it helps the economy, provides affordable housing and helps make the region better for everyone,” said Haunani Apoliona, Chair of the Office of Hawaiian Affairs.

The first homes are expected to begin construction in 2011 and during the interim; lessees are expected to work on improving their financial ability to qualify for a mortgage loan. The department’s Home Ownership Assistance Program (HOAP) was specifically designed to help people with financial literacy education including debt reduction, credit counseling, and creating a savings plans. There is also a job component and social services program in the HOAP program.

“The Undivided Interest Award says while the department spends the next few years developing the land to build the house, the lessee spends that time to build their ability to become a homeowner,” said Kāne. “This program has been very successful and in effect for several years. In December the first Undivided Interest Awards will turn into lots in our East Kapolei I project we offered in 2005.”

Undivided Interest leases have been awarded on Kaua‘i, Maui, and the Big Island.

“The Undivided Interest leases we awarded Pi‘ilani Mai Ke Kai on Kaua‘i and Kēōkea-Waiohuli on Maui will turn into lots next year and La‘i ‘Ōpua on the Big Island will follow in 2010,” said Kāne. “We have told our lessees when and where we were going to build, and now they need to be ready to qualify for that loan and become homeowners.”

DHHL has awarded nearly 2,500 leases and built more than 750 homes in the last five years. It has also improved the quality of life for the surrounding region through the development of it Regional Plans that help the communities in the region identify priority infrastructure projects that benefit everyone.

In Kapolei, the North/South Road, the East/West Road, the UH West O‘ahu Campus and the Kroc Community Center were all identified as Priority Projects for the region.

Media Contact:

Lloyd Yonenaka, Information and Community Relations Office, DHHL
Phone: 808-754-0078, E-mail: Lloyd.Yonenaka@hawaii.gov