

STATE OF HAWAII
HAWAIIAN HOMES COMMISSION

April 23, 2012

To: Chairman and Members, Hawaiian Homes Commission

From: HHC Ad Hoc Committee on Administrative Rules

Subject: Monthly Committee Report

The Ad Hoc Committee on Administrative Rules convened on April 5, 2012 to review and discuss the issues of the treatment of previous lessees, the "one chance" policy, and the sale of homestead leases including the public comments submitted on these issues. These comments were collected from March 23 through April 5 through the department's website. Ten individuals submitted comments. After full consideration of the public comments and further discussion, the committee recommends:

1. An amended position on the treatment of previous lessees;
2. No action on the "one chance" policy; and
3. An amended position on the sale of homestead leases (and a change in the issue title to "transfer of homestead leases for compensation).

These two amended positions will be discussed and acted on by the full commission further on this agenda.

Issues and Preliminary Recommended Positions for May 2012

For the next regular meeting, the commission will consider the issue diversifying homestead products as authorized by Section 207.5 of the Hawaiian Homes Commission Act. Below are our preliminary recommended positions:

- **The department should develop multifamily housing units/homesteads as well as rental units on homestead lots.** The waiting list for homestead remains long with a number of applicants waiting for decades. Among the many reasons for this, one key factor is the inability to afford to build or pay a mortgage for a homestead home. Thus, in an attempt to look at alternatives to shorten the waiting list and to provide affordable housing for native Hawaiians, the concepts of multifamily housing units and rentals have surfaced as a means to diversify the product offered by the department.

Any interested parties may submit comments on this preliminary

recommended position on the department's website, and may consider the following questions related to this issue:

1. Should the department develop multifamily homes/homesteads?
2. Should the department develop a rental program on homesteads as an alternative to homeownership on homesteads?
3. Should available inventory (e.g., new units or returned homestead) be rented to native Hawaiians?