


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

March 16-17, 2015

To: Chairman and Members, Hawaiian Homes Commission
Through: M. Kaleo Manuel, Acting Planning Program Manager
From: Bob Freitas, Planner 
Subject: (For Information Only) DHHL Beneficiary Study
2014

RECOMMENDED MOTION/ACTION

None; For Information Only

BACKGROUND

From 1985 to 1995 DHHL surveyed the HHCA beneficiaries, both applicants and lessees, to identify their demographic profiles which were needed to develop housing programs. Starting in 1995, DHHL re-designed its beneficiary demographic studies to meet Housing and Urban Development (HUD) criteria which was necessary to qualify for federal housing assistance programs. After the passage of Title VIII of the Native American Housing Assistance and Self-Determination Act (NAHASDA) a.k.a. Hawaiian Home Lands Homeownership Act, DHHL collected data to support DHHL's NAHASDA program. From 2003 to the present DHHL has collected trend data, approximately every five (5) years, to support program development.

DISCUSSION

DHHL's data collection enabled access to federal programs that were identified in the 1983 Federal and State Task Force Report on Hawaiian Home Lands that included the FHA 247 Single Family Loan Program, covering one-to-four-family units extended to leaseholds on Hawaiian Home Lands (12 USC sec. 1715z-12; 24 CFR sec. 203.43I(h)), and the Veterans Administration Guaranteed Home Loan Program

accessible to native Hawaiian Veterans on Hawaiian Home Lands (38 USC sec. 3701-3702).

As the needs of the beneficiaries became clearer, access and application to other programs became available. The HOME Investment Partnership Act provided access to native Hawaiians on Hawaiian Home lands as authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA, PL 101-625); Title I of the Housing and Community Development Act of 1974 CDBG was made accessible to Hawaiian Home Lands (PL 93-383); the FHA Multi-Family Loan Guarantee Program Section 962 Cranston-Gonzalez National Affordable Housing Act (NAHA, PL 101-625) was also authorized.

By 1995, DHHL was regularly participating in federal housing initiatives with other Native Americans and standardizing its data collection to meet the federal standards which led to the passage of Hawaiian Home Lands Homeownership Act, Public Law 106-569, 2000. This law created Title VIII for Native Hawaiians under the Native American Housing Assistance and Self-Determination Act (NAHASDA). NAHASDA was originally passed by Congress in 1996, to provide affordable housing opportunities to Native Americans and Alaska Natives. Prior to the passage of the act, Indian housing had been combined with public housing under the U.S. Department of Housing and Urban Development (HUD) dating back to 1936. The Hawaiian Home Lands Homeownership Act was the result of more than eight years of work by Hawaii's Congressional Delegation, the National American Indian Housing Council (NAIHC) and the Department of Hawaiian Home Lands Planning Office. DHHL's beneficiary studies played a vital role in enabling the Congressional Budget Office to support passage of the Hawaiian Home Lands Homeownership Act.

The collection of demographic data gathered under HUD specifications is important to support ongoing NAHASDA plans and reports which are submitted to HUD. More recently the data collection process has been fairly consistent by design so that specific trend data can be analyzed. For example one trend is that there continues to be less beneficiaries who are under the 80% median family income level when comparing the 2003, 2008 and 2014 studies. Another trend that is developing is that beneficiaries are considering diverse housing options, versus years prior, only single family homes were desired and therefore DHHL did not develop multifamily housing. Today there are more beneficiaries that are willing

to consider a multifamily unit. There are many more trends and the 2014 report includes multi-year comparisons that will help DHHL develop its programs to meet the needs of the beneficiaries.

DHHL Beneficiary Study 2014

DHHL conducts beneficiary studies approximately every five (5) years and they are an important supplement to other data sources like the census which also collects data from lessees who live on Hawaiian Home Lands. Unlike the Census, DHHL's survey also collects data from Applicants who are eligible to reside on Hawaiian Home Lands.

DHHL contracted with SMS Research, Inc. to conduct the beneficiary study. The study focused on two (2) separate surveys one for Applicants and another for Lessees. The objectives of the study were to:

1. Update Beneficiary profiles and housing situations;
2. Measure level of qualification for awards;
3. Investigate expectations for land awards;
4. Assess Beneficiary impressions for certain proposed land award types; and
5. Measure Beneficiary satisfaction with DHHL performance.

Methodology

DHHL has used the HUD methodology for the Beneficiary Study to ensure consistency with their program and continued access to funds. The study must be conducted independently and be statistically valid. The survey included current lessees and applicants who were in DHHL's database as of August 2014. The mail out surveys were self-administered and designed to provide broad coverage of the Beneficiary group. The study utilized focus groups to test questions which were used in the questionnaires that were mailed to each beneficiary. The mail out survey provided that responses could be completed online via a web based questionnaire or returned via mail. Phone interviews were conducted among a split sample of applicants. The phone survey contained most of the same questions from the mail survey and included additional open-ended questions that were used to probe sensitive issues.

Applicants Survey

SMS mailed the applicant survey to 26,416 applicants. SMS received 4,969 completed surveys (4,601 by mail and 368 online). An additional 1,001 surveys were conducted by telephone (500 from mail/web respondents and 501 from non-respondents). The three survey modes obtained data from 5,470 unduplicated applicants or 21% of the waiting list.

Lessees Survey

Two surveys were developed for lessees - one for traditional lessees and one for undivided interest lessees. There was a total of 9,457 surveys mailed to lessees (8,532 regular lessees and 925 undivided interest lessees). SMS received a total of 2,106 completed surveys (1,933 regular lessees and 173 undivided interest lessees).

General Findings

The following is a general summary of findings from the 2014 DHHL Beneficiary Study.

Applicants

- Median age is 57
- The number of applicants has increased by 33% since 2008
- The percentage of DHHL applicants earning less than 80% of the HUD median income each year continues to decrease
- In 2014, 45% of the applicants were classified as below 80% HUD median income, compared to 48% in 2008 and 56% in 2003
- Applicant median income is \$59,932
- Oahu continues to be the most sought after location for many applicants
- Over half of the applicants live on Oahu
- There is still a demand for single family homes that are move in ready

Lessees

- Median age is 62
- Approximately 73% say the size of their home is sufficient
- Approximately 67% have made home improvements

- Approximately 18% of homes need major repairs, and there are more lessee households below the 30% HUD Area Median Income, many lessees who need repairs cannot afford to pay for the repairs
- Median income has increased from to \$59,600
- Approximately 79% of lessees have home insurance
- Approximately 68% believe that their community is a great place to live
- Approximately 80% said they would not move if given the option
- Approximately 89% of lessees feel that communities work better with participation in community associations

Undivided Interest Lessees

- Median age is 55
- Approximately 88% are employed fulltime
- Median income of \$64,933.00 is higher than traditional lessees
- Approximately 20% receive food stamps
- Approximately 13% live in public assisted housing
- Approximately 50% are renting
- Approximately 38% are already homeowners with 69% living in a single family dwelling
- Approximately 39% expect that DHHL will complete the homes within three to five years and 61% plan to be financially prepared.
- Only 31% fully understand what an Undivided Interest Lease is.

Copies of the complete DHHL Beneficiary Study 2014 will be provided at the March 16-17, 2015 HHC meeting. The Study contains copies of the questions and a more thorough discussion of the study's findings.

The DHHL Beneficiary Study 2014 will be shared and utilized by DHHL staff and be accessible on DHHL's website.

RECOMMENDATION

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