



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
DEPARTMENT OF HAWAIIAN HOME LANDS

Beneficiary Consultation

Proposed Changes to DHHL Administrative Rules

Agenda

- 6:00 p.m. Pule/Opening
- 6:15 p.m. Presentation
 - Declaration of Covenants, Conditions, and Restrictions (DCCRs)
 - Multi-Family, Rentals, & Kupuna
 - Supplemental Dwelling Units (SDUs)
- 7:00 p.m. Break out discussion groups
- 8:45 p.m. Next Steps
- 9:00 p.m. Closing

Purposes

- Provide information about proposed rule changes so that beneficiaries have a better understanding about these housing options and the possible impacts on the trust.
- Find out what about these topics is important to beneficiaries so that the draft rules can be made better.



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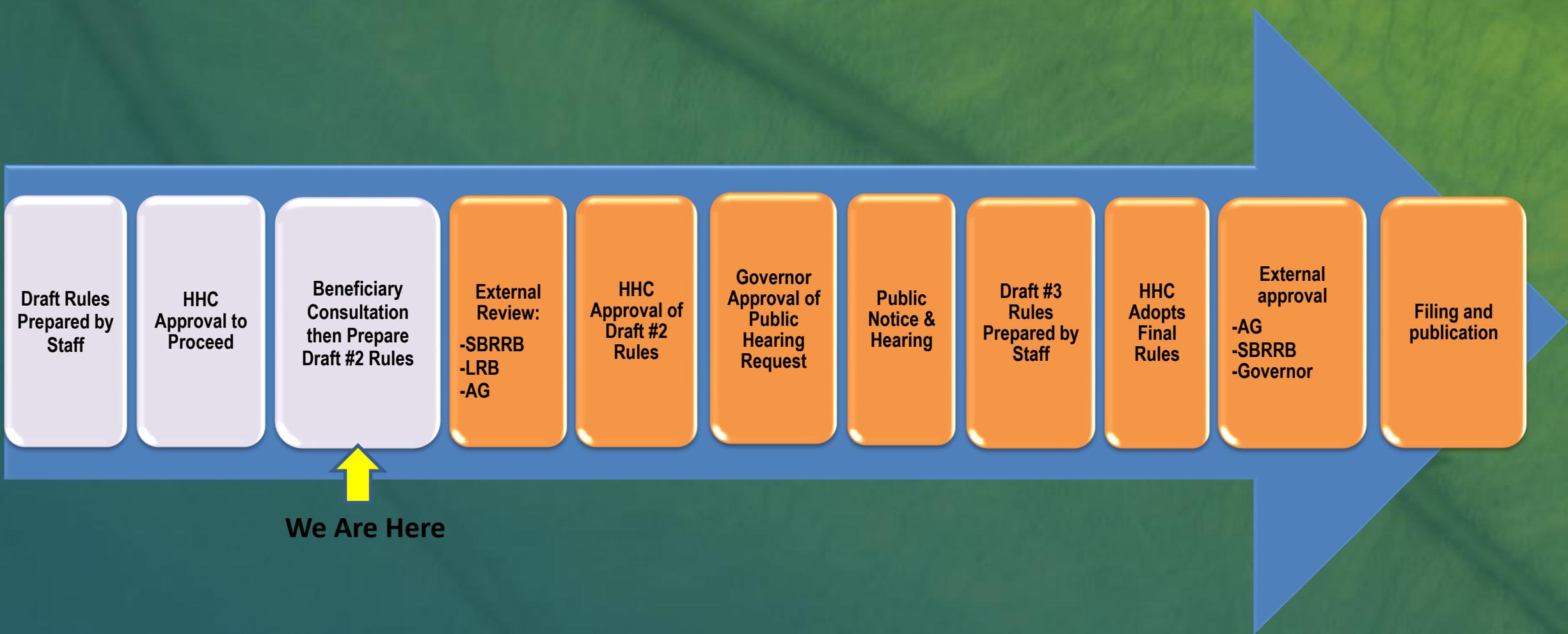
Rulemaking Process

What are Administrative Rules?

- Every State agency has administrative rules.
- Rules govern how the department implements the HHCA.
- Rules make those operations public.
- DHHL's rules are known as Title 10, Hawaii Administrative Rules.

DHHL Rulemaking Process

18-24 months



...we've only just begun



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Declaration of Covenants, Conditions, and Restrictions (DCCRs)

Background

- DCCRs are planned development communities or condominium regimes that are legally organized under HRS.
- Residents are automatically members of the association and are subject to rules about living in that community, including payment of assessments for upkeep of common areas. Failure to follow the rules can lead to fines and additional enforcement measures under the CCRs.
- The association is responsible for enforcement of the CCRs.

“Apples” and “Oranges”

There are two types of DCCR communities on HHL
DHHL *created*, and
DHHL *acquired*

DHHL acquired/“Apples”

- Leialii
- Maluohai
- Kaupea
- Laiopua

DHHL created/“Oranges”

- Waiehu Kou 2, 3, & 4
- Princess Kahanu Estates
- Kanehili
- Kaupuni
- Kumuhau-Kakaina
- Kalawahine
- Piilani Mai Ke Kai
- Lalamilo
- Lanai

Why Administrative Rules?

- HHCA section 207.5.
- “DHHL should have promulgated administrative rules before incorporating the DCCRs into the homestead leases issued to Kalawahine Project residents.” *Kalawahine v. DHHL (2015)*.
- Translation: Because there are no administrative rules, DHHL cannot enforce the DCCRs for communities that are “Oranges.”

How Would the Rules Work?

- Authorize the Department to help DCCR associations enforce their community rules.
- Help current and future lessees understand the obligations of living in a DCCR community.
- Help to ensure uniform relationships between the Department and the DCCR associations.



Your Mana'o

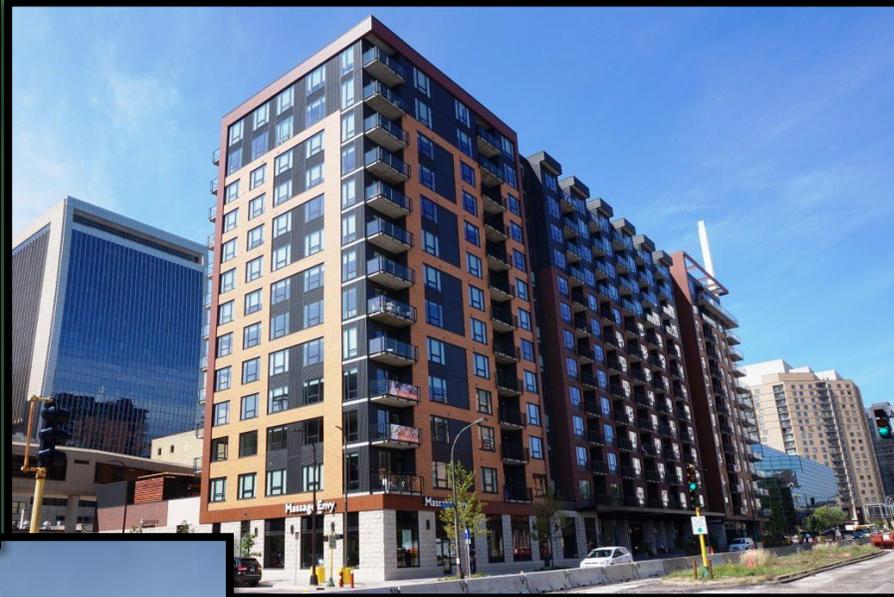
- The DCCRs are part of your homestead lease. Under the proposed rules, if the DCCRs are not followed, it can lead to lease cancellation. Are there other enforcement measures DHHL should consider in DCCR communities?
- All lessees in DCCRs are required to pay monthly assessments to the association for upkeep of common areas and to keep the association going. What types of common areas are needed in homestead communities?
- DCCRs include design restrictions on how you build your house. What types of design restrictions should/not be part of the DCCRs?



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Multi-Family, Rentals, Kupuna Housing

What do We Mean by Multi-Family?



Why Multi-Family?

- HHCA section 207.5.
- There is a need for more housing but space is limited. Multi-family is high-density so we can use less land and provide many families with homes.
- Multi-family can be more affordable than single-family homes.

Why Rentals?

- HHCA section 207.5.
- Rentals can be an affordable alternative to owning a home.
- Rentals can offer a smaller, more manageable space for kupuna.
- Affordable rentals can help beneficiary families save and prepare to buy a home.
- Rentals could be multi-family or single-family rent with option to purchase.

How Would the Rules Work?

- Offers would be made to residential area or island wide waiting lists based on where the development is located.
- The rental agreement would control the rights and responsibilities between the renter and management company.
- Renters would remain on the waiting list as homestead applicants until they become lessees.
- Successorship would be governed by HAR 10-3-8 (application). A qualified successor can take the rental unit if they meet program requirements or succeed to the application.

How Would the Rules Work?

- Kupuna housing would be offered based on age requirements.
- A kupuna lessee who accepts kupuna housing offer must transfer or surrender the homestead lease and would become a renter.
- A spouse eligible under HHCA section 209 and qualified for the kupuna housing unit, may succeed to the rental agreement.

Your Mana'o

- Should DHHL do multi-family housing? Leases? Rentals? Both?
- Are there other housing options DHHL should provide or support beyond multi-family, rentals, and single-family homes? How do we keep housing affordable for beneficiaries?
- Who should be allowed to rent on Hawaiian Home Lands?
- What are some criteria that DHHL should consider in selecting a management company? Why?



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Supplemental Dwelling Units (SDUs)

Background

- HHCA 208.
- Improvements like additional living space require Department approval.
- Building another dwelling or adding living space to your existing home without DHHL approval is a lease violation. It can delay a transfer request or result in excluding the unapproved structure from an appraisal for DHHL.

Why Administrative Rules for SDUs?

- The rules provide a transparent, standard application process for Department approval of building another dwelling on a residential lot.
- More living space can ease crowding that lessee families sometimes face.
- Parity with the counties.

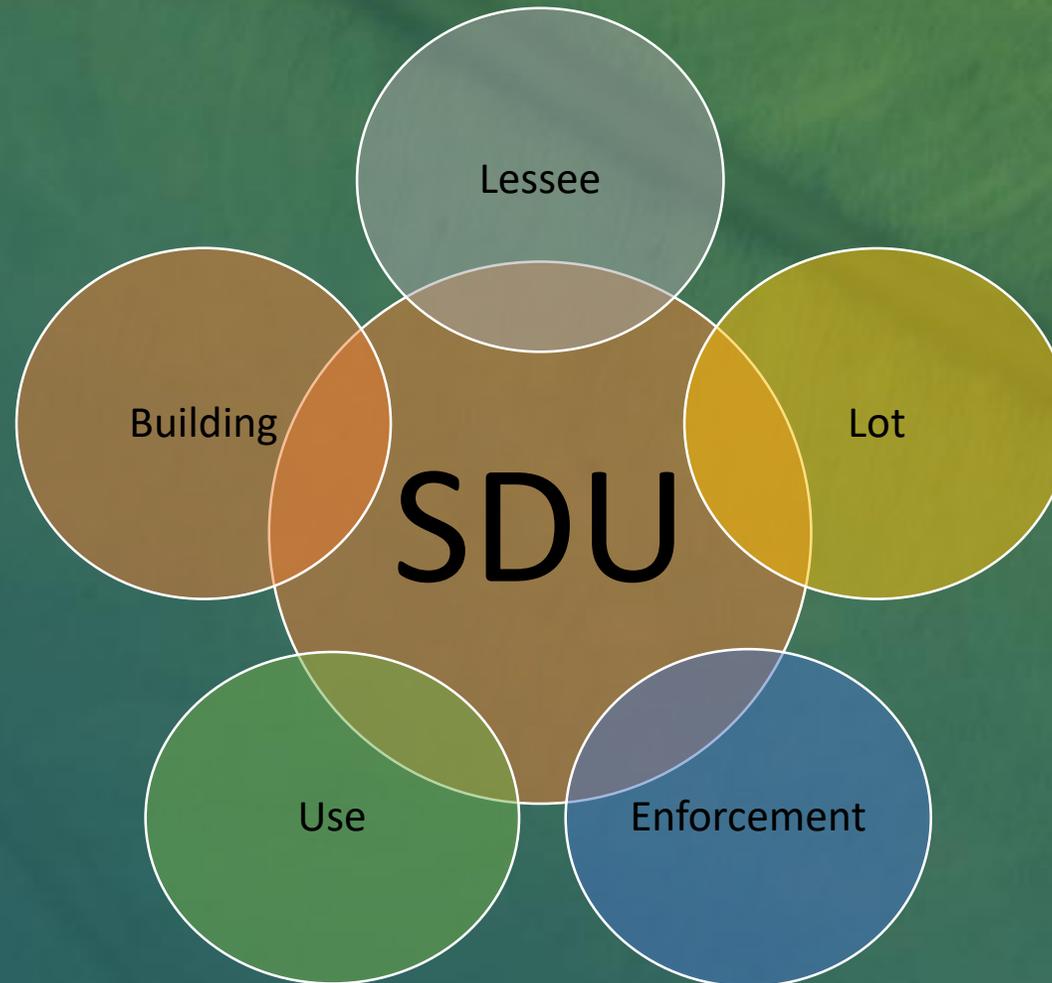
How Would the Rule Work?

- Pilot project for residential lots on Oahu and Hawaii Island.
- Lessee must be in good standing.
- Your lot would need to meet county standards for adding a dwelling and you would need to get all county required approvals and permits.
- DHHL approval would be required before construction could begin.

How Would the Rule Work?

- Lessee must live on the lot in either the main dwelling or in the SDU.
- Ohana purposes:
 - Qualified relative under HHCA 209(a) can live in SDU or main dwelling.
No rent but can contribute to household expenses.
- Rental purposes:
 - Qualified native Hawaiian can rent for minimum term of six months.
No short term rentals.

Program Components



Your Mana'o

- Do you support supplemental dwelling units on HHL? Why?
- When should SDUs be allowed? What criteria should DHHL use to make that determination?
- The proposal is a pilot project for residential lots on Oahu and Hawaii Island. What do you think about that?
- Who can live in an SDU on HHL?
- Size of an SDU has an impact on the value of the structure. Should DHHL limit the size of the SDU based on an appraisal cap to limit liability for the trust and keep units on HHL affordable?



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Discussion Kuleana

Discussion Kuleana

- Be creative!
 - Work toward future solutions/aspirations.
- Disagreement is ok as long as we are respectful of each other.
- Everyone gets a turn first, then repeats.
- Cell phones off or on silent.
 - Take all calls/texting outside.

Discussion Kuleana

- You are personally responsible for:
 - Making sure everyone has equal opportunity to express their ideas;
 - Actively listening;
 - Keeping an open mind and maintaining a positive attitude;
 - Keep side conversations to a minimum.



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Group Discussions

Next Steps for DHHL

- Review and compile notes from today, and comments received by August 30, 2018;
- Consider suggested and possible changes;
- Prepare and submit a report for the Commission;
- Submit the proposed amendments to the Commission for approval to move forward with the public hearing process.

Next Steps for You

- Think about today's discussion;
- Talk to family, friends, neighbors;
- Submit comments by August 30, 2018;
- Check the website for updates
<http://dhhl.hawaii.gov/po/beneficiary-consultation/>

How to Submit Comments

- Green sheets.
- Email: dhhl.rules@hawaiianhomelands.org
- Mail:
 - Department of Hawaiian Home Lands
 - DHHL Administrative Rules
 - P.O. Box 1879
 - Honolulu, HI 96805
- Call: Hokulei at 620-9280 or your district office.



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Mahalo