



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
DEPARTMENT OF HAWAIIAN HOME LANDS

Homesteads with DCCRs

Hawaiian Homes Commission

Item G-5

July 21, 2020

Agenda

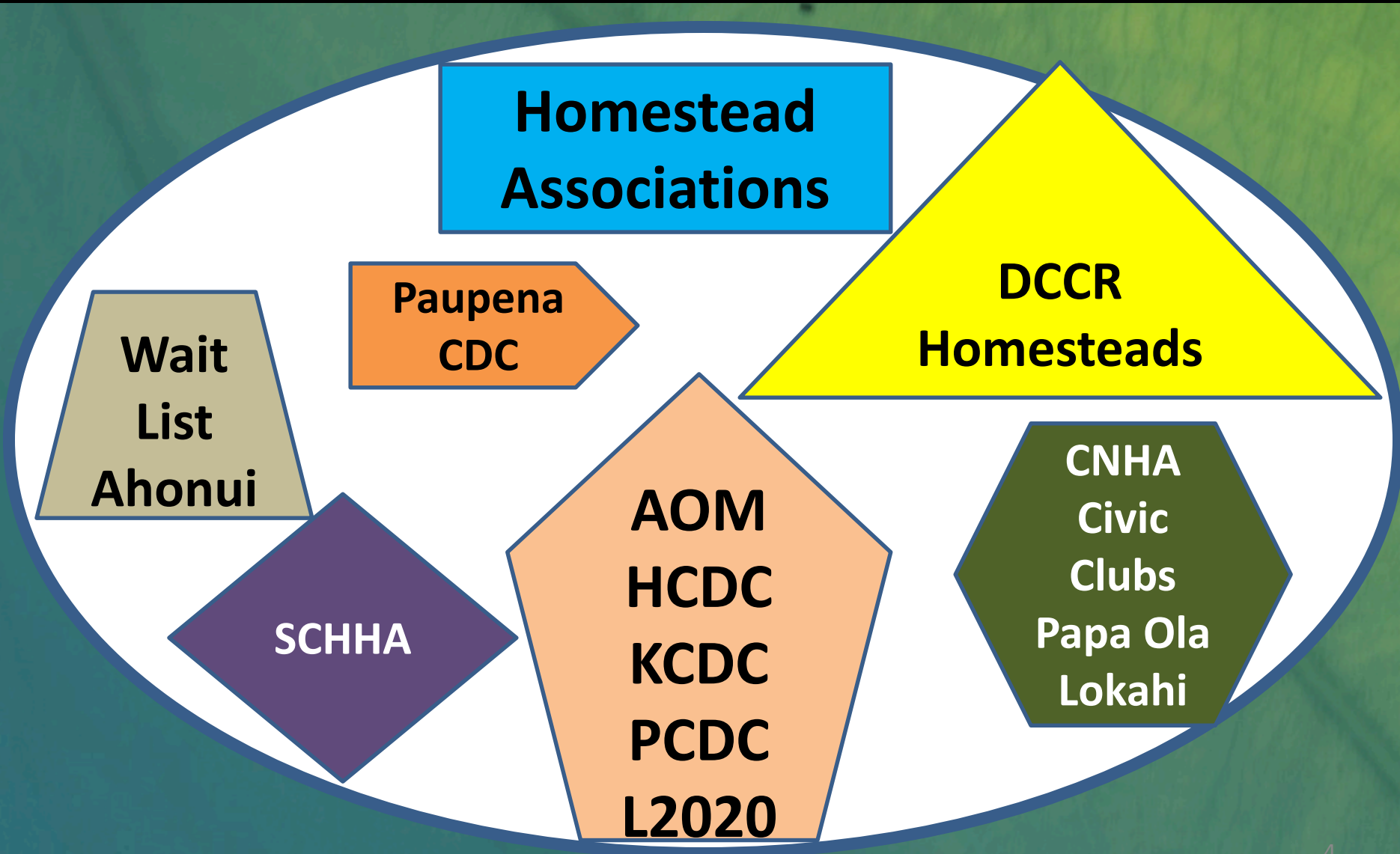
- **Background**
 - **Definitions: DCCR and Planned Community Assoc**
 - **Who, What, Where, When, Why**
- **Key differences: DCCRs on Hawaiian Home Lands and DCCRs on fee simple land**
- **DHHL Experience: Implementation Challenges**
- **Moving Forward**

Definitions

- **DCCRs** – Declaration of Covenants, Conditions and Restrictions
- **Planned Community Association** – a specific type of nonprofit, by law, requires homeowners to automatically be members; mandatory dues and assessments to operate the association; and documents (ie DCCRs) that bind homeowners

Nonprofits come in all shapes and sizes

Function before Form



DCCR Homesteads

Different types



**DHHL
Acquired
Properties (6)
(HHFDC)**

**DHHL created ones
(12)**

The “Planned Community Association”

A particular type of nonprofit

3 basic types:

- Planned community
- Condominium
- Apartment

3 characteristics:

- Automatic membership
- Documents that bind homeowners
- Mandatory dues and assessments to operate the association

Who, What, When, Where, Why

WHY

Master-planned communities and
opportunity for homesteads to self-manage

WHERE: Statewide, except Moloka'i

WHEN

1995 (Princess Kahanu) – 2009 (Kānehili)

Who, What, When, Where, Why

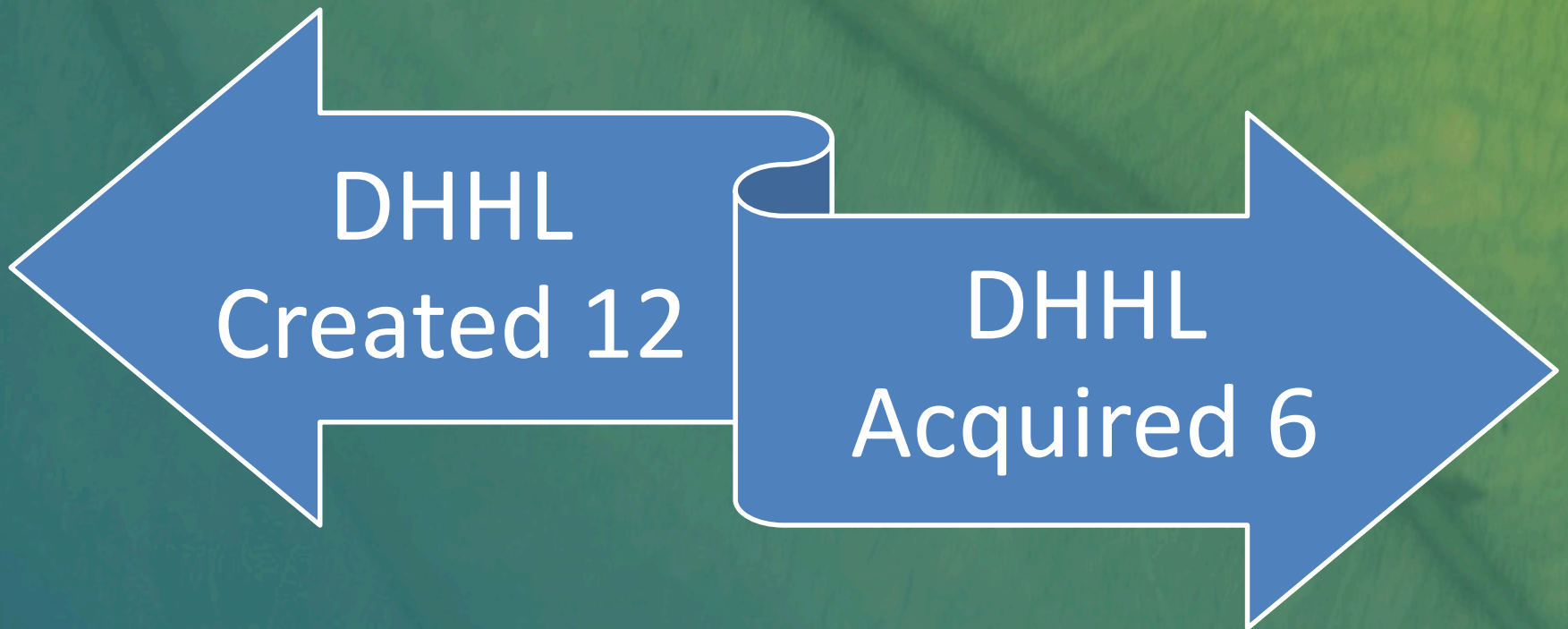
WHAT

DHHL created 12 DCCR Homesteads
and DHHL acquired 6 properties
with DCCRs

TOTAL 18 properties

2,309 lessees (23% of total lessees)

Total of 18 properties with DCCRs

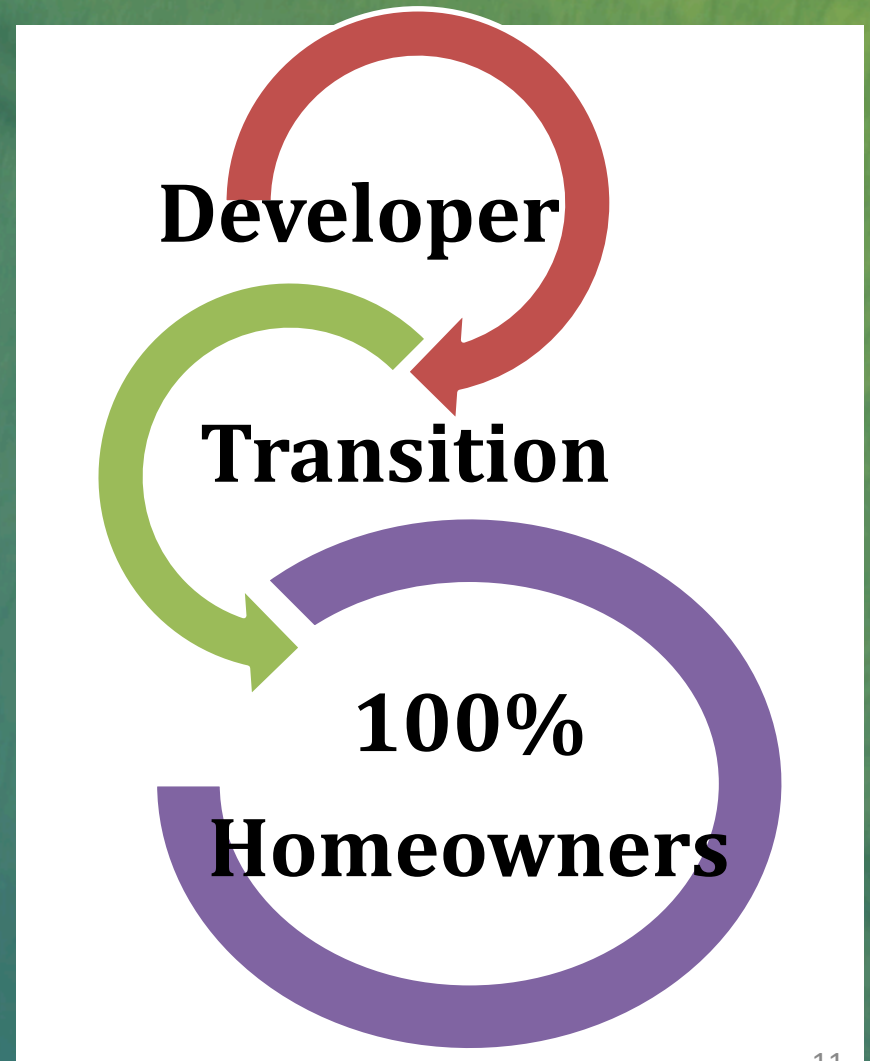
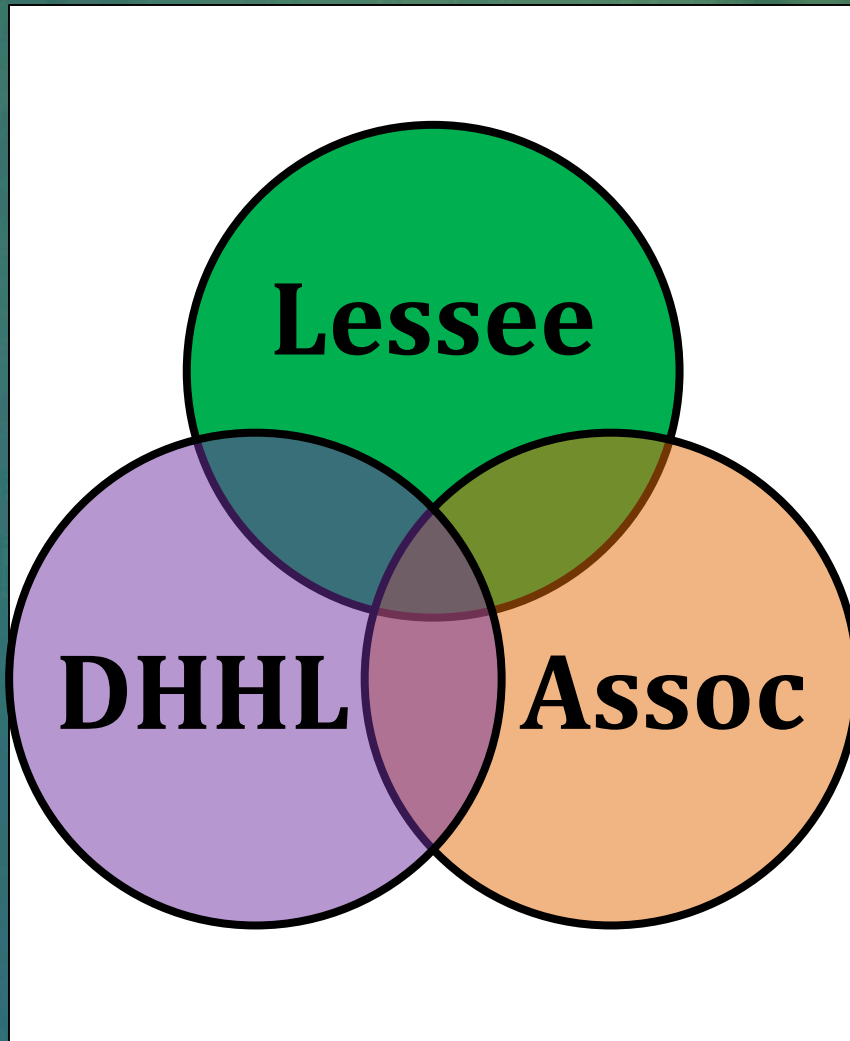


WHO are these DCCR Homesteads

Refer to Tables 1 (page 2) and Table 2 (page 5)

OAHU	MAUI	KAUAI	HAWAII
Kalāwahine	Kahikinui	Pi'ilani Mai Ke Kai	Discovery Harbor
Kaupe'a	Leiali'i		La'i 'Ōpua
Kaupuni	Waiehu Kou 2		Lālāmilo
Kumuhau and Kaka'ina	Waiehu Kou 3		
Malu'ōhai	Waiehu Kou 4		
Princess Kahanu	LĀNĀ'I DCCR status unknown		
Waiāhole	MOLOKA'I (none)		

Key Differences



Key Differences

Refer to Table 3 on page 7

Fee Simple

- Fee simple
- Project based on market studies –SFH, MFH, facilities
- Developer in, then out
- Buyer: general public
- Infrastructure
- DCCRs based on market studies, buyer preferences

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- Leasehold
- SFH only, with or without facilities
- DHHL remains
- Buyer: HHCA beneficiaries only
- Infrastructure maintenance unclear
- DCCRs templated

Key Differences (continued)

Refer to Table 3 on page 7

Fee Simple

- Developer sets up Assoc, transitions, leaves
- Rarely does Assoc decline
- Assoc self-manages and self-governs

Hawaiian Home Lands

- DHHL partially set up the Assoc, transitioned, continued to assist Assoc, as resources allowed
- Association decline. At least half have inactive boards.
- New Rules tie Assoc and DHHL in DCCR enforcement

DHHL Implementation Challenges

- Enforcement
- Declining association membership participation
- Management of community facilities
- Inconsistent programmatic implementation and support



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Moving Forward

Next Steps

Policy level: Function before Form

- **Re-visit goals and objectives of the DCCR model**
- **Applicability to Kuleana Homesteads**
Explore options
- **Determine level of support to Associations**

Department level:

- **Clarify Division roles and responsibilities**
- **Develop procedures**

Community outreach

- **Community Outreach on the New Admin Rules**
- **Choose to opt-in**

Long Term Programmatic Framework

- **Involve community throughout process**
- **Concept phase – research and analysis**
- **Formulate policy – seek HHC action**
- **Operational Plan**
 - **Clear division roles and responsibilities**
 - **Procedures**

THEN IMPLEMENT

- **Monitor, Evaluate, Adjust**



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Mahalo!