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**
• **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

Homestead Associations

DCCCR Homesteads

Paupena CDC

Wait List Ahonui

SCHHA

AOM HCDC KCDC PCDC L2020

CNHA Civic Clubs Papa Ola Lokahi
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
WHY

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

WHERE: Statewide, except Molokaʻi

WHEN

1995 (Princess Kahanu) – 2009 (Kānehili)
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

- DHHL Created 12
- DHHL Acquired 6
## WHO are these DCCR Homesteads
Refer to Tables 1 (page 2) and Table 2 (page 5)

<table>
<thead>
<tr>
<th>OAHU</th>
<th>MAUI</th>
<th>KAUAI</th>
<th>HAWAII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalāwahine</td>
<td>Kahikinui</td>
<td>Piʻilani Mai Ke Kai</td>
<td>Discovery Harbor</td>
</tr>
<tr>
<td>Kaupeʻa</td>
<td>Leialiʻi</td>
<td></td>
<td>Laʻiʻi ʻŌpua</td>
</tr>
<tr>
<td>Kaupuni</td>
<td>Waiehu Kou 2</td>
<td></td>
<td>Lālāmilo</td>
</tr>
<tr>
<td>Kumuhau and</td>
<td>Waiehu Kou 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kakaʻina</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maluʻōhai</td>
<td>Waiehu Kou 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Princess Kahanu</td>
<td>LĀNĀʻI</td>
<td>DCCR status unknown</td>
<td></td>
</tr>
<tr>
<td>Waiāhole</td>
<td>MOLOKAʻI (none)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key Differences

Lessee

DHHL

Assoc

Developer

Transition

100%

Homeowners
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

Hawaiian Home Lands
- 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
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
Mahalo!