La‘i Opua Village 4 – Akau
Rent with Option to Purchase Offering
Frequently Asked Questions

If I do not respond to this offering, will I be removed from the La‘i Opua Undivided Interest list or the Hawaii Island Residential applicant waitlist?
No, it will be considered a deferral and you will remain in the same place on the respective list(s).

What is the lot selection process?
La‘i Opua Undivided Interest (UI) lessees who meet the household income requirements and other selection criteria will select rental units first because they currently hold a lease for the La‘i Opua subdivision. If rental units are available after the UI’s select, then applicants on the DHHL Hawaii Island-wide Residential waitlist will be able to select a rental unit based on their application date. Applicants will also need to meet the household income requirements and other selection criteria of the property management company.

As an Undivided Interest Lessee, what happens if I decide to “Opt-In” to this project?
1. If you decide to “Opt-In” to this rental project and meet the household income requirements and other selection criteria, you will begin to enjoy the benefits of living in a new single-family home in a homestead community now instead of waiting for a home in the future.
2. The department will rescind your Undivided Interest lease, restore your status as an applicant, and place you back to your original position on the respective waitlist based on your application date.
3. You will no longer maintain any rights as an Undivided Interest lessee, including transfer rights.
4. You may continue to receive offerings from the DHHL based on elements of the individual offering.

The Undivided Interest Lease I have was transferred to me. Am I eligible to participate in this RWOP program?
No, only “original participants” have rescission rights in the UI lease. If you are not the original UI participant, you do not have rescission rights.

If I am unable to select one of these 60 rental units, will I have another opportunity to obtain a rental unit in the future?
After the 60 units are filled, units may become available over time due to a tenant moving out, death of a tenant, etc. When a unit becomes available, the Property Management company will call the next eligible person on a backup list provided by the DHHL.

If I become a tenant in this project, will I receive a 99-year lease?
No, this is a rental project with a rental agreement and not a lease for a lot in the La‘i Opua subdivision.

As a tenant, will I remain on the La‘i Opua Undivided Interest list?
No, since you decided to opt-in to the RWOP, your lease will be rescinded, and you will be removed from the La‘i Opua UI list. You will be restored to your original place as an applicant on the Hawaii Island-wide Residential waitlist based on your application date. You will also continue to receive offerings from the DHHL.

As a tenant, will I remain as an applicant on the Hawaii Island Residential Waitlist?
Yes, you will remain on the list based on your application date and will continue to receive offerings from the DHHL.

How will tenants be selected?
The property management company will qualify households based upon the requirements of the project including income restrictions from funding sources including the Low-Income Housing Tax Credit Program and other selection criteria. Refer to the Income Limits form included in this mailing. More information will also be provided at the Orientation meeting on January 9, 2021.

What does Rent with Option to Purchase mean and why is it a 15-year rental project?
This project received federal and state tax credits to fund this project and they require a minimum 15 years as a rental project. At the end of the 15 years when the Tax Credits expire, the tenant will have an “Option to Purchase” (OTP) the rental unit and become a permanent homeowner in La‘i Opua Village 4 - Akau.

If I qualify for the income limits now but my income increases over time, will I have to move?
No, if you meet the income qualifications and become a renter in the project and your income increases over time, you will still be allowed to participate in the RWOP program.
Are there other financial requirements for this project besides the Area Median Income?
Yes, the Property Management company will provide more details at the orientation meeting on January 9, 2021.

Will I have to join the La’i Opua Community Association? If so, who pays the Association fees?
During the 15-year rental compliance period the developer will pay the monthly fees. When the unit is sold the obligation to pay the association dues will be the responsibility of the homeowner. The current fees are $30 a month and may increase over time.

Do I have to submit any information to the DHHL West Hawaii District Office?
No, the property management company and the developer A0597 Kona L.P. will have jurisdiction over the rental units for the first 15 years, so all inquiries should be submitted to them.

At the end of the 15-year rental compliance period the project will go through the unit sales process. Tenants who meet DHHL’s age and NHQ qualifications in addition to the financial qualifications to buy their units may obtain a 99-year lease and become lessees in La’i Opua Village 4 – Akau. Once you become a lessee, all inquiries should be directed to the DHHL West Hawaii District Office.

The only time you will engage with the DHHL West Hawaii District Office (WHDO) during the first 15 years is if the tenant passes. If there are surviving household members that were on the original lease and Tenant Income Certification, the household can remain as an income qualified household. If no original household members remain, the unit would need to be rented to another household that meets the income requirements and other selection criteria. At that time, the family will need to submit a death certificate to both the WHDO and the Property Management company A0597 Kona L.P. to determine and verify a successor to fill the rental unit.

As an Applicant on the waitlist, can my Successor assume the rental contract at any time?
As a waitlist applicant who is the renter, if the renter dies, his/her Successor living in the rental who is listed on the original lease and Income Certification at move in can assume the rental contract. The qualified Successor will also have the option to purchase the unit at the end of the 15-year term. The Successor must meet both the DHHL’s age and NHQ requirements and meet the household income requirements to continue as a renter. If the Successor is unable to do so, the household members will need to move out of the rental unit.

What is the maximum income allowed to qualify to live in this subdivision?
Please see the enclosed Lai’ōpua Data Sheet. The maximum income allowed is based on total gross income earned by all household members and the size of the household, and the values change over time. Please do NOT exclude yourself from the program by thinking that you are over income. Submit your application and let the Property Manager review your household’s income and assets to determine if you can qualify.

Can the tenant lease agreement be transferred during the rental period?
No. The tenant lease during the rental period cannot be transferred. Please contact DHHL with any questions related to the transfer of a DHHL homestead lease after the unit is purchased.

What will the home prices be at the end of the 15 years?
The final sales price cannot be determined at this time. The sales price will be calculated based on a formula and will take into consideration factors existing at the time of the unit sales, such as the future income limits, future interest rates, etc. Please see the Lai’ōpua Data Sheet for more information.

How much of my rent will be contributed towards the purchase of the house at the end of the rental period?
None. It is EXTREMELY IMPORTANT that all applicants are aware that there will be no rent contributed towards the purchase of the house.

What are the next steps?
- Submit your response form to the DHHL by Friday, December 18, 2020.
- SAVE THE DATE – Orientation meeting on Saturday, January 9, 2021.
- Visit dhhl.hawaii.gov/awards for more information about the La’i Opua Rent with Option to Purchase program including home designs and renderings.
- Visit dhhl.hawaii.gov/awards for information about logging on to the Live Orientation meeting on January 9, 2021.