



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

**La'i 'Ōpua**

**Rent With Option to Purchase Program**

January 9, 2021



# AGENDA

- Welcome - Paula Aila
  - DHHL Contact & Awards Division – Acting Administrator
- Chairman’s Message – William J. Aila, Jr.
- La’i ‘Ōpua Overview
  - Stewart Matsunaga - Land Development Division - Acting Administrator
- Rent with option to purchase overview –
  - James Rock, Ikaika ‘Ohana
  - Delene Osorio, Ikaika ‘Ohana
  - Kyle Beach, ThirtyOne50 Management LLC



*Chairman's Message*

*Chair William J. Aila, Jr.*



# PRINCE JONAH KUHIO KALANIANA'OLE





# PROJECT TEAM

## La'i 'Ōpua DHHL Project Team Members

Stewart Matsunaga

Moana Freitas

Paula Aila



# SUPPORT TEAM

## Awards

Michelle Hitzeman

Kaila Bolton

Darlene Kennison

## Information and Community Relations (ICRO)

Cedric Duarte

Michael Lowe

Jamilia Pacheco

Marjorie Adkins



# DHHL PROJECT PARTNERS



A0597 Kona, L.P.

ThirtyOne50 Management LLC



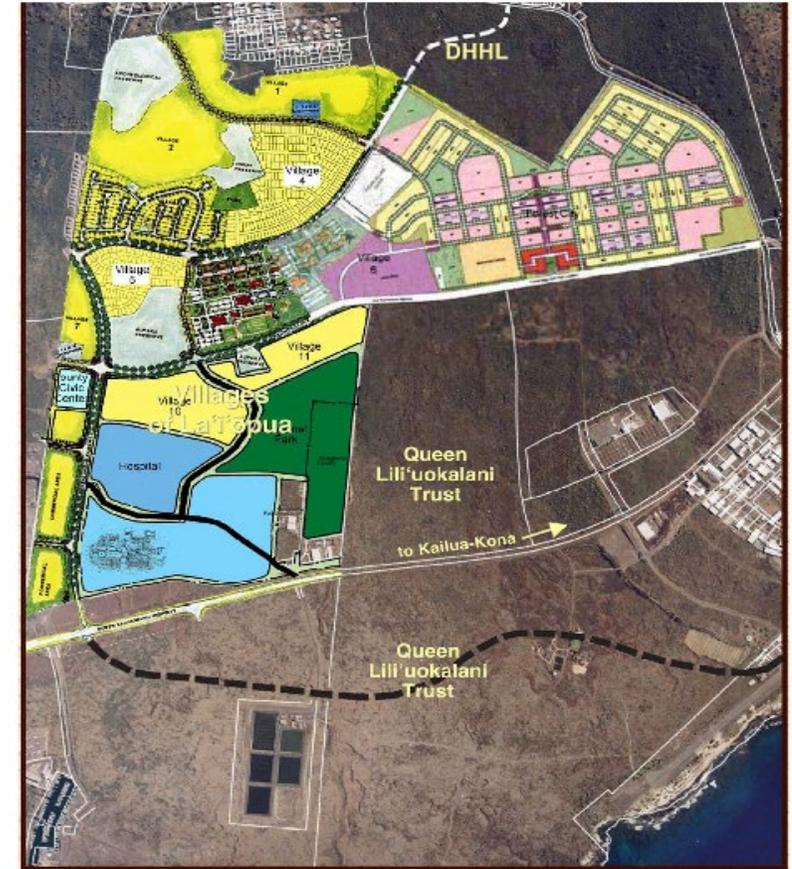
# **DHHL Land Development Division**



# Villages of La'i 'Ōpua- MASTERPLAN

## DHHL Properties for Residential Awards\*

- Village 1 200 lots planned
- Village 2 200 lots planned
- Village 3 225 lots occupied
- Village 4 Akau 118 lots constructed
  - 60 RWOTP offer 2021
  - 58 future RWOTP
- Village 4 Hema 125 lots designed
  - Site construction start mid-2021
- Village 5 116 lots
  - 61 Occupied Turnkey and Habitat
  - 45 future RWOTP
  - 10 vacant lots for future award



\*subject to change based on availability of funding and environmental compliance.



# Villages of La'i 'Ōpua





# La'i 'Ōpua, Village 4 Subdivision – Phase 1, Akau

- 118 Lots
- County standard right-of-way
- County potable water
- County sanitary sewer
- Underground electrical & streetlighting
- Underground telecommunications





# La'i 'Ōpua, Village 4 Subdivision – Phase 2, Hema

- 125 Lots
- Site Construction start in mid-2021
- Site Construction estimated completion mid-2023
- Potential Construction Impacts:
  - Traffic Noise
  - Dust
  - Vibration





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Villages of La'i 'Ōpua  
Presentation by Ikaika 'Ohana



# Villages of La'i 'Ōpua

## Introduction



- Nonprofit 501(c)(3) affordable housing developer
- Development Agreement with DHHL for Village 4-Akau and Village 5
- Extensive experience developing, construction, and operating affordable housing projects



# Villages of La'i 'Ōpua

## Introduction

A0597 Kona, L.P.

- Single-Purpose Limited Partnership formed to be the owner/DHHL lessor and operator of the rental project
- Ikaika 'Ohana is the managing general partner
- A0597 Kona, L.P. contracts with the property management company



# Villages of La'i 'Ōpua

## Introduction

### ThirtyOne50 Management LLC

- Property management company contracted with A0597 Kona, L.P.
- Full-service organization specializing in operations and social service coordination in affordable housing
- Responsible for compliance with DHHL and funding program requirements



# Villages of La‘i ‘Ōpua

## Project Criteria

### Participants and Requirements

- Dept. of Hawaiian Home Lands
- Villages of La‘i ‘Ōpua Association
- Lender and Investor
- Property Management
- IRC Section 42 9% LIHTC
- State of Hawaii Rental Housing Revolving Funds Program
- Affordable Home Sales Calculation

### Applicant Qualification Criteria

- Household Income up to 30%, 40%, or 60% of Area Median Income
- Household Size from 2 to 9 people
- Credit History
- Background Check
- Rent to Income Ratio
- and more...



# Villages of La'i 'Ōpua

## Project Criteria

### Allowable Income

- Allowable income limit is determined by HUD
- Income limits change over time
- Income is adjusted for household size

### Calculation of Rent

- Based on HUD income limits and County of Hawaii utility allowances
- Rents change over time as changes are made to income limits and utility allowance schedules



# Villages of La‘i ‘Ōpua

## Current Income Limits (2020)

Household Size	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	9 Person
% of AMI								
30%	\$20,010	\$22,500	\$24,990	\$27,000	\$29,010	\$30,990	\$33,000	\$34,980
40%	\$26,680	\$30,000	\$33,320	\$36,000	\$38,680	\$41,320	\$44,000	\$46,640
60%	\$40,020	\$45,000	\$49,980	\$54,000	\$58,020	\$61,980	\$66,000	\$69,960

Note: Income limits typically change on an annual basis in April of each year



# Villages of La'i 'Ōpua

## Rents and Available Units

### Rent excluding Utilities

% of AMI	2 Bed	3 Bed	4 Bed
30%	\$340	\$376	\$400
40%	\$528	\$593	\$642
60%	\$903	\$1,026	\$1,125

### Number of Homes Available

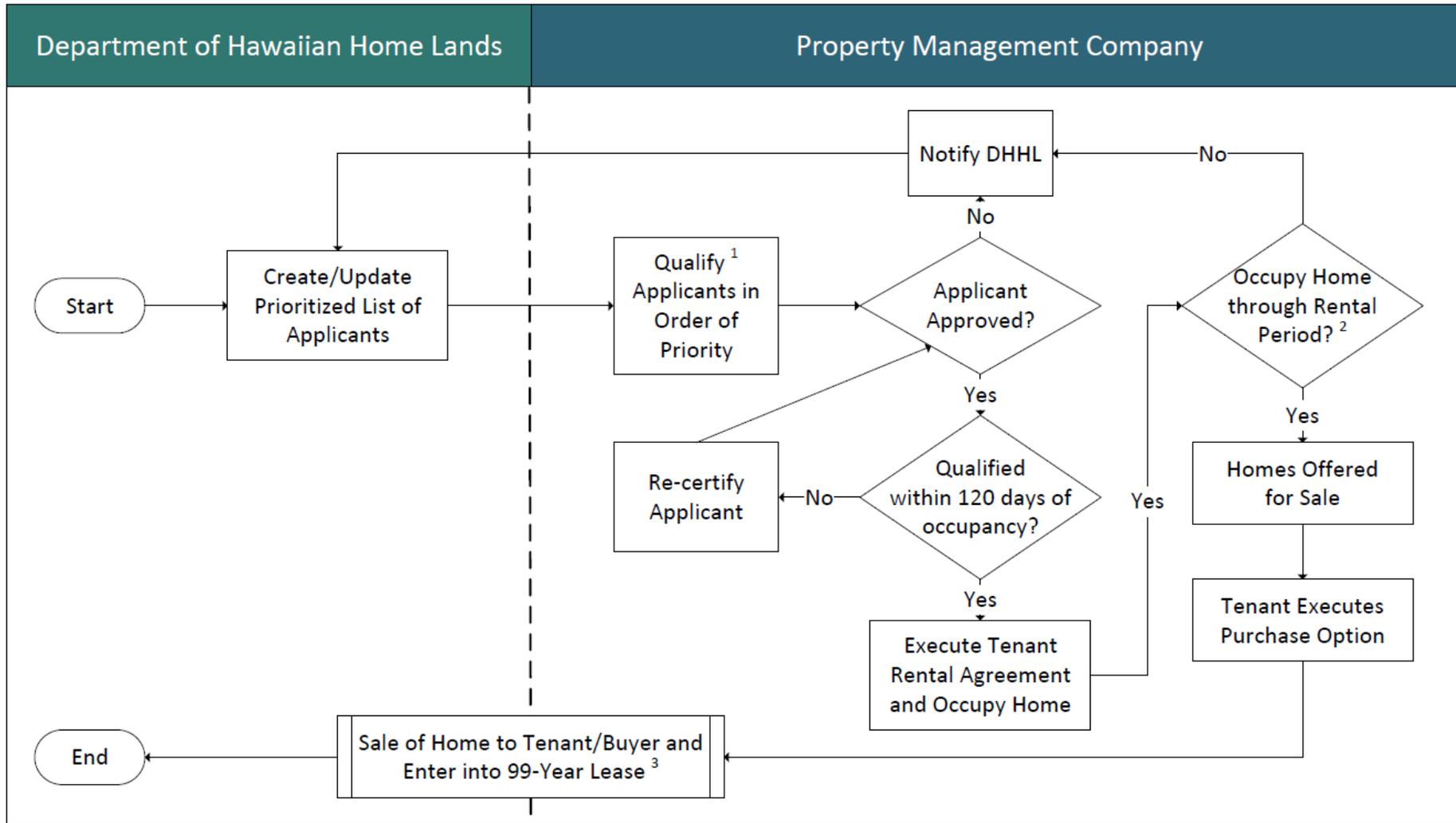
% of AMI	2 Bed	3 Bed	4 Bed
30%	3	2	1
40%	2	3	1
60%	22	21	4

Note: Rents are based on current income limits and utility allowances which are subject to change. Tenants are responsible for all utility payments.



# Villages of La'i 'Ōpua

## Tenant / Home Buyer Process



### NOTES:

1) Qualifications include household income, household size, background and credit checks, etc.

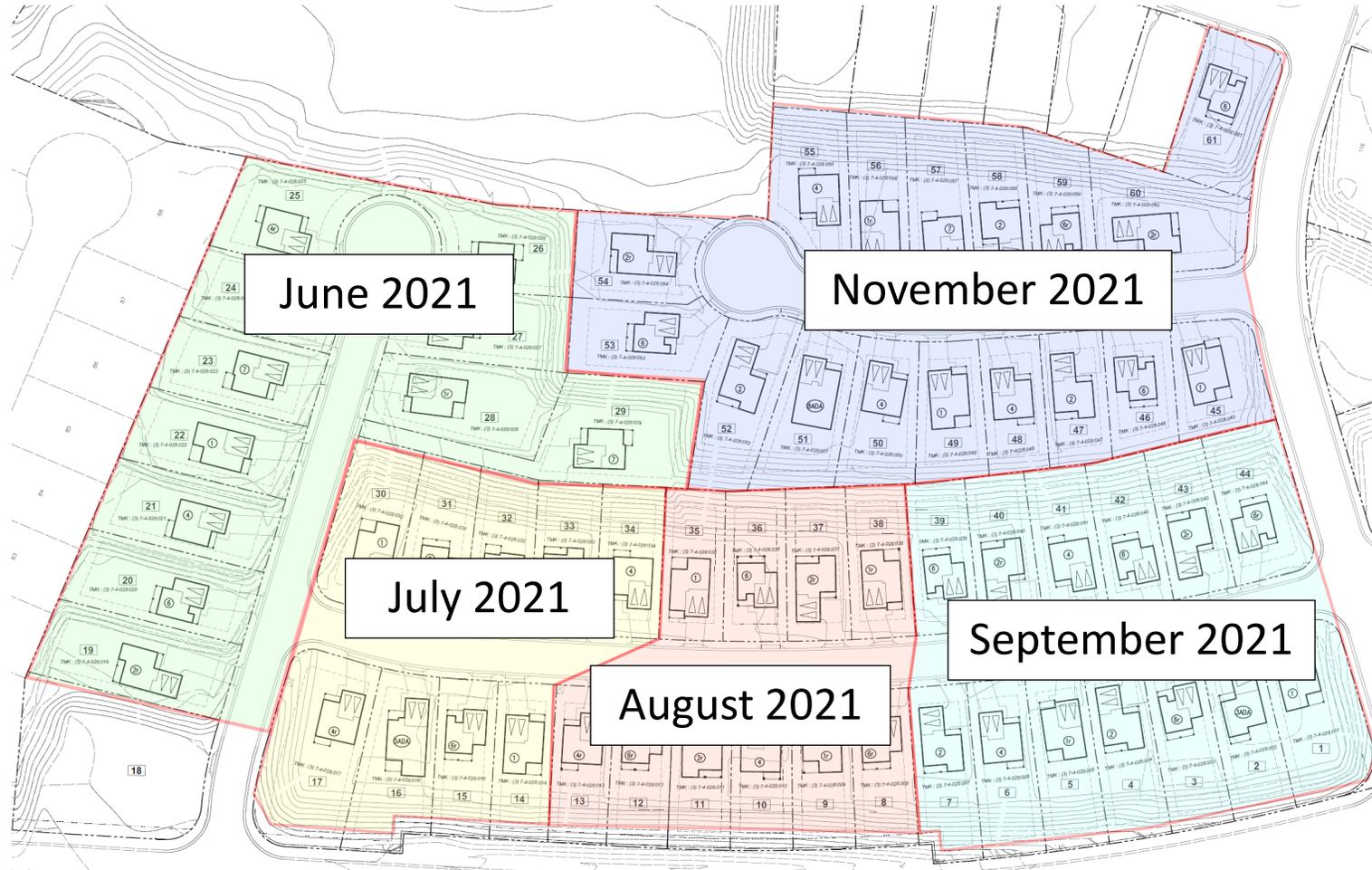
2) The project must operate as a rental property during the 15-year compliance period.

3) The termination of the tenant rental agreement, creation of a 99-year lease, and sale of the home will take place concurrently.



# Villages of La'i 'Ōpua

## Anticipated Move-In Schedule (subject to change)





# Villages of La'i 'Ōpua

Construction Status – Dec 2020



Lot 29 Framing

Site Aerial





# Villages of La'i 'Ōpua

## Home Ownership

- Home ownership education and support programs will be provided to tenants
- Tenants will purchase their home after the 15-year rental compliance period
- Tenant/Home Buyer will enter into a 99-year lease with DHHL





# Villages of La'i 'Ōpua

## Preparing for Home Ownership

### Service Providers

- Ikaika 'Ohana
- American Savings Bank
- Hawaiian Community Assets
- and more...

### Programs

- Home care courses
- Home buying and training courses
- Periodic tenant/home buyer evaluations
- Education, health, and wellness



# Villages of La‘i ‘Ōpua

## Calculating the Home Sales Price

- Sales price is the higher of (i) the “Affordable Sales Price” or (ii) IRC Section 42 minimum purchase price
- Affordable Sales Price is based on factors at the time of sale such as the household income limit and associated AMI designation, anticipated principal and interest payments, etc.
- IRC Section 42 minimum purchase price is the sum of outstanding debt and all federal, state, and local taxes
- See HHFDC July 9, 2020 For-Action for the full formula for calculating the home sales price



# Villages of La'i 'Ōpua

## Sample Home Sales Prices

### Current Income Limits

- 2-bedroom 30% AMI 3 person home: **\$116,800**
- 4-bedroom 60% AMI 6 person home: **\$301,300**

### Estimated Year 15 Income Limits

- 2-bedroom 30% AMI 3 person home: **\$157,200**
- 4-bedroom 60% AMI 6 person home: **\$405,500**

Note: Sales prices assumes 30 year loan, 4.50% interest, 5% down payment, and home expense of 30% of adjusted AMI. 15 year income limits assume 2% annual increases.



# **DHHL AWARDS PROCESS**



# Awards Process – RWOP





# BACK UP LIST

Once the 60 rental units are filled, all other eligible applicants who meet the qualifications of both DHHL and Ikaika ‘Ohana by February 2021 will be placed on a back-up list.

If a unit becomes available, ThirtyOne 50 Management LLC, the property management company, will contact those on the back-up list to fill the unit. Eligibility at that time is subject to another area median income (AMI) qualification and available bedroom size.



# DEFERRALS

- If you are no longer interested:
  - Complete and Return the Response Form
  - You will remain on the La'i 'Ōpua Undivided Interest List and the Hawaii Islandwide Residential Wait List based on your original date of application



# IMPORTANT DATES

## Prequalification Process

- January-February 2021

## Final list of Eligible Rental Applicants

- March 2021

## Lot Selection Meeting

- April 17, 2021

## Move-in timeline

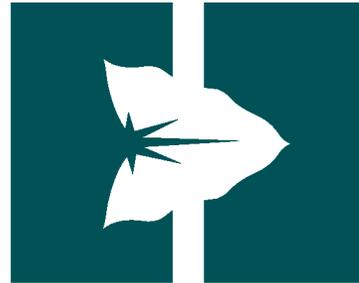
- Starting June 2021



# Questions?



# Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

[www.dhhl.hawaii.gov](http://www.dhhl.hawaii.gov)