



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

La`i Opuu Village 4 – Akau Rent with Option to Purchase Offering Undivided Interest Lessees Frequently Asked Questions

1. If I do not respond to this offering, will I be removed from the La`i Opuu 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).

2. The Undivided Interest Lease I have was transferred to me. Am I eligible to participate in this RWOP program?

No, because only “original participants” have rescission rights in the UI lease. If you are not the original UI participant, you do not have rescission rights.

3. As an Undivided Interest Original Lessee, what happens if I decide to “Opt-In” to this project?

1. If you decide to “Opt-In” to this rental project, you will need to rescind your UI lease as the project is for waitlist applicants only.
2. The rescission of your UI lease requires approval by the Hawaiian Homes Commission (HHC).
3. Upon approval by the HHC, 1) the department will rescind your Undivided Interest lease, 2) restore your status as an applicant on the Hawai`i Island-wide Residential Waitlist and return you to your original position on the list based on your application date.
4. You will no longer maintain any rights as an Undivided Interest lessee, including lease transfer rights.
5. As an applicant on the Hawai`i Island-wide Residential Waitlist, you may receive Island-wide offerings from the DHHL depending on the type of offering.
6. If you meet the rental terms and conditions, there is *no guarantee* your name will be called to select a unit.

4. What is the lot selection process?

Applicants who are invited to the lot selection meeting will be called to select a lot based on the application date until all units are filled.

5. If I am unable to select one of these 24 rental units, will I have another opportunity to obtain a rental unit in the future?

After the 24 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.

6. 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 99-year lease for a lot in the La'i Opuu subdivision.

7. As a rental tenant, will I remain on the La'i Opuu Undivided Interest list?

No, if you decide to opt-in to this project, your lease will be rescinded, and you will be removed from the La'i Opuu 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. As an applicant you may receive offerings from the DHHL depending on the type of offering.

8. As a rental 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 may receive offerings from the DHHL depending on the type of offering.

9. How will rental tenants be selected?

Applicants who are invited to proceed through the rental application process will be contacted by the property management company, ThirtyOne50. More information will also be provided at the Orientation meeting on April 8, 2023.

10. 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 Opuu Village 4 - Akau.

11. 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.

12. 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 April 8, 2023.

13. 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.

14. 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.

The only time you will engage with the DHHL West Hawaii District Office (WHDO) during the first 15 years is if the tenant passes.

15. 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 and listed on the original lease and Income Certification at move in can assume the rental contract. The qualified Successor may also have the option to purchase the unit at the end of the 15-year term provided they must meet both the DHHL's age and NHQ requirements and 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.

16. What is the maximum income allowed to qualify to live in this subdivision?

Please see the enclosed La'i'Opua 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.

17. Can the tenant lease agreement be transferred during the rental period?

No. The tenant lease during the rental period cannot be transferred.

18. What will the home prices be at the end of the 15 years?

The final sales price cannot be determined at this time. More information about the sales prices will be available as the project nears the 15-year period.

19. 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.

20. What are the next steps?

1. If you opt-in to this offering, please submit your Response Form *and* Rescission Form to the DHHL by *Friday, April 8th or sooner*.
2. You will need to rescind your Undivided Interest Lease to proceed through the process.