



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

La'i Opua Village 4 Akau

Rent With Option to Purchase Program

24 Units

April 8, 2023



AGENDA

- Welcome - Paula Aila
 - DHHL Contact & Awards Division – Acting Administrator
- Chairman's Message – Kali Watson
- West Hawai'i Commissioner – Makai Freitas
- La'i Opuia Overview
 - Sara Okuda- Land Development Division
- Rent with option to purchase overview –
 - Delene Osorio, Ikaika 'Ohana
 - Todd Borland, ThirtyOne50 Management LLC



PRINCE JONAH KUHIO KALANIANA'OLE



Chairman's Message

Aloha to you all,

We are delighted that you have come to this meeting, to learn more about the opportunities with the Rent with Option to Purchase program, here at La'i 'Ōpua. This will be a new chapter for some of you on your path to home ownership. We applaud you all for taking the time today to learn more about this program and the processes it will take to qualify you for this upcoming RWOP selection.

I encourage you to take notes, ask questions and have an open mind. Learn and prepare for what could be a life changing opportunity. Work hard, be positive and prepare for this and other selections that will be forthcoming in our future. Best of luck to you all.

Me Ke Aloha Pumehana,



Kali Watson

Chairman/Director, Department of Hawaiian Home Lands





PROJECT TEAM

La`i `Opua DHHL Project Team Members

Moana Freitas

Michelle Hitzeman

Darlene Kennison

Deb Aliviado

Darlene Llacuna

Kauai Colon

Stewart Matsunaga

Sara Okuda

Michael Lowe

Kelly Yoshizaki

Paula Aila



Land Development Division

Sara Okuda



Current Development Villages of La'i 'Ōpua , Kealakehe, Hawai'i

La'i 'Ōpua Rent with Option to Purchase (RWOTP)

- Village 4 'Ākau - 118 lots
- Village 5 - 45 lots
- Additional rental offerings subject to developer obtaining financing

La'i 'Ōpua Village 4 Hema Infrastructure

- 125 homestead lots, housing mix to be determined
- Start construction early 2022
- Complete construction early 2024, subject to change.

La'i 'Ōpua Village 5

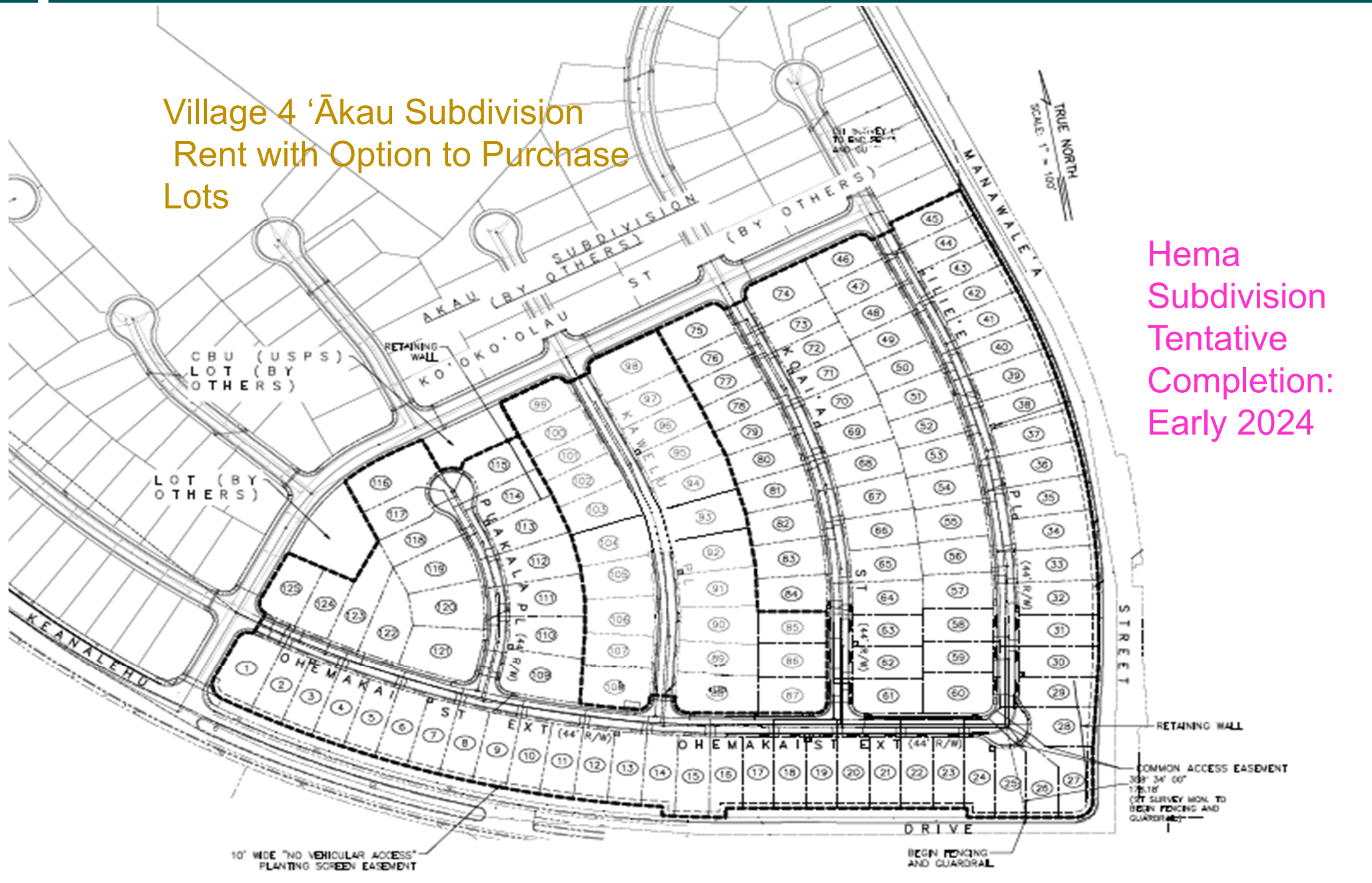
- 42 Turnkey occupied
- 20 Habitat homes occupied
- 45 RWOTP planned
- 10 Vacant lots for future Offer



La'i 'Ōpua Village 4, Phase 2 - Hema Subdivision Layout

Village 4 'Ākau Subdivision
Rent with Option to Purchase
Lots

Hema
Subdivision
Tentative
Completion:
Early 2024



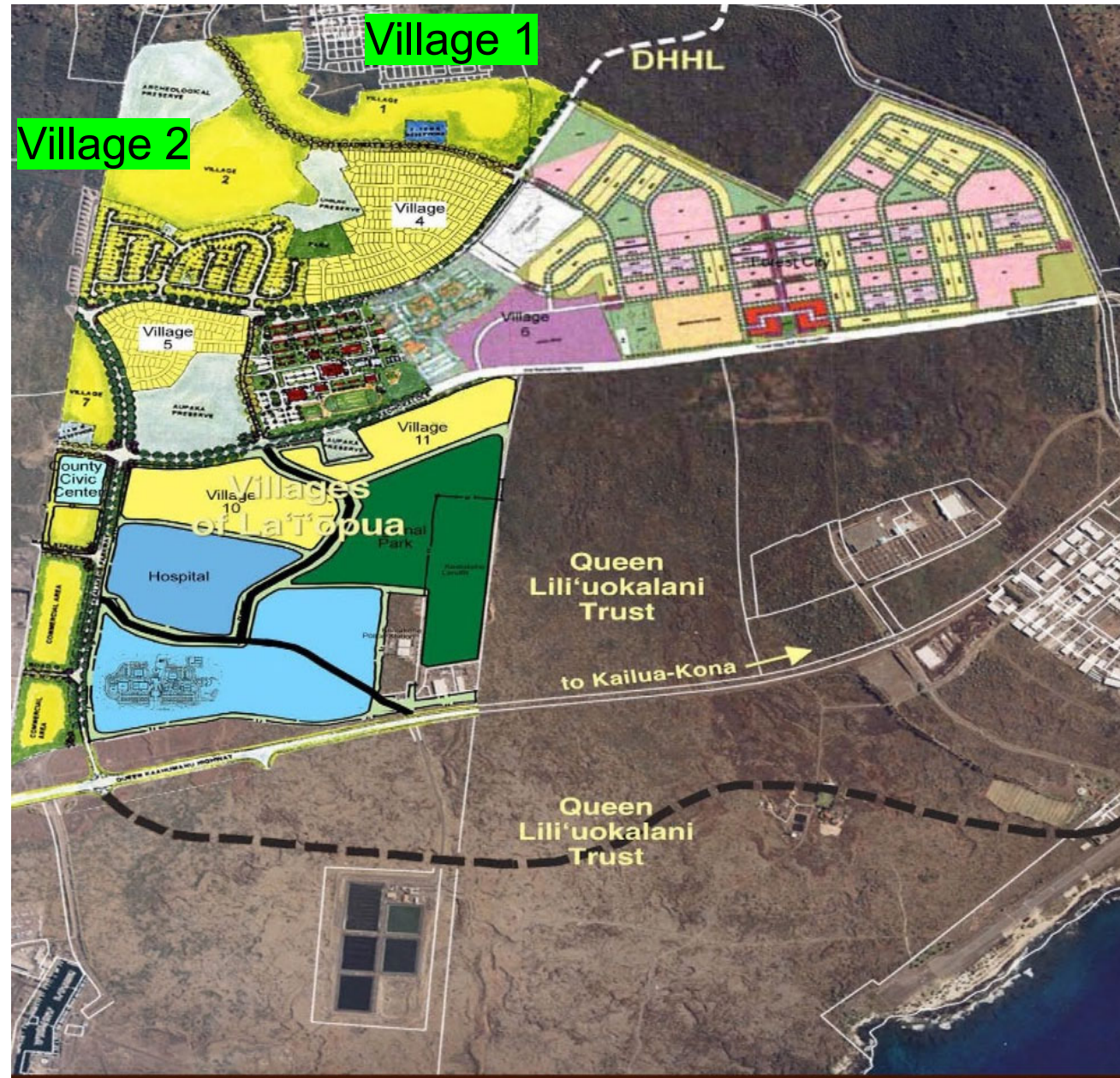
Future La'i 'Ōpua Residential Development

La'i 'Ōpua Village 2

- Start Environmental Compliance and Engineering Designs
 - Funded by Act 279
 - Schedule to be determined
- Approximately 200 lots

La'i 'Ōpua Village 1

- Start Environmental Compliance and Engineering Designs
 - Funded by Act 279
 - Schedule to be determined
- Approximately 200 lots



Ikaika 'Ohana & Thirtyone50





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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
- Extensive experience developing, construction, and operating affordable housing projects



Villages of La‘i ‘Ōpua

Introduction

- Property management company contracted with A0714 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

Introduction

A0714 Kona, L.P.

- Single-Purpose Limited Partnership formed to be the DHHL lessee and operator of the rental project
- Ikaika Ohana is the Managing General Partner
- A0714 Kona, L.P. contracts with Thirtyone50, the property management company



Villages of La‘i ‘Ōpua

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



Villages of La‘i ‘Ōpua

Applicant Qualification Criteria Overview

- Household Income up to 30%, 40%, or 60% of Area Median Income
 - Household Size from 3 to 9 people
 - Acceptable Housing History
 - Background Check
 - Rent to Income Ratio
-
- All income and asset information will be verified before applicants are approved.



Villages of La‘i ‘Ōpua

Project Criteria

Allowable Income

- Allowable income limit is determined by HUD
- Income limits will change annually
- Income limits vary based on the household size

Calculation of Rent

- Based on HUD income limits and County of Hawaii utility allowances
- Rents may change annually based on rent adjustments made by HUD and utility allowance schedules created by the County



Villages of La‘i ‘Ōpua

Tenant Responsibilities

- Comply with Terms of Lease & House Rules
- Follow VOLA Regulations
- Pay Rent on Time
- Setup & Pay All Utilities
 - Electricity
 - Water
 - Sewer
- Keep Home and Yard in a Decent, Safe and Sanitary Condition
- Dispose of Trash
- Maintain & Irrigate All Landscape within Lot Boundaries
- Report Home Repairs & Maintenance To Property Management in a Timely Manner
- Be a Good Neighbor!



Villages of La‘i ‘Ōpua

Rents (monthly)

Unit	30%	40%	60%
3 BR	\$441	\$689	\$1,184
4 BR	\$471	\$748	\$1,300

*Rents subject to change annually



Villages of La‘i ‘Ōpua

Household Income (2022)

Unit	30%	40%	60%
3 person	\$25,710	\$34,280	\$51,420
4 person	\$28,560	\$38,080	\$57,120
5 person	\$30,870	\$41,160	\$61,740
6 person	\$33,150	\$44,200	\$66,300
7 person	\$35,430	\$47,240	\$70,860
8 person	\$37,710	\$50,280	\$75,420
9 person	\$39,990	\$53,320	\$79,980

*Income limits will be adjusted based on family size



Villages of La‘i ‘Ōpua

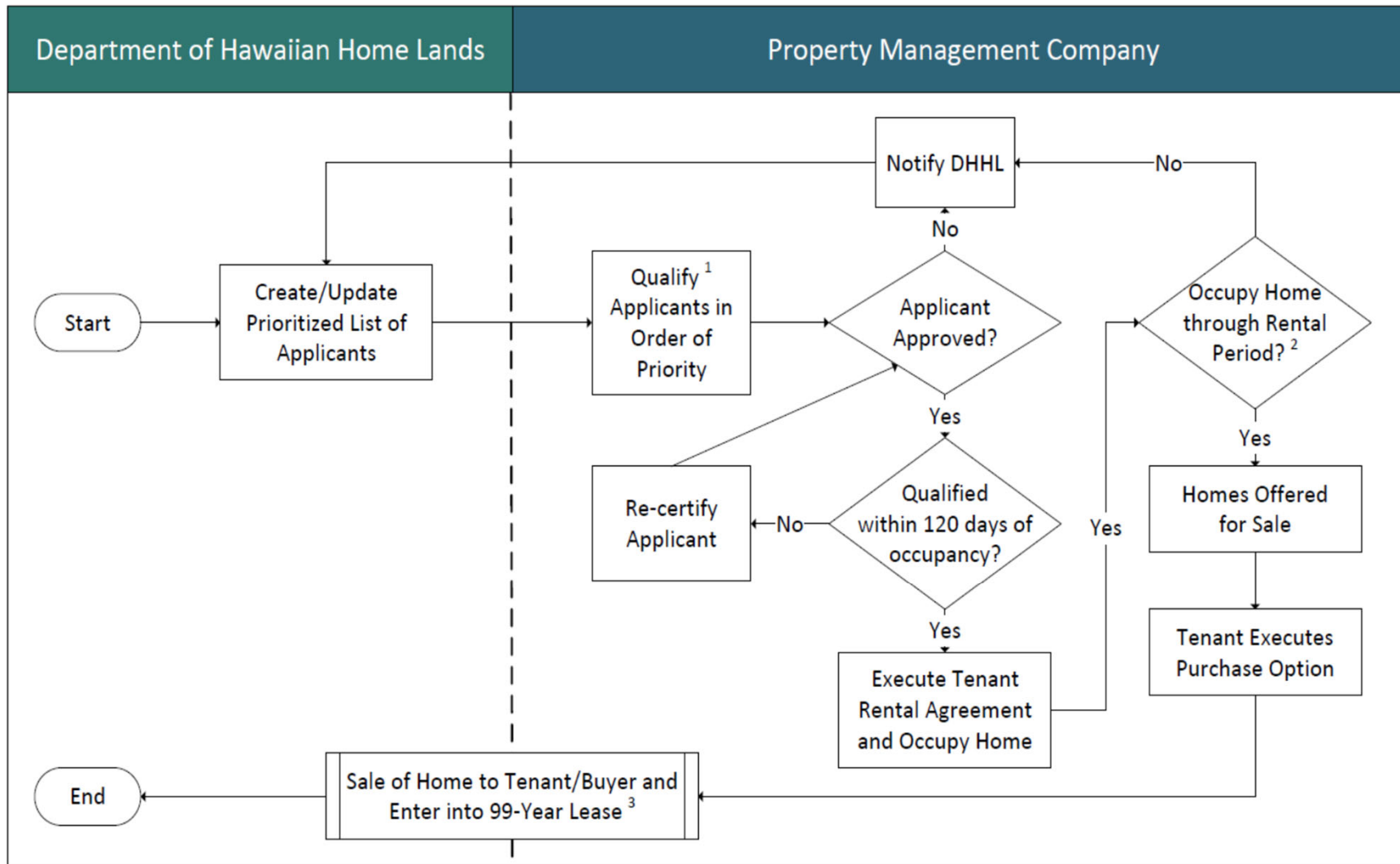
Available Units

Unit	30%	40%	60%
3 BR	2	2	13
4 BR	1	1	5



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

Construction Status – March 2023





Villages of La‘i ‘Ōpua

Construction Status – March 2023





Villages of La‘i ‘Ōpua

Construction Status – March 2023





Villages of La‘i ‘Ōpua

Completed Units – Phase I





Villages of La‘i ‘Ōpua

Completed Units – Phase I





Villages of La‘i ‘Ōpua

Rent With Option To Purchase Program

- Home ownership education and support programs will be provided to tenants
- Tenants will have the opportunity to purchase their home after the 15-year tax credit compliance period
- When the Tenant exercises the Right to Purchase their home at the end of the 15 years, they become the lessee and will enter into a 99-year lease with DHHL
- **Rent paid during the 15 year rental period will not be applied towards the purchase price**





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



BACK UP LIST

Once the 24 rental units are filled, all other eligible applicants who meet the qualifications of both DHHL and Ikaika‘Ohana by June 2023 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 Opuu Undivided Interest List and the Hawaii Islandwide Residential Wait List based on your original date of application



IMPORTANT DATES

Orientation Meeting: April 8, 2023

Qualification Process

- April – June 2023

Final list of Eligible Rental Applicants

- Mid-July 2023

Lot Selection Meeting

- August 12, 2023

Move-in timeline (tentative schedule)

- Phase I – end of August 2023
- Phase II – end of October 2023



Questions?



Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

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