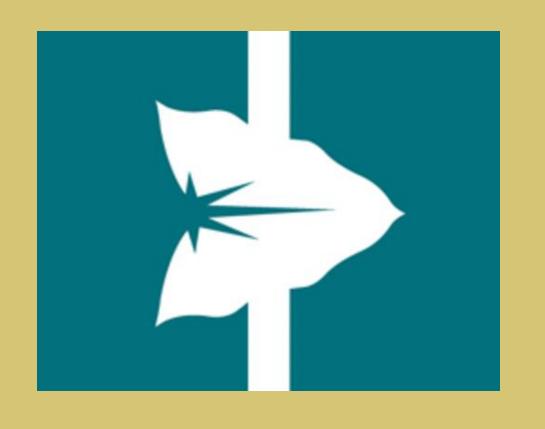


Department of Hawaiian Home Lands

WAIPOULI WORKSHOP

Kauai Residential

NOVEMBER 15, 2025



ROADMAP FOR TODAY

TIME

EVENT

9:30

Welcome / Pule / Introductions

9:35

Opening Remarks

Waipouli Project

Successorship & Transfers

CNHA Rental Subsidies

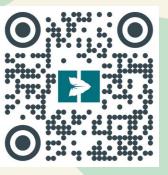
Explanation of Lot Selection & Explanation of Project Lease

10.45

Open House

For More Information

To learn more about the department and awards process, visit DHHL's YouTube page.



dhhl.hawaii.gov

DIRECTOR'S MESSAGE



'Ano'ai me ke aloha e nā pulapula o ka 'āina,

Project leases provide a timely solution to the prolonged wait our community has endured for far too long. This strategy enables the Department of Hawaiian Home Lands to guarantee homes to our beneficiaries even before a development is complete. With a project lease in hand, our 'ohana can preserve a legacy to pass down to their keiki,

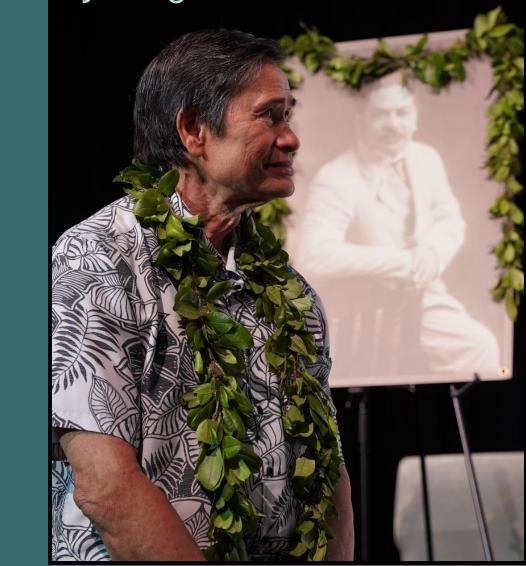
ensuring their homestead remains within the family for generations.

A thriving homestead community starts with each and every person in this room and I urge all of you to seize this opportunity and the many more that lie ahead.

Pupukahi i holomua! Unite to move forward.

"With these projects, we are not merely constructing homes but nurturing communities that reflect our culture and shared vision for a better tomorrow."

DHHL Director Kali Watson



VISION OF PRINCE KUHIO

On July 9, 1921, President Warren G. Harding signed the Hawaiian Homes Commission Act, 1920 as amended, an effort spearheaded by Prince Kūhiō and a group of advocates.

Through its passage, the United States set aside approximately 200,000 acres of land to establish a permanent homeland for native Hawaiians, who were identified as a "landless and dying" people as the result of disease, intermarriage, and loss of lands.

The Hawaiian Homes Commission Act intended to return native Hawaiians to the land while encouraging them to become self-sufficient homesteaders on the leased parcels of trust land.

The Department of Hawaiian Home Lands carries out Prince Jonah Kūhiō Kalaniana 'ole's vision of rehabilitating native Hawaiians by returning them to the land. Established by U.S. Congress in 1921 with the passage of the Hawaiian Homes Commission Act, the Hawaiian homesteading program run by DHHL includes management of more than 200,000 acres of land statewide with the specific purpose of developing and delivering homesteading.



Prince Jonah Kūhiō Kalaniana'ole

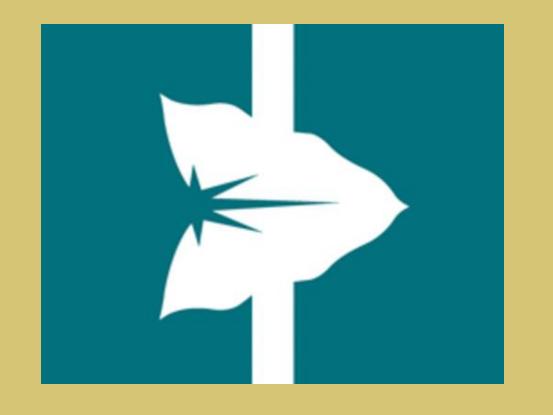


Department of Hawaiian Home Lands dhhl.hawaii.gov



Department of Hawaiian Home Lands

WAIPOULI PROJECT





** 'Aina Ho'opulapula 'o WAIPOULI

A Home That Grows and Multiplies for Waipouli

Your pathway to homeownership on Hawaiian Homelands begins here. This unprecedented rent-with-option-to-purchase program combines affordable housing, financial preparation, and generational wealth building.

The Legacy of Prince Jonah Kūhiō Kalaniana'ole



The Hawaiian Homes Commission Act of 1921

Prince Kūhiō, Hawaii's delegate to Congress, championed the Hawaiian Homes Commission Act to return Native Hawaiians to the land.

His vision: Provide homesteads to rehabilitate the Hawaiian people and preserve their culture.

Today's Program

The Waipouli homeownership program honors Prince Kūhiō's legacy by providing affordable pathways to land ownership for Native Hawaiian families—fulfilling the promise made over a century ago.



PROGRAM AT A GLANCE

82

Family Units
Available

~11

Years to Build
Toward Purchase

\$1M+

Market Value at Purchase

100%

DHHL Beneficiaries



Your New Home at Waipouli

LOCATED IN KAPA'A, KAUA'I

5.84-acre property82 fully renovated units

Unit Mix:

- 1-Bedroom units
- 2-Bedroom units
- 3-Bedroom units

Approximate rent ranges based on income qualifications



YOUR NEW HOME: COURTYARDS AT WAIPOULI

Located in Kapa'a, this 5.84-acre property features 82 fully renovated units. Below is the unit mix and approximate rent ranges.

Unit Type	Square Feet	Number Available	Approximate Monthly Rent Range
1-Bedroom	~715 SF	20 units	\$1,990 - \$2,488
2-Bedroom	~985 SF	42 units	\$2,388 - \$2,985
3-Bedroom	~1,121 SF	20 units	\$1,035 - \$3,450



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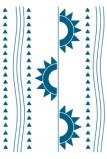












'Āina Ho'opulapula 'o WAIPOULI

PROPERTY FEATURES & AMENITIES

Property Features

- Walk-up garden-style apartments
- Originally constructed 2009
- Full renovation: May 2025 May 2026
- Target move-in: August 2026

Community Amenities

- Community laundry facilities
- Outdoor seating & BBQ areas
- Leasing/community office
- Ample parking (160 spaces)



UNDERSTANDING YOUR THREE CORE DOCUMENTS



1. DHHL Undivided Interest Lease

Your 99-year Hawaiian homestead lease from Day 1. This secures your land and succession rights for your 'ohana.



2. Rental Agreement

Your annual, renewable right to live in your specific apartment at an affordable, subsidized rent.



3. Purchase Option Agreement

Your guaranteed, legal right to purchase your unit at a formula-based price (not market price) after ~11 years.



How Your Documents Work Together

- **Critical: Cross-Default Provision.** All three documents are interconnected. A default on one (like failing to pay rent) is a default on ALL. You could lose your lease and purchase option.
- How They Combine. Think of it as a stool. The Lease gives you homestead rights. The Rental Agreement gives you a home now. The Purchase Option gives you a path to ownership. You need all three.



- I. DHHL Undivided Interest Lease
- 2. Rental Agreement
- 3. Purchase Option Agreement

THE "SPATIAL CONDOMINIUM" LEGAL STRUCTURE

Phase 1: The Rental Period (Years 1-11)

You receive a DHHL lease for **Spatial Unit 1**: your 1/82nd undivided interest *share of the land*. A developer leases and controls **Spatial Unit 2** (the *buildings*) and rents your specific apartment to you. Your rent payments pay down the project's debt.

Phase 2: The Purchase (Year 11+)

Once the debt is paid, the "Spatial Condo" converts. A "Nested Condominium" is created, legally dividing the building. Your land share (Unit 1) transforms into *full ownership of your specific unit* plus a share of the common areas, allowing you to purchase it from DHHL.

THE "SPATIAL CONDOMINIUM" LEGAL STRUCTURE

PHASE 1: The RENTAL PERIOD (Years 1-11)



SPATIAL UNIT 1

YOU receive a DHHL lease for SPATIAL UNIT 1: your 1/82nd undivided interest *share of the land*.

SPATIAL UNIT 2

The developer leases and controls SPATIAL UNIT 2 (the *buildings*) and rents your specific apartment to you. Your rent payments pay down the project's debt.

PHASE 2: The PURCHASE (Year 11+)



Once the debt is paid, the "Spatial Condo" converts. A "Nested Condominium" is created, legally dividing the building. Your land share (Unit 1) transforms into *full ownership of your specific unit* plus a share of the common areas, allowing you to purchase it from DHHL.



Your 11+ Year Roadmap to Homeownership

Year 0

Years 1-3 Years 4-7 **Years 8-10**

Year 11+











Application & Move-In

Sign documents,

move in, pay rent

Foundation Building

Counseling,

start savings

Acceleration Phase

Build credit 680+,

increase savings

Final **Preparation**

Pre-qualify,

gather docs

Purchase Time!

Apply, close

escrow

Your 11+ Year Roadmap to Homeownership

Year 0: Application & Move-In

Selected from waitlist, sign all 3 documents, move into your unit, and begin paying affordable rent.

Years 1-3: Foundation Building

Pay rent on time, complete homeownership counseling, start credit repair, and open a savings account.

Years 4-7: Acceleration Phase

Continue perfect rent history, increase savings, pay down consumer debt, and target a 680+ credit score.

Example 10: Final Preparation

Pull credit reports, reach savings goals, get informal mortgage pre-qualification, and gather all documentation.

Year 11+: Purchase Time!

Receive purchase notice, submit formal mortgage application, execute Purchase Agreement, and close escrow!

Your Affordable Rent Structure (2024 Kaua'i Limits)

Unit Type	Income Level (AMI)	Max Monthly Rent	Savings vs. Market (~\$3,200)
3-BR	30% AMI	\$1,035	SAVE \$2,165/month!
1-BR	80% AMI	\$1,990	SAVE \$1,210/month!
2-BR	80% AMI	\$2,388	SAVE \$812/month!
1-BR	120% AMI	\$2,488	SAVE \$712/month!
2-BR	120% AMI	\$2,985	SAVE \$215/month!
3-BR	120% AMI	\$3,450	Still affordable!



Rent Details: What's Included & What's Included:

Your rent covers property taxes, building maintenance, common area upkeep, management, and your DHHL lease rent.

What You Pay Separately:

You are responsible for your own electric/gas, water/sewer, cable/internet, and renter's insurance.

Annual Recertification (CRITICAL):

You MUST recertify your income and household composition 90 days before your lease anniversary every year. Failure to recertify on time is grounds for termination.

YOUR KULEANA

Your Core Obligations (Non-Negotiable)

√ YOU MUST:

- Pay rent on time, every month.
- Recertify annually with all documents.
- Maintain owner-occupancy (must be your primary
- Poppplete all mandatory financial & homeownership counseling.
- Report changes in income or household composition.
- Provide 100% truthful information.

X IMMEDIATE TERMINATION RISKS:

- Non-payment of rent or repeated late payments.
- Material misrepresentation (lying on forms).
- Failure to recertify on time.
- Moving out, subletting, or not maintaining occupancy.
- Not completing required counseling.
- Criminal activity on the property.

The Unprecedented Financial Opportunity

138%

Market Value Growth (Historical 8.2% CAGR)



Your Purchase Price is LOCKED

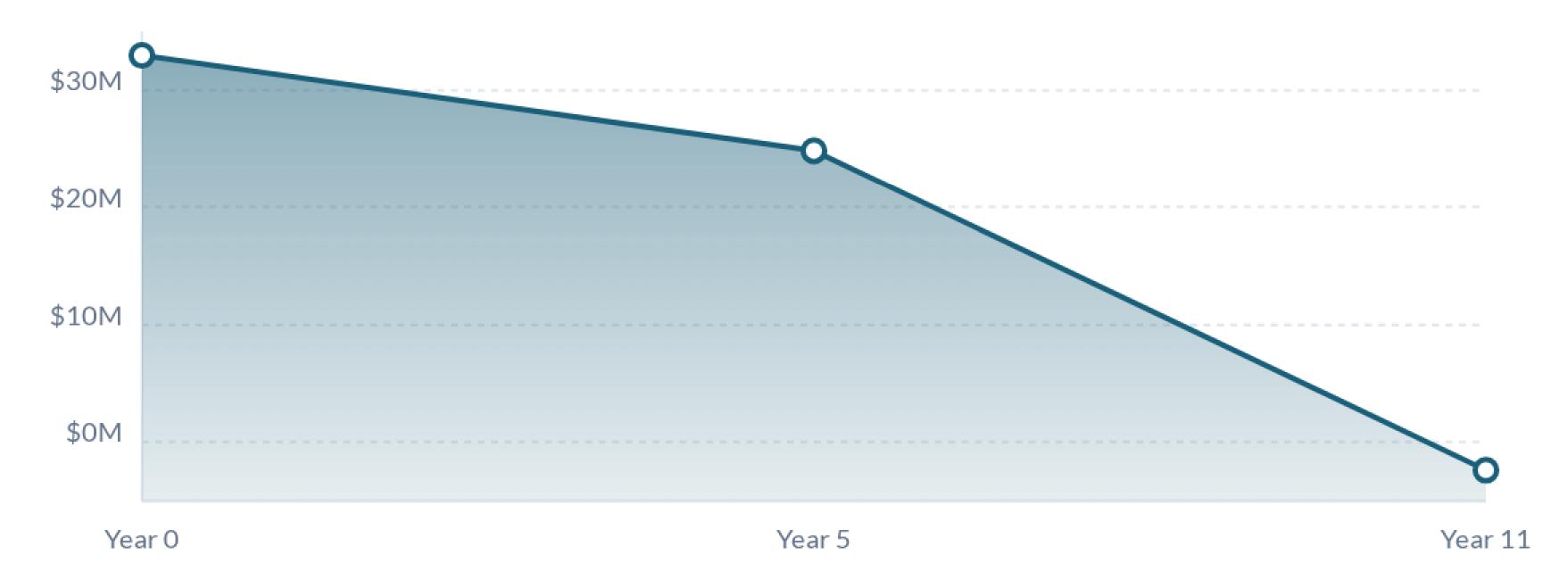
Based on the debt paydown formula, NOT market value. \$1.0M+

Instant Equity Gain at Purchase

\$1.5M+

Total Wealth Created(Savings + Equity)

How Your Rent Creates an Affordable Price



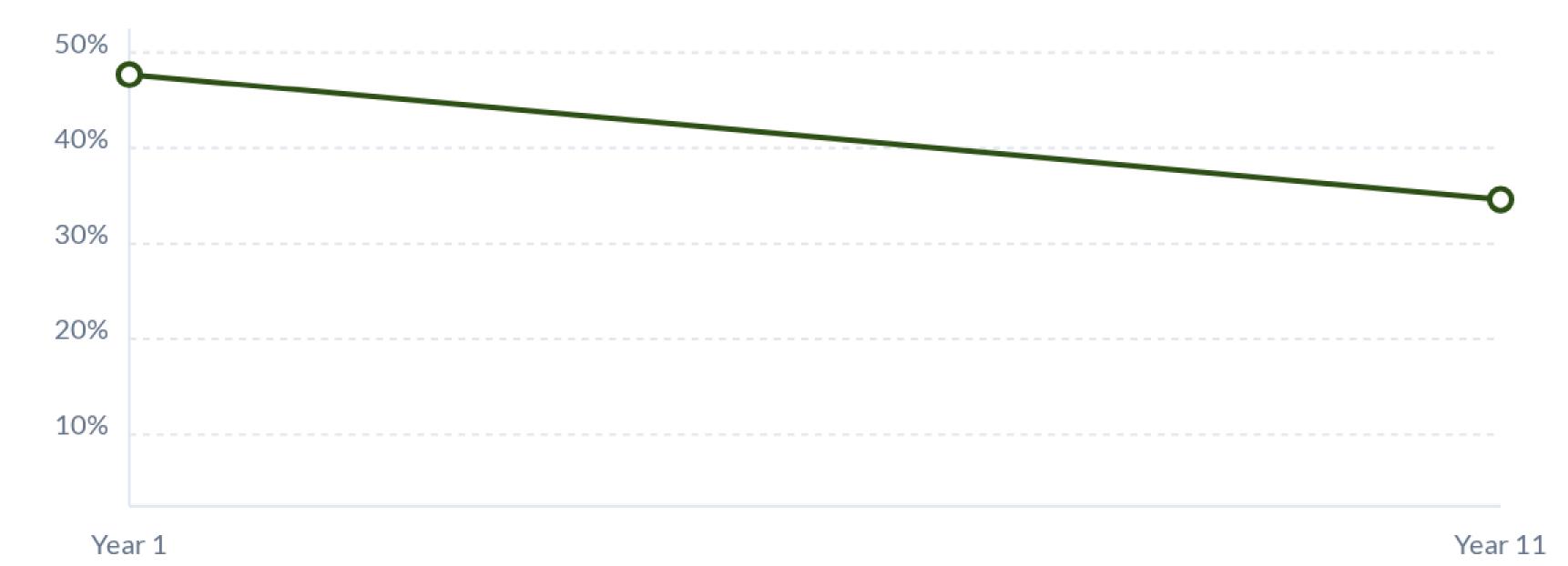
Your rent payments collectively pay down the \$33.2M in project debt, reducing it to ~\$2.3M by Year 11. This is what makes your purchase price affordable.

Market Value vs. Your Locked Price (Year 11, 2-BR Example)



On the day you purchase, you own a property worth \$1.6M+ but have only paid \$333k-\$441k. This creates over \$1.0M in instant equity.

Inflation Works For You: Rent Burden Declines



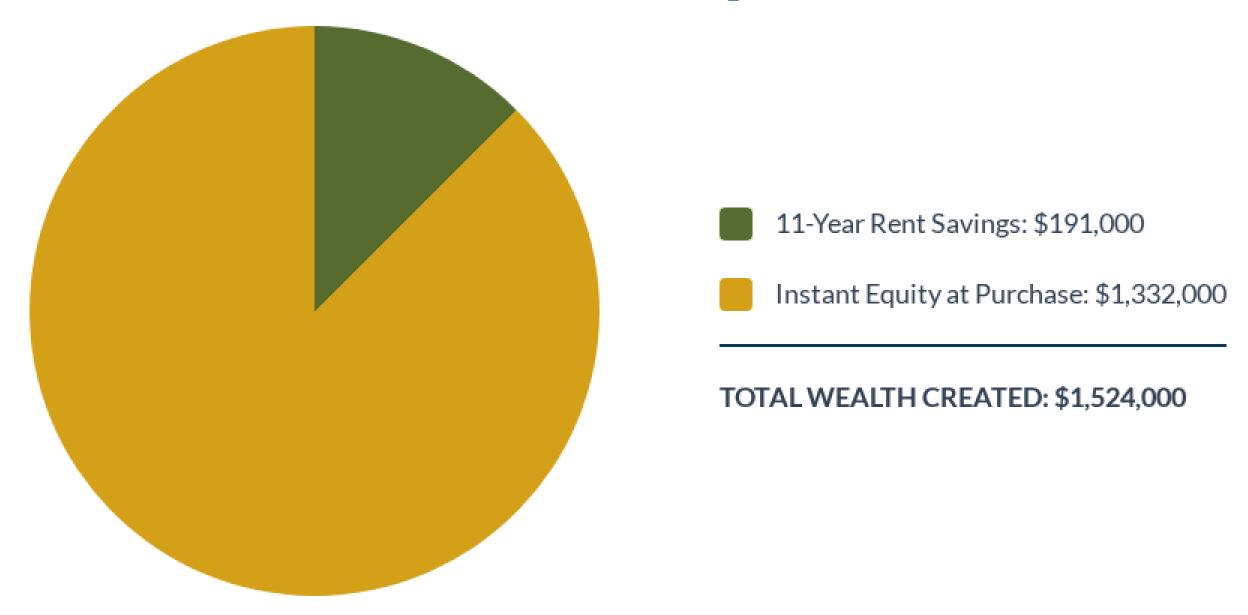
As your income grows (avg 3.5%/yr) and your rent stays fixed, your rent burden (rent as % of income) decreases, making it easier to save.

Total 11-Year Rent Savings vs. Market



This is money you save *every month* that can be used to build your down payment, pay off debt, and prepare for homeownership.

Total Wealth Creation (80% AMI 2-BR Example)



This is not just housing. This is your family's economic foundation for generations to come on Hawaiian Home Lands.

Exercising Your Purchase Option: The 5 Steps

- Step 1: Receive Notice (Day 0)
 DHHL sends written notice; your 365-day option window begins.
- Step 2: Get Mortgage Pre-Qualification (Days 1-30)
 Contact a DHHL-approved lender immediately and submit your loan application.
- Step 3: Exercise Your Option (Days 30-180)

 Deliver written notice to DHHL and execute the Purchase Agreement.
- Step 4: Complete Loan Processing (Days 180-275)
 Lender completes appraisal, underwriting, and gives final loan approval.
- Step 5: Close Escrow! (Days 275-365)
 You have 90 days to close escrow after exercising your option. You sign all documents, pay closing costs, and get your keys!

Purchase Details: Deadlines & Costs

Critical Deadlines

- 365 days to *exercise* your option from the moment you receive notice.
- 90 days to *close escrow* after you exercise the option.
- Missing these deadlines means you lose your purchase opportunity. Preparation during the 11 years is key!

Your Closing Costs (Est. \$15k-\$30k)

- Your responsibility (start saving now!)
- Includes: Escrow fees, title insurance, recording fees, lender fees, appraisal, etc.
- Also includes a \$15,000 developer fee per unit.
- Your down payment (e.g., 3.5% for FHA).

(PART 1)

After You Purchase: Key Restrictions

- HHFDC 10-Year Buyback Program: For the first 10 years after you purchase, HHFDC has the first right to buy your home back at a limited, formula-based price if you decide to sell.
- Owner-Occupancy (Mandatory): The unit MUST remain your principal residence. You cannot rent, lease, or sublet it. This ensures the community remains for owner-occupants.
- **HHFDC Consent Required:** During the 10-year period, you need HHFDC consent for any title changes, liens, or refinancing.
- **Annual Certifications:** You must submit forms to HHFDC annually to verify you are still living in the unit.

(PART 2)

After You Purchase: Key Restrictions

HHFDC Shared Appreciation (SAE)

This restriction continues *after* the 10-year buyback.

When you eventually sell or transfer the home, HHFDC receives a predetermined percentage of the "net appreciation" (profit). This repays the public investment that made your purchase affordable.

NAHASDA Restrictions

If you received a purchase subsidy (like the 80% AMI group), additional rules apply for a set "retention period." During this time, you can only transfer the home to another eligible low-income Native Hawaiian (≤80% AMI). If you fail to occupy, you may have to repay a pro-rated portion of the subsidy.

This Is More Than Housing

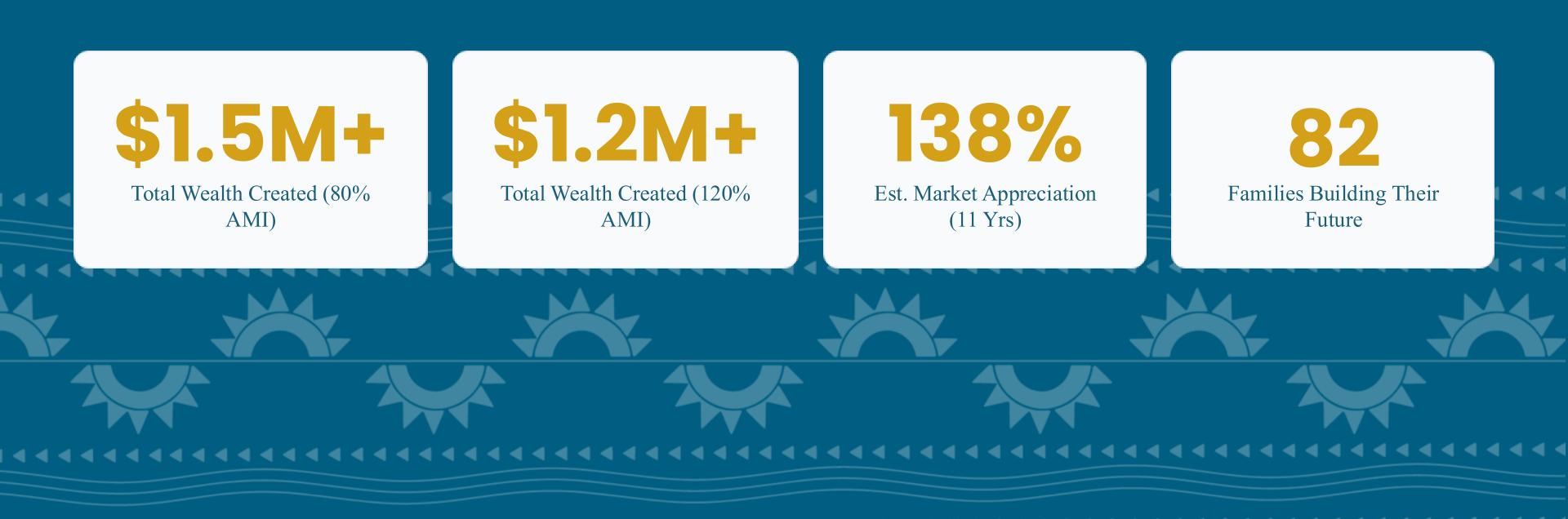
What You're Getting:

- factorial Immediate, quality housing
- \$ \$1M+ in wealth creation
- Professional financial preparation
- A guaranteed purchase opportunity
- Succession rights for your 'ohana

What's Required of You:

- 11+ years of commitment
- Full responsibility
- **20** Complete honesty
- **Z** Patience and preparation

The Numbers Don't Lie



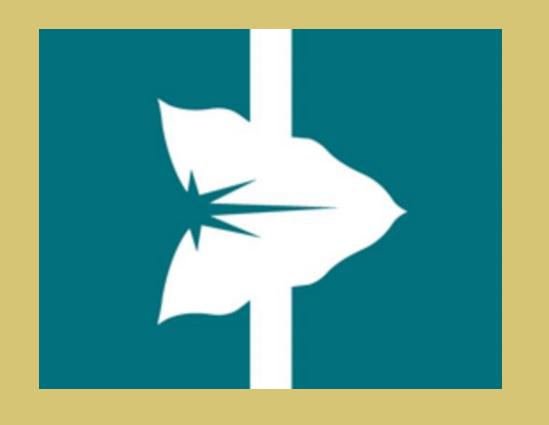
** Aina Ho'opulapula 'o WAIPOULI

Welcome to your journey toward homeownership on Hawaiian Homelands.



Department of Hawaiian Home Lands

SUCCESSORSHIP & TRANSFERS



SUCCESSORSHIP TO APPLICATION RIGHTS

- Section 10-3-8 of the Hawaii Administrative Rules. Successorship of application rights.
- Allows for the successorship of application rights only upon death to a qualified relative who is at least 18 years of age and 50% Hawaiian:
 - Husband or wife;
 - Child;
 - Grandchild;
 - Father or Mother;
 - Widow or widower of child;
 - Brother or sister;
 - Widow or widower of a brother or sister;
 - Niece or nephew.

Applicant Dies

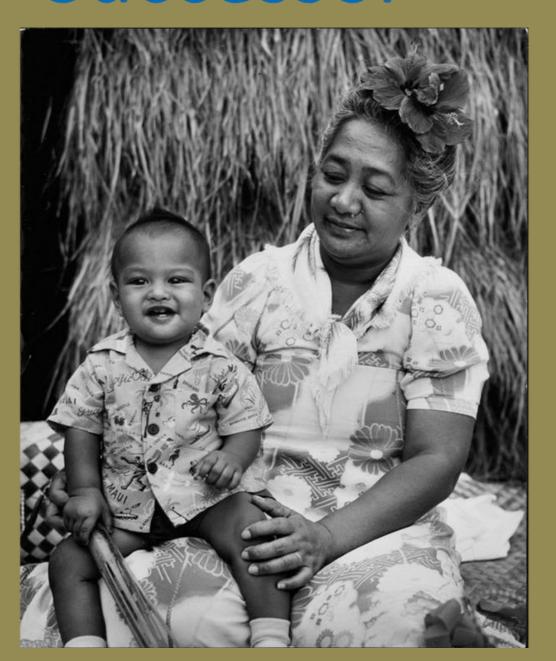
without designating successorship

Once every calendar year the department publishes a notice listing deceased applicants who have passed without naming qualified successors. (An <u>applicant</u> may name only one successor per lease application)

Notices are published in the following newspapers typically near the end of November each year: Honolulu Star-Advertiser, Maui News, The Garden Island, Hawaii Tribune-Herald, and West Hawaii Today.

A qualified successor to a decedent's application rights must submit his or her successorship claim to the Department within 180 days of the last date of publication. (Deadline to submit claims is near the end of May each year.)

Applicant Dies Without Designating Successor



A qualified successor to APPLICATION rights is:

At least 18 years of age, <u>50%</u> Hawaiian;

Husband or wife;

Child;

Grandchild;

Father or Mother; Widow or widower of child; Brother or sister;

Widow or widower of a brother or sister;
Niece or nephew.

HAWAII ADMINISTRATIVE RULES 10-3-63

Lessee Dies Without Designating Successor(s)

Eligible Successors at 25% Hawaiian

1) Husband 3) Children

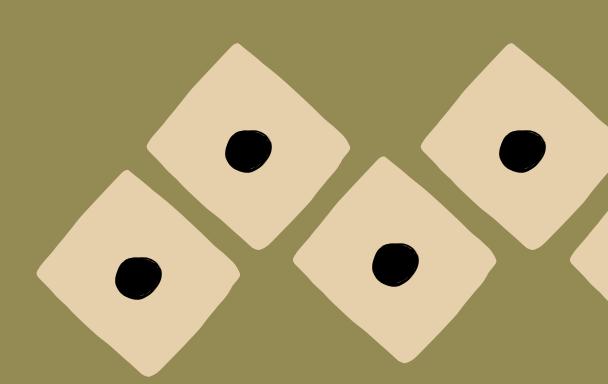
5) Siblings

2) Wife

4) Grandchildren

Eligible Successors at 50% Hawaiian

- 1) Father and mother;
- 2) Widows and widowers of children;
- 3) Widows and widowers of brothers and sisters;
- 4) Nieces and nephews.





•The department shall publish a notice at least once in each of four consecutive weeks in a newspaper of general circulation in the State (Honolulu Star-Advertiser, Maui News, The Garden Island Newspaper, Hawaii Tribune-Herald, West Hawaii Today)

- •Qualified relatives wanting to succeed to the lease must submit a claim within 120 days of the <u>first</u> publication date.
- •Publication is typically twice per year around June 30th and December 31st.

Hawaii Administrative Rules Section 10-3-63. *Notice to successors*.

HAWAII ADMINISTRATIVE RULES 10-3-63

Lessee Dies Without Designating Successor(s)

Eligible Successors at 25% Hawaiian

Husband, wife, children, grandchildren, brothers, or sisters.

Eligible Successors at 50% Hawaiian

Father and mother;

Widows and widowers of children;

Widows and widowers of brothers and sisters;

Nieces and nephews.

Successors to Application Rights and Leases

Things to remember...

The relative you designate as a successor is <u>your</u> decision.

• Discuss your choice of successor to your application rights or to your homestead lease with your 'ohana so your intentions are made clear. Not having the discussion may cause family issues later.

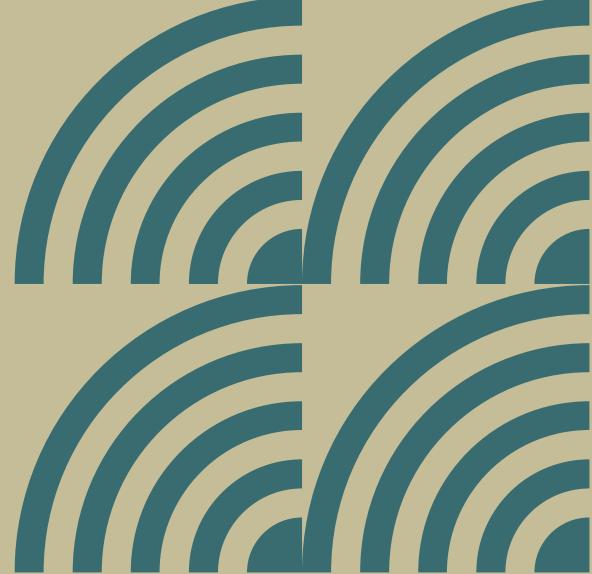
 Make an appointment with the nearest District Office to file a new or updated designation.



NAMING A SUCCESSOR

As a homesteader, you are a property owner, with certain rights and obligations. One of your rights is to decide, in accordance with the law, who you want to succeed to your homestead lease. DHHL will dispose of your leasehold in accordance with your choice, provided, of course, that the person or persons designated are qualified to succeed to the lease





Contact the Homestead Services Division with questions regarding:

- Transfer of leases
- Successorship

Office: 808-730-0270

For answers to frequently asked questions, scan QR code.

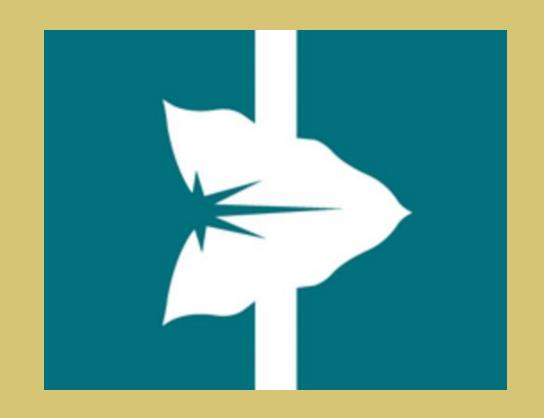




Department of Hawaiian Home Lands

HAWAIIAN COUNCIL Rental Subsidies

*(formerly referred to a CNHA)



DHHL WILDFIRE RELIEF PROGRAM

DHHL KÜPUNA RENTAL SUBSIDY PROGRAM

IN PARTNERSHIP WITH DHHL, FUNDED BY THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF DETERMINATION ACT (NAHASDA) AND ADMINISTERED BY THE COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT (CNHA)

IN THE STATE OF HAWAII TO NATIVE
HAWAIIAN FAMILIES WHO ARE ELIGIBLE TO
RESIDE ON HAWAIIAN HOME LANDS
INCLUDING LESSEES, UNDIVIDED INTEREST
LESSEES, OR APPLICANTS ON THE
DEPARTMENT OF HAWAIIAN HOME LANDS
(DHHL) WAITING LIST THAT ARE UNABLE TO
PAY RENT AND UTILITIES DUE TO THE
WILDFIRES ON MAUI AND HAWAI'I ISLAND.

PROVIDING RENTAL SUBSIDIES FOR ELIGIBLE KŪPUNA (62 YEARS OR OLDER) ON THE DHHL WAIT LIST IN HAWAI'I. THE RENTAL SUBSIDIES WILL ALLOW KŪPUNA IN NEED TO REMAIN SAFELY HOUSED IN THEIR RENTAL UNIT AND POSITION THEMSELVES TO ACCEPT A DHHL LEASE WHEN THEY ARE AWARDED.



DHHL WILDFIRE RELIEF PROGRAM

DHHL KÜPUNA RENTAL SUBSIDY PROGRAM

WHO CAN QUALIFY:

DHHL BENEFICIARIES WHO ARE UNABLE TO PAY RENT AND UTILITIES DUE TO THE WILDFIRES INCLUDING:

- LESSEES
- UNDIVIDED INTEREST LESSEES
- DHHL WAIT LISTERS

HAWAIIANS

INCOME LIMITS

- FOR RENTERS & UNDIVIDED INTEREST LESSEE: LESS THAN 80% AREA MEDIAN INCOME (AMI).
- FOR DHHL LESSEE: LESS THAN 120% AREA MEDIAN INCOME (AMI).

APPLICANT HOUSEHOLDS MUST NOT BE RECEIVING OTHER SUBSIDIES.

- RESIDENTS OF THE STATE OF HAWAI'I WHO ARE RENTERS
- MAIN APPLICANT MUST BE ON THE DHHL WAIT LIST
- 62 YEARS OR OLDER
- APPLICANT HOUSEHOLD INCOME MUST NOT EXCEED 80% AMI LIMIT
- APPLICANT HOUSEHOLD MUST NOT BE RECEIVING SECTION 8 OR ANY OTHER TYPE OF RENTAL SUBSIDY
- SUBSIDY EXAMPLES NEXT SLIDE



DHHL KŪPUNA RENTAL SUBSIDY PROGRAM

SUBSIDY EXAMPLES

QUALIFIED EXAMPLE

MONTHLY INCOME: \$1300.00 MONTHLY RENT: \$1000.00

30% OF MONTHLY INCOME MUST GO TO RENT.

OLD DE ALALA

KUPUNA PAYS: \$390.00 TOWARDS RENT

CNHA PAYS: \$610.00

INELIGIBLE EXAMPLE

MONTHLY INCOME: \$2000.00 MONTHLY RENT: \$400.00

30% OF MONTHLY INCOME MUST GO TO RENT.

KUPUNA PAYS: \$400 TOWARDS RENT

CNHA PAYS: \$0

FORMULA

TOTAL GROSS HOUSEHOLD INCOME X .30 = KUPUNA RENT PORTION (TOTAL HOUSEHOLD INCOME MULTIPLED BY 30% EQUALS KUPUNA RENT PORTION)



DHHL WILDFIRE RELIEF PROGRAM

DHHL KÜPUNA RENTAL SUBSIDY PROGRAM

PROGRAM REQUIREMENTS

- GOVERNEMENT-ISSUED PHOTO ID
- PROOF OF HAWAI'I RESIDENCY
- RENTAL AGREEMENT
- WAIT LIST ISLAND AND RANK NUMBER
- INCOME VERIFICATION DOCUMENTS, FOR AT LEAST 2 MONTHS PRIOR TO APPLICATION DATE
- LANDLORD INFORMATION CONFIRMATION/W9

FREE OPTION HOUSING COUNSELING WITH CNHA HUD COUNSELOR

- GOVERNMENT-ISSUED PHOTO ID
- PROOF OF HAWAI'I RESIDENCY
- RENTAL AGREEMENT
- WAIT LIST ISLAND AND RANK NUMBER
- PREVIOUS YEAR'S TAX DOCUMENTS, PAY STUBS OF TWO (2) CONSECUTIVE MONTHS MOST RECENT INCOME, OR OTHER INCOME STATEMENT(S)
- LANDLORD CONTRACT/W9
- HOME INSPECTION

REQUIRED HOUSING COUNSELING WITH CNHA HUD COUNSELOR







CONNECT WITH US.

HAWAIIANCOUNCIL.ORG PHONE: (808) 596-8155

DHHL PROGRAM QUESTIONS: DHHL@HAWAIIANCOUNCIL.ORG

HOUSING COUNSELING QUESTIONS: HOUSINGCOUNSELING@HAWAIIANCOUNCIL.ORG



COUNCIL for NATIVE HAWAIIAN ADVANCEMENT

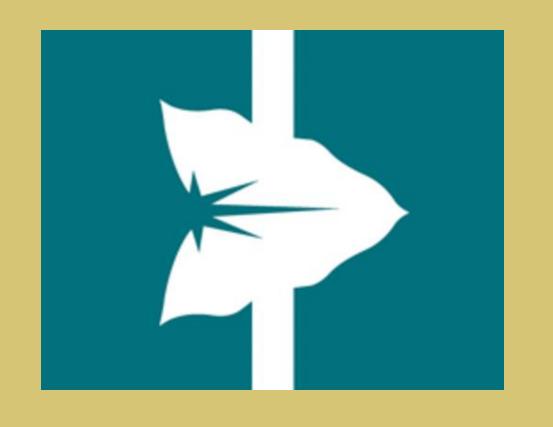
HAWAIIANS

ADVANCING HAWAI'I



Department of Hawaiian Home Lands

PROCESS& LEASE SIGNING



PROJECT LEASE OVERVIEW



What is a Project Lease?

- •A paper lease granting an undivided interest in the Waipouli RWOP Project
- •Allows designation and transfer of lease to a qualified 25% successor
- Provides time to meet financial or program requirements

What are the Project Lease requirements?

•Submit the interested response form on/by **JANUARY 9, 2026**

When will I receive the Project Lease?

February 28, 2026 (subject to change). More information to follow

Project Lease Awards Meeting

You're Invited!

Applicants who submitted interested forms by deadline will be invited to attend the project lease awards meeting in February

Rank Order

Names will be called in rank order based on application date

Sign Lease & Designate Successor

Applicants will sign their 99-year lease and designate their successor

RWOP Program Qualification Process

MDL to begin the RWOP qualification process

Contact Information

- Erin McCabe
- Moana Freitas
- Shanti Gomes
- Carol Takeuchi
- Kaui Stephens

Contact Number

(808) 730-0311



Email Address

dhhl.housing@hawaii.gov

MAHALO PIHA!



808-730-0311



dhhl.housing@hawaii.gov



dhhl.hawaii.gov