

TESTIMONY
by JoAnn A. Yukimura
before the Hawaii Finance Development Corporation Board
Re Courtyards at Waipouli
June 13, 2024

Good Morning, Chair Mackler and Members of the Board.:

My name is JoAnn Yukimura. I speak today as a resident of Kaua'i and as a member of the Advisory Board of the Waipouli Housing Cooperative. I am speaking to Agenda Items IIIC and IVE which involve applications by Department of Hawaiian Homelands (DHHL) for tax credit financing of their Courtyards at Waipouli project.

I speak in support of your staff recommendations to follow your point system analysis which indicates that DHHL's request to fund their Courtyards at Waipouli proposal with 9% Low Income Housing Tax Credits should not be approved given other priority projects. I urge that DHHL's application for 4% LIHTC credits be disapproved as well.

These are my reasons:

I commend DHHL Chair Kali Watson's innovative efforts to diversify the housing options for DHHL's beneficiaries, but I do not feel that Courtyards in Waipouli is the right project for such innovation. Not when it will result in the eviction of current tenants, 70% of whom are part of the critical workforce on Kaua'i today and some of whom are native Hawaiians who don't have the qualifying blood quantum to be beneficiaries. Evicting workforce tenants who are critical to Kaua'i's economy and native Hawaiians without sufficient blood quantum in order to house native Hawaiians is not a net gain in affordable housing for the community.

The good news is that there is a viable alternative by which to save Courtyards at Waipouli for affordable housing, which we all want to do. The Waipouli Housing Cooperative, which is presently in it's organizing stages, has a sound financing plan to purchase Courtyards at Waipouli. It's plan will allow existing workforce tenants to continue living at the project as members of the cooperative, and it will create future housing opportunities for teachers, native Hawaiians, County of Kaua'i HUD voucher holders, and other qualifying Kaua'i residents.

The most exciting thing for me, as someone who has long advocated limited equity cooperative housing as an important part of the affordable housing solution, is that the Waipouli Housing Cooperative can become a working model of cooperative housing on

Kaua'i and in Hawai'i. Its benefits as an affordable housing solution are numerous. I would urge you, the HHFDC Board, to hold a special briefing so you can learn how limited equity housing might help the State of Hawai'i and the various counties solve the affordable housing crisis and effectively provide affordable housing for present and future generations.

Mahalo for this opportunity to submit testimony.

A handwritten signature in black ink, reading "Jason A. Yukimura". The signature is written in a cursive style with a small dot above the letter 'i' in "Yukimura".

The DHHL proposal to obtain the apartment complex (Courtyards at Waipouli) (before a possible federal funds procurement expires) to satisfy the needs, wants and dreams of the native Hawaiians, who will not see an ounce of soil in which to fulfill their dreams (past, present, or future) is misguided, flawed, and not at all well planned. Their proposal is to place some of the Hawaiians on the waiting list into multiple two story buildings containing apartments, with no land and only common grounds, no garages (just parking spaces), no storage, no yards (thus no places for keiki to play). This can not be the fulfillment (in our minds) of a Hawaiians dream.

Furthermore, if this so-called plan was to go forward, it would displace current residents (up to 300 individuals) with mostly limited resources. These individuals/families make up a large percentage of the local service industry, medical providers, and small business owners along with many others with limited income. A majority of the tenants at the Courtyards at Waipouli live there because it is the only affordable housing available to them, with a very limited housing market in Kauai. Relocating all these families is a serious problem when there is limited or no housing options in their budget plus the impact on their jobs, child care, schooling and health services.

Bottom line, this is not a viable solution to resolve a waiting list issue which is not wanted by the recipients and just creates another housing crisis for the displaced renters in a nonexistent rental market. Finally, fulfill your promise of land to be tended and preserved by Hawaiian families for generations to come.

Tim and Susan Womack
Residents of Courtyards at Waipouli

E-Mail to Dr. Addison Bulosan and Kauai Council, September 19, 2023

To Whom It May Concern,

I am not able to attend the Council Meeting scheduled for Wednesday, September 20, 2023, at 8:30 am, which addresses Resolution No. 2023-58, Supporting Efforts To Acquire The Courtyards At Waipouli And Preserve Long-Term Affordability. Therefore, I would like to express the following in writing.

I want to begin by highlighting the suddenness with which I learned about The Courtyards At Waipouli being put up for sale and the upcoming hearing. It came as a surprise just 36 hours before this scheduled council meeting. Prior to that, neither the property management nor The Courtyards At Waipouli had taken the initiative to inform us, the tenants, about this significant development.

With over 30 years of experience in the hospitality industry, working in various locations worldwide, I have witnessed the displacement of local employees from their places of employment due to acquisitions by large corporations. This displacement often forces these employees to move farther away from their workplaces and, in some cases, even resign from their jobs due to the unaffordability and unsustainability of housing. These employees play a crucial role in creating the guest experiences that these large corporations rely on.

Kauai is already experiencing a migration of its local year-round residents to the mainland due to the increasing unaffordability and unsustainability of living on the island. A prominent example of this issue is the recent difficulty faced by the newly reopened 1Hotel in Princeville in finding enough workers because of the lack of affordable and sustainable housing options in the North Shore area. This problem can be traced back to the redevelopment of the area after 1992, which primarily focused on timeshares and high-end housing without considering the need for low-income housing. I recommend reviewing social media comments regarding mainlanders being denied housing opportunities, all because they were signed by 1Hotel.

Considering the presence of numerous hotels, resorts, and timeshares on the east side of Kauai, such as Outrigger Kauai Beach Resort, Kauai Beach Villas, Luxury Gem at Kauai Beach Resort Spa, Kaha Lani Resort, Hilton Garden Inn Kauai Wailua Bay, Kapaa Sands, Lae Nani Resort Kauai by Outrigger, Kauai Shores Hotel, Aston Islander On The Beach, Plantation Hale Suites, Sheraton Kauai Coconut Beach Resort, The ISO, Waipouli Beach Resort, WorldMark Kapaa Shore, Pono Kai Resort, The Coco Palms Resort - still in litigation, and the proposed 400-plus room resort across from Plantation Hale Suites, it would appear the Kapaa region has and will have ample guest and visitor accommodations.

It is important to note, on average a hotel requires 0.7 full-time employees per guest room, and a timeshare requires 0.4 full-time employees per guestroom. Should The Coco Palms Resort and the proposed 400-plus room resort become operational, the Kapaa region will need approximately 560 employees. Of these, about 25% will work as couples in the hotels and resorts, leaving the region with a demand for 420 houses, condos, and ohanas to accommodate these employees, not to mention the construction workers and other support staff. Where do you anticipate these employees, along with their families, spouses, and children, will be able to live and thrive? Have access to schools, groceries, daily conveniences, doctor visits, and more essential aspects of life. The current housing situation leaves little room for these individuals to establish sustainable lives, pushing them either up into The Homesteads or forcing them into a one-hour plus commute on the south side of the island. In both locations, there is insufficient accommodation to meet the demand for 420 units.

In summary, if The Courtyards At Waipouli were to be approved for timeshares, it would exemplify the ongoing trend in Hawaii, where land is increasingly being approved to be sold out to large corporations, which is already evident in Lahaina and other places of Hawaii.

Thank you for your time.

Mahalo,

Michael Blaksteen

E-Mail to Dr. Addison Bulosan and Kauai Council, September 23, 2023

Aloha Dr. Addison Bulosan and Council,

I appreciate your time and attention to the following matter, as I am following up on my recent email and the Council Meeting held on Wednesday, September 20, 2023, at 8:30 am, concerning Resolution No. 2023-58, which supported efforts to acquire The Courtyards At Waipouli and preserve its long-term affordability.

On the afternoon of Friday, September 22, 2023, we, along with all other tenants and residents of The Courtyards At Waipouli, received the enclosed certified letter. This letter announced a 6% rate increase effective November 1, 2023. I'd like to highlight a few key points in regards to this letter.

- Is it a mere coincidence that this announcement occurred precisely two days after the Council Meeting, which did not favor the sale of the property for timeshares?
- According to the Hawaii Residential Landlord-Tenant Code, Rent - Section 21, "In a month-to-month tenancy, rent may be increased by the landlord if written notice is given to the tenant at least 45 consecutive days before the effective date of the increase." The enclosed letter is postmarked September 22, 2023, which is only a 40-day notification.
- While this certified letter bears a mail stamp of September 22, 2023, the actual letter itself is dated September 13, 2023. If the tenants are held to the letter's September 13, 2023 date, one could speculate that the certified letter was intentionally backdated to achieve a 49-day notification.
- Raising the tenants' rates artificially inflates the property's profitability and value. This may compel the city, county, or state to acknowledge a higher value, potentially increasing the purchase price to support lower-income housing initiatives, thereby also raising the co-op buy-in costs for tenants and residents.
- Conversely, increasing tenants' rates may render the apartments unaffordable for local residents and workers forcing them out of the property. This could create the appearance of reduced demand for low-income housing, reviving the argument to convert the property into timeshares.

In conclusion, with regard to the rate increase notification, its timing, and the content of the letter; it is evident that this entire situation is violation of existing laws. I strongly implore the council to take action on behalf of the residents of The Courtyards At Waipouli, and to keep a watchful eye on how the property's ownership and management conducts its business in the future.

As previously mentioned, Kauai and Hawaii as a whole are witnessing the departure of native Hawaiians and year-round local workers, leading to a landscape dominated by corporate businesses and high-income private citizens heavily reliant on tourism. This leaves a glaring shortage of essential service workers to support the seasonal influx of tourists. An example is one of the islands premier resorts, which currently accommodates a large number of taskforce managers at other hotels due to a lack of available local workforce and housing.

The situation at hand appears to be marked by substantial corporate interests and legal maneuvering. The ultimate losers in this scenario are likely to be the native Hawaiians and year-round local workers and residents who hold a deep affection for Kauai, and the state of Hawaii

as a whole. The Islands risk losing the unique "Aloha" spirit they are affectionally and culturally loved for, as they are increasingly influenced by big business and the pursuit of profit. History seems to be repeating itself.

Mahalo,

Michael Blaksteen

E-Mail to Mayor Derek Kawakami, Dr. Addison Bulosan, Felicia Cowden, Council Members, and Members of the HHFDC, May 7, 2024

Aloha Dr. Addison Bulosan, Felicia Cowden, Council Members, and Members of the HHFDC.

Yesterday Sam, resident of Courtyards at Waipouli, and Mr. Christopher Jungers, provided us an update regarding the sale of Courtyards at Waipouli which was extremely concerning.

The Department of Hawaiian Home Lands continue their pursuit to purchase Courtyards at Waipouli while adhering to its established policies of displacing all current residents, allowing only Hawaiian natives meeting the blood quantum above 50 percent as residents. The decision to displace current residents upon acquisition initiates the Uniform Relocation Assistance and Real Property Acquisition Policies Act (1970), "a uniform policy for the fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs in order that such persons shall not suffer disproportionate injuries as a result of." Residents must receive written notification and information about their rights at least 90 days prior to any potential sale. However, we have not yet received any communication regarding the possibility of such a sale or information about our rights. It appears that the current owners of Courtyards at Waipouli and the DHHL are collaborating to finalize the sale for their own interests, showing no regard for the residents or our community. I would like to refer to my follow-up email dated September 23, 2023, (see below) where I outlined concerns about the timeline for rent increases and questionable transparency issues. I sincerely hope that similar questionable tactics are not repeated.

According to the RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES from the U.S. Department of Housing and Urban Development, the following assistance must be provided: "Advisory Services, Payment for Moving Expenses, and Replacement Housing Assistance." I would again like to refer to my first email from September 19, 2023, (see below) regarding housing and workforce, and bring closer attention to Replacement Housing Assistance. HUD identifies it as:

"A comparable replacement home is:

Decent, safe, and sanitary.

Functionally equivalent to (and equal or better than) your present home.

Actually available for you to rent.

Affordable.

Reasonably accessible to your place of employment.

Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.

Not subject to unreasonable adverse environmental conditions.

Available to all persons regardless of race, color, religion, sex, or national origin."

Where would decent, safe and sanitary, functionally equivalent to (and equal or better than) my present home, affordable and reasonably accessible to my place of employment, as well as actually available for me to rent be in Kapa'a?

This sale will establish a precedent for Kapa'a, Kauai, and Hawaii that would carry significant socio-economic implications and consequences that will shape the future of Hawaii not just in the short term, but for the next 10-20 years.

I am grateful for your attention to this matter and value your thoughts. I trust that you will make a decision that benefits Hawaii, Kauai, Kapa'a, and our community, ensuring that island residents can continue to live, work, and uphold the spirit of Aloha and community support.

Mahalo,

Michael Blaksteen

My name is Michael W. Hurst, and I live across the street from the Courtyards at Waipouli. I am writing on behalf of my neighborhood, community and the residents at the Courtyards. I wish to express a strong opposition to the purchase of the Courtyards by the DHHL.

First, the residents of the Courtyards at Waipouli are integral members of the local workforce, contributing significantly to the local economy. Among them are professionals such as teachers, nurses, and doctors who play crucial roles in our community. If these residents are forced to leave Kauai due to the lack of affordable housing, the impact on our already strained workforce would be severe!

Approving this project would displace 300 residents currently living at the Courtyards. These are families, individuals, and kupuna who have built their lives here. The disruption caused by displacement would have devastating effects on our community. Additionally, there is a severe lack of comparable housing alternatives on Kauai, making it nearly impossible for displaced residents to find new homes.

They have a proactive solution to address both the housing shortage and workforce issues on Kaua'i. The residents of the Courtyards are creating a local workforce housing cooperative. They have filed Articles of Incorporation, established bylaws, secured HUD213 preapproval to purchase the buildings, and are actively securing funding from the County and other sources. This cooperative model is innovative and sustainable.

I urge the Hawaii Housing Finance and Development Corporation to consider the impact this decision will have on our residents and support our efforts to create a local workforce housing cooperative. Together, we can prevent displacement and build a stronger, more resilient community.

Mahalo for your time and consideration.

Dr. Michael W. Hurst, retired

Urgent: Oppose DHHL's Purchase of Courtyard at Waipouli Apartments - Creates Housing Crisis on Kauai

Aloha! My name is Yun Park and I live at the Courtyard at Waipouli apartments on Kauai. I'm writing to express my strong opposition to the proposed purchase of this complex by the Department of Hawaiian Home Lands (DHHL). This project would evict approximately 80 families, or roughly 300 people, who are not Hawaiian beneficiaries.

Impact on Local Housing:

Kauai's housing market is already strained. With limited availability, evicting 80 families would create a significant shortage. I've been searching for a comparable one or two-bedroom apartment or house for the past six months without success. Rents have skyrocketed, and finding something similar to my current apartment would likely cost an additional increase of \$600-\$1,000 per month. This complex alone has seen rent increases of \$200-\$300 every two to three years since 2016.

This displacement will force many local workers off-island due to the high cost of housing. Every business owner, including my colleagues, and healthcare providers like clinics and hospitals are struggling to find employees. Losing this workforce would be disastrous for Kauai's economy.

Lack of Communication:

The residents of Courtyard at Waipouli were completely unaware of DHHL's plans to purchase the complex until notified by the housing advocacy group Kū Pono Ka Leo O Ka 'Āina (KPKOA). There was no communication from DHHL until complaints were filed with the Department of Housing and Urban Development (HUD). While we received a letter from DHHL, it lacked a concrete plan for relocating current residents. It's clear DHHL doesn't understand the challenges we face in Kauai's long-term rental market.

Alternative Solution:

During resident meetings, a Hawaiian beneficiary group expressed their desire for homes on designated homestead lots on the west side, rather than apartments. DHHL could utilize the \$45-\$50 million allocated for this project to build houses on the westside homestead lots.

This project raises serious concerns. Why is the state planning to evict hundreds of local residents without a clear relocation plan? If the seller terminates leases, will I be eligible for relocation assistance? Who qualifies for this relocation assistance? Where are we supposed to move? I urge you to carefully consider all aspects of this project before making a decision.

yun

Testimony in Strong Opposition to Agenda Item IV Section F, Finance Branch Monthly Status Report, Awarding of LIHTC Credits Towards the Purchase of the Courtyards by DHHL

Dear Members of the HHFDC,

I am writing to express my strong opposition to Agenda Item IV Section F, regarding the awarding of Low-Income Housing Tax Credits (LIHTC) towards the purchase of the Courtyards by DHHL. This decision would have significant negative consequences, particularly the displacement of 300 residents. Here are the key points of my opposition:

Impact on Local Workforce

The residents of the Courtyards at Waipouli include a diverse group of professionals who are integral to the local economy and essential services on Kaua'i. Among our residents, we have teachers, healthcare workers, service industry employees, and small business owners. Their roles are crucial in maintaining the stability and functionality of our community. Displacing these individuals not only disrupts their lives but also impacts the broader workforce and the essential services they provide. The local economy and daily life on Kaua'i would suffer from the loss of these dedicated professionals.

Lack of Comparable Housing

Kaua'i faces a severe housing shortage, and the availability of alternative housing options is extremely limited. The displacement of 300 residents from the Courtyards would exacerbate this issue, leaving many without a viable place to live. The high demand and low supply of housing on the island make it nearly impossible for displaced residents to find comparable accommodations. This displacement would result in increased homelessness and strain on social services, further destabilizing our community.

Community Solution

In response to the housing challenges, the residents of the Courtyards at Waipouli have proactively taken steps to create the Waipouli Housing Cooperative. This initiative demonstrates our commitment to finding sustainable, community-driven solutions to our housing needs. The cooperative model empowers residents, fosters a sense of ownership, and ensures long-term housing stability. By supporting the Waipouli Housing Cooperative, we can prevent displacement, maintain our community's integrity, and address housing issues through collective effort and innovation.

In conclusion, awarding LIHTC credits towards the purchase of the Courtyards by DHHL would have devastating consequences for our residents, workforce, and community. I urge the HHFDC to consider the severe impact of displacement and support the Waipouli Housing Cooperative as a viable and community-focused solution.

Thank you for your attention to this matter.

Sincerely,

Christopher Jungers

Phone: (808) 445-8473
Email: chris@kpkoa.org

Meet Our Provisional and Advisory Board Members

Purpose of the Provisional and Advisory Board Members:

The Provisional and Advisory Board members of the Waipouli Housing Cooperative play a crucial role in guiding the cooperative through its formation and development stages. Their collective expertise and diverse backgrounds are instrumental in ensuring the cooperative's success and sustainability.

Provisional Board Members:



Sam Wampler

Resident, Courtyards at Waipouli; Employee at Lava Lava Restaurant

Background:

- Resident of the Courtyards at Waipouli for 4 years with his son.
 - Enjoys surfing, yoga, and outdoor activities.
-



Connye Busa

Resident, Courtyards at Waipouli; Teacher at Kapa'a Elementary School

Background:

- Resident of the Courtyards at Waipouli for 4 years
 - Elementary teacher for 13 years on Kaua'i and 10 years on Maui.
 - Licensed Coast Guard boat Captain Since 1994. Connye is a certified scuba instructor and enjoys golf and hiking.
-



Chasetyn Hasegawa

Resident, Courtyards at Waipouli; Employee at Sunrise Coffee

Background:

- Born and raised on the west side of Kaua'i.
- Resident of the Courtyards at Waipouli for 3.5 years with my wife.
- Enjoys exploring mountains and being surrounded by nature with family.



Fred Gibbs

President, National Association of Housing Cooperatives (NAHC)

Background:

- Registered Cooperative Manager (RCM) from the National Association of Housing Cooperatives (NAHC).
 - Owner, FKGibbs Company, LLC.
 - Over 13 years of experience with NAHC in promoting and supporting housing cooperatives.
-



Bri Whiting, Legal Counsel

Associate, Dorsey's Corporate Group

Background:

- Specializes in strategic transactions, mergers and acquisitions, joint ventures, and debt and equity financings.
- Advises cooperatives on formation, governance, and financing matters.

Advisory Board Members



JoAnn Yukimura

Former Mayor, Kaua'i County

Background:

- Served as Mayor of Kaua'i County from 1988 to 1994.
 - 22 years of experience on the County Council.
 - Known for innovative leadership and dedication to preserving Kaua'i.
-



Sajid Siddiqi

CFO, Kauai Federal Credit Union

Background:

- Specialized in financial services and mergers and acquisitions.
- Co-founder and managing principal of a business advisory firm.
- Supports the Waipouli Cooperative by financing share loans.



David Thompson

President, Twin Pines Cooperative Foundation

Background:

- Inducted into the Cooperative Hall of Fame in 2010.
 - Author of four books and over 400 articles on affordable housing and cooperatives.
 - Developed housing for over 10,000 people, advocating for sustainable housing cooperatives.
-



Hugh Jeffers

VP and Loan Originator, Centennial Mortgage

Background:


- 25 years of experience originating FHA loans for Co-op housing.
 - Expertise in cooperative housing and HUD213 program.
 - Serves on the board of the National Association of Housing Cooperatives (NAHC).
-

Local

DHHL Is Finding It's Not So Easy To Just Buy An Apartment Building For Families On The Homelands Waitlist

Tenants of the Courtyards at Waipouli on Kauai don't know where to go if they're forced to move out. Many Native Hawaiian beneficiaries don't want to move in.

By Blaze Lovell  / June 12, 2024

 Reading time: 9 minutes.



Share Article



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A rental project for Kauai families on the state Department of Hawaiian Home Lands waitlist is in limbo as millions of dollars in tax credits it needs to move forward this summer are likely to be rejected by the state housing finance agency.

Without that funding from a state housing agency, DHHL won't be

able to complete the purchase of the 82-unit Courtyards at Waipouli apartment complex, delaying a key component of the department's new plan to get people off the waitlist through rental housing.

But the proposed acquisition has been controversial. If DHHL takes over the apartments, an estimated 300 residents would be evicted to make way for people on the waitlist. And some beneficiaries have said they don't want to live in rentals.

DHHL Chair Kali Watson said in a text message on Tuesday that the project is still eligible for another batch of tax credits that will be decided later this year.

But the Waipouli project received the lowest score by evaluators at the Hawaii Housing Finance and Development Corp. during this most recent round of funding. The HHFDC is requesting tax credits go to other projects instead.



DHHL wants to convert the Courtyards at Waipouli apartment complex in Kapaa into

rentals. (Kevin Fujii/Civil Beat/2024)

Watson said that it's important to have a range of housing options targeted at various income levels for people on the department's waiting list that has grown to more than 29,000 applicants, many of whom have died before receiving a homelands lease.

The Waipouli complex has a mix of one-, two- and three-bedroom units. If DHHL acquires the property and makes it available for beneficiaries, rents are expected to range from as low as \$554 a month to \$1,667.

Rentals would be limited to families earning at or below 80% of area median income, which for a four-person household is just over \$111,000 annually.

Running Out Of Time

DHHL originally intended to acquire Waipouli and turn it into kupuna housing. That plan was rejected on a 5-to-4 vote by the Hawaiian Homes Commission at its Jan. 16 meeting.

The Waipouli project came back again at a special meeting 10 days later. This time around it was pitched as a rental project. The idea is to have a beneficiary rent a unit for 15 years and then they would have the option to buy it.

After a six-and-a-half hour meeting, the proposal passed 5-to-3 after Commissioner Michael Kaleikini flipped his vote. Another commissioner who initially opposed the project was absent.

The department set aside \$2.4 million to pay for pre-development

costs including studies for the low-income housing tax credit application, permitting fees, legal counsel and consultant costs.

Full funding to purchase the \$44 million apartment complex is contingent on receiving tax credits from the HHFDC. The release of \$25 million in federal funds that DHHL has on hand is also contingent on getting HHFDC funding.

But it appears that the HHFDC is not recommending DHHL for those tax credits in this round.

Project	Applicant	Points Received
330 Kuulei Apartments	Kuulei Housing Partners LP	77.95
Courtyards at Waipouli	Kauhale Waipouli LP	74.72
Hanapepe Residence Lots - IIA	Hanapepe RLP 2 Ekahi, LLC	83.54
Kalepa 23	Kalepa 23, LLC	81.39
Pua Lane Family Affordable	Pua Lane Family Affordable LP	80.65

The Waipouli project was the lowest ranked of the five applications for those tax credits based on their scores out of 120

The Waipouli project received the lowest score in this round of tax credit awards. (HHFDC)

points, according to HHFDC documents for its Thursday meeting. State officials are recommending that the HHFDC Board of Directors approve tax credits for three housing projects, including one DHHL project in Hanapepe. The Hanapepe project actually received the highest score.

The Waipouli project scored just three points lower than another project that is set to receive funding, the 330 Kuulei Apartments project in Kailua.

Whether the department can come up with a new plan to save the

Waipouli purchase is not clear. Opportunities to receive low-income housing tax credits from HHFDC are few, and the projects set to get funding on Thursday would take up most of the available tax credits for the current fiscal year.

Time is running short. DHHL needs to pay \$1 million by July 8, and exercise its option to purchase by Jan. 25. It has until April 30, 2025 to close the sale, according to a summary of the sale agreement.

Residents Don't Know Where To Go

Waipouli residents are worried no matter which way the sale goes. The complex's owner, KD Waipouli LLC, which is owned by developer Kevin Showe, has been trying to sell the apartments for about a year.

Showe did not return a message left at one of his offices in Ohio.

Civil Beat recently interviewed more than a dozen Waipouli residents. They were a mix of retirees and those employed in professional fields or in the service industry.

All of them — locals and transplants alike — said they would struggle to find another place to rent on Kauai if they are forced out of their apartments. Some already have plans to move.

There aren't many rentals available on Kauai, the residents said. Some have pets, shrinking their already limited options to only those that allow animals.



The Waipouli apartments in Kapaa are close to the beach and a short drive from Lihue. (Kevin Fujii/Civil Beat/2024)

None of them have been told anything about the sale directly from state officials, other than a letter from DHHL outlining their rights and the government’s responsibility to help relocate them if they are evicted.

“Being vague doesn’t help anyone,” said Paul Palop, a visual effects supervisor who lives in a second-floor unit at Waipouli.

Since he moved to Kauai in January from California, the impending purchase has been top of mind for his neighbors. He described being mostly in the dark about the whole process.

“At a tenant level, it’s a huge problem,” he said, while unloading outdoor equipment from his Jeep.

Yun Park, a Waipouli resident and dentist in Lihue, pointed to the

small housing market on Kauai with few rentals and home ownership out of reach for many who live on the island.

There's no single source that keeps track of the number of available rental units on the island. A search of rentals on Craigslist returns just 56 results. If dogs or cats are allowed, that number drops to just six results. None are under \$3,000 a month. Current residents said they pay between \$2,400 and \$2,700 at Waipouli.



Affordable housing on rural Kauai is hard to find. (Ku'u Kauano'e/Civil Beat/2020)

Park, who moved to Kauai in 2016, said rents across the island have risen steadily since he's been there.

He has firsthand experience with the impact rising rent can have on local businesses: two dental hygienists at his clinic left the island because of rent increases. One was a Waipouli resident, Park said.

Park believes he has the means to find another place to live and stay on Kauai if he's forced to move from Waipouli. But he'd rather stay right where he is. He hopes DHHL builds elsewhere.

“Why doesn’t (DHHL) use the land to build what they promised?”
Park said.

Do Waitlisters Want Apartments?

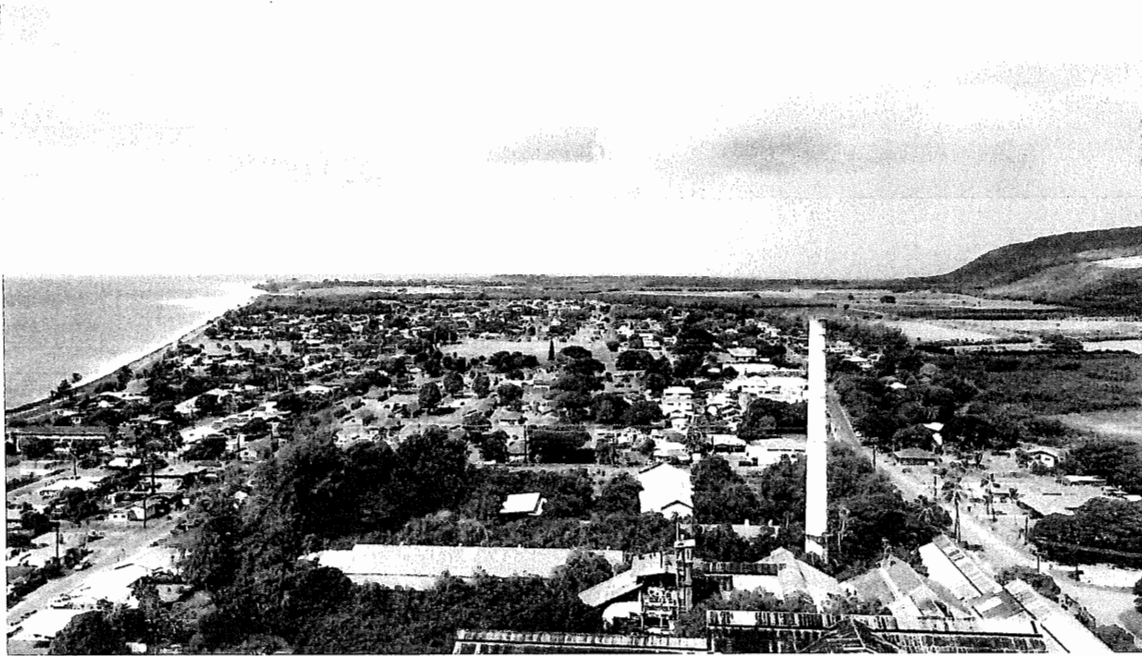
Kekaha resident Joseph Kali has been wondering that since he applied for homelands in 1995.

“We get plenty Hawaiian Home Lands, but nothing happening with them,” Kali said. “They just sitting there.”

For years, the department has struggled with a lack of funding and lands that would be difficult to develop.

DHHL has more than 15,000 acres in the mountains in Waimea, but most of it can’t be reached to start developing homestead lots. There’s another 1,500 acres designated for agricultural lots in a hilly area of Anahola, much of which has not been developed yet. The department has set aside \$5 million to start developing the area.

The Association of Hawaiians for Homestead Lands, a group that advocates for people on the waitlist, sent a petition to DHHL in January with 130 signatures from people on the waitlist across the state, including other islands besides Kauai, who are opposed to the Waipouli project.



Some on the waitlist would rather see the department develop lands it already owns in Kekaha, Waimea and Anahola. (Ku'u Kauano'e/Civil Beat/2022)

Those who oppose the project don't believe that creating rentals are one of the objectives of the Hawaiian Homes Commission Act, the 1921 act of Congress that led to the creation of DHHL and granted it 200,000 acres of land.

Watson says the needs of beneficiaries have changed since that time.

"Innovation I think is important," Watson said in a recent interview. "We are six generations past the passage of the act. The needs of our beneficiaries are very different."

For residents who may be displaced, Watson said that federal law requires 42 months of rental assistance. He said many of the current residents are working professionals "versus the people we are dealing with who are challenged economically."

"I don't apologize for what we're doing," Watson said. "I think it's

necessary and it's a way to address the people on our waitlist.”

The department also conducted its own survey of the more than 1,200 applicants for Kauai lots. It received about 200 responses. The results were mixed.

About 44% of respondents indicated that they were interested in accepting a “townhouse” in Kapaa, as the survey worded it.

Nearly half said they were interested in participating in a rent with the option-to purchase program if they were income limited. But about 45% of the respondents also said they would prefer a single-family residence in Hanapepe, another site DHHL is developing, than live at Waipouli.

Kali, the Kekaha waitlister, falls under that group. He wants a single-family home with an open yard where his grandchildren could play.

He doesn't want to live in an apartment. And he said he is willing to wait for the residential lot he applied for nearly 30 years ago.

“For me, I just wait until the right time comes,” he said.

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