

Kānehili Subdivision Residential Vacant Lots Offer Frequently Asked Questions

1. Who was this Offer mailed to?

This Offering was mailed to East Kapolei I Undivided Interest Lessees with current addresses on file.

2. What are the requirements for the vacant lot offer?

The East Kapolei I Undivided Interest Lessees <u>must</u> submit an interested response form by or postmarked on **JULY 22, 2022.**

3. For the owner builder option, can I build the home myself or do I need to hire a contractor?

It is your decision who you choose to build your home, however you must comply with the building requirements set by the City & County of Honolulu. While a general contractor is not required, all electrical and plumbing must be done by a licensed professional. *Bonding is also required.*

4. Are there other requirements for the owner builder option?

You will be solely responsible for managing the entire building process from contracting the builder, obtaining building permits, connecting water lines, etc. to final loan approval. In an owner builder situation, the department will not provide any assistance to you and your selected vendors as the contract is between yourself and your vendors. For example, if you encounter a problem with your contractor, plumber, electrician, etc., you will need to resolve those issues directly with your vendor. The department will not get involved. However, the department will provide an Awards Case Management Specialist who will monitor the progress of your buildout to ensure you are on track to meet the terms and conditions of the agreement and within the provided timeline.

5. How soon do I need to occupy my lot?

Pursuant to Section 208 of the Hawaiian Homes Commission Act, "The lessee may be required to occupy...within one year after the commencement of the term of the lease."

6. What are the financing options for vacant lots?

The vacant lot/owner builder program requires a construction loan, so you will need to explore construction loan options with the lender of your choice.

7. What if I have cash available and am ready to build?

If you have cash funds and you are ready to proceed as an owner builder you may do so, however the department will require proof of available cash funds. The terms and conditions of Question 4 still apply to cash transactions. **Bonding is also a requirement in cash transactions.**

8. What happens if I cannot meet the terms and conditions of the Lot Reservation Form?

If you are unable to meet the terms and conditions of the Lot Reservation Form, it will be considered a default of the agreement and the Department can take steps towards cancellation of the Lot Reservation Form. You will remain as an East Kapolei I Undivided Interest Lessee and may be eligible for future offers.

9. Can I transfer the lease once I receive the award?

Upon receipt of a lot lease, you may request a lease transfer after your home is completed because a vacant lot cannot be transferred. The Lease transfer request can be made through the DHHL Oahu District Operations Branch, provided all parties meet the conditions of a transfer.

All information provided is subject to change.