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Another View

Mitch D'Olier

The Kailuan was never intended to be 'affordable housing'

The article "Kailuan residents on borrowed time" ([Star-Bulletin, Jan. 1](#)) contained several inaccuracies and did not tell the whole story.

The Kailuan has wrongly been described as "affordable housing." The Kailuan started as a market-priced rental project. It was never intended to be affordable housing. It is one of seven adjacent apartment projects on Kailua Road. All others have been vacated with cesspools closed by the Dec. 31 deadline. In the 1980s, a local real estate investor bought the leasehold building, converted it into a for-profit cooperative corporation and then sold shares in the corporation. Kaneohe Ranch, as landowner, did not authorize the conversion to a cooperative corporation and did not receive any of the profits made by the real estate investor. Units in The Kailuan have been purchased for as little as \$1,000-\$20,000 within the past five years. The units sold so cheaply not because this is "affordable housing," but because people understood that the lease would expire on Dec. 31, 2007, at which time all occupants would have to leave.

The Kailuan was cited by the U.S. Environmental Protection Agency as being in violation of the Clean Water Act. The EPA mandated the closure of existing cesspools which serve The Kailuan by April 2005. Kaneohe Ranch and others worked to secure an extension of the closure deadline to when the lease expired on Dec. 31, 2007. This was done to allow residents of The Kailuan more time to find alternative housing. For obvious reasons, The Kailuan simply cannot be occupied while the cesspools are closed.

Kaneohe Ranch consistently told The Kailuan over the years that it was not interested in selling. The last minute offer to buy made by some of The Kailuan shareholders did not cause Kaneohe Ranch to change its mind.

The few remaining residents in The Kailuan mistakenly believe they have a right of first refusal to buy the property because they thought Kaneohe Ranch offered to sell the property to someone else during the term of the lease. In fact, Kaneohe Ranch never made any such offer to sell. Kaneohe Ranch's primary goal throughout has been to secure the return of the property to address the EPA mandate.

Kaneohe Ranch has been actively offering assistance to those still living in The Kailuan to relocate. Several took advantage of its offer of \$10,000 to help defray the cost of relocation. Kaneohe Ranch continues to reach out to the few residents who still remain.

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