

**Request for Trust Lands from the Hawaiian Home Land Trust**  
Department of Hawaiian Home Lands

RECEIVED  
LAND MANAGEMENT  
DIVISION

This application is completed by an interested party in requesting lands designated as Hawaiian Home lands under the Hawaiian Homes Commission Act (HHCA). HHCA lands are to be used for homesteading purposes for beneficiary native Hawaiians (residential, agricultural or pastoral), and when necessary, in the best interest of the trust and its beneficiaries, for public purpose, commercial and multipurpose use.

**Section I: Name of Applicant Requesting Trust Lands**

**Name of Requesting Organization:** Na Kupa`a o Kuhio

**Address of Organization:** PO Box 700248, Honolulu HI 96709

**Officers and/or Principal Representatives:** Board of Directors: Thomas Contrades (P), Dr. Michael Chun (VP), Riley Smith (Secretary/Treasurer), Todd Apo (director), Micah Kane (director); Patricia Brandt (executive director)

**Mission of Organization:** Created by DHHL in 2006, Na Kupa`a's mission is: To carry out, with the consent of DHHL, activities that assist and benefit exclusively the DHHL in fulfilling its responsibilities pursuant to the Hawaiian Homes Commission Act of 1920, as amended; and to operate exclusively for charitable, scientific, and education purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future US internal revenue law)

SEE ATTACHMENT A FOR MORE INFO

**Date Incorporated:** 07/21/2006      **State of Incorporation:** Hawaii

**Section II: Type of Organization**

**Requesting Organization – Non-Profit**

- Type of Non-Profit:**
- Private Nonprofit – governed by self appointed board
  - Member Nonprofit – governed by voting members
  - \*Homestead Organization – governed by HHCA beneficiary members

\*Non-profit is Democratically Elected by and for HHCA Beneficiaries or a Subsidiary thereof

**Capacity Assessed by DHHL Kulia Ika Nuu Program:**       Yes       No

\*\*\*Our understanding is that Na Kupa`a is not eligible to participate in DHHL Kulia i ka Nuu program and that the Kulia program no longer exists.

**Current Capacity and Service to HHCA Beneficiary Community:** Na Kupa`a has successfully applied for and been awarded approximately \$19 million in federal funds from US Department of Agriculture Rural Development to bring safe drinking water and sanitary wastewater disposal for 2,314 homes in 6 homesteads – Molokai, Kaka`ina (Waimanalo), Pi`ilani Mai Ke Kai (Anahola), Maku`u, La`i `Opua Village 4, and East Kapolei 2B (SEE ATTACHMENT B FOR FULL LIST OF PROJECTS). For Molokai, Na Kupa`a completed construction of the Molokai Phase IV water improvements. For Kaka`ina, project construction has been bid out and construction contracts are now executed. Groudbreaking is scheduled for June 29, 2012. Pi`ilani Mai Ke Kai Phase 2 water is the third and next project that Na Kupa`a is implementing. Maku`u off-site water is scheduled for August 2012. La`i `Opua Village 4 and East Kapolei 2B are scheduled for early 2013. USDA has determined Na Kupa`a an eligible entity to apply, receive, and manage USDA federal funds and having the technical, managerial and financial capacity to manage and operate water/wastewater systems. Na Kupa`a is subject to federal OMB A-133 audits for using federal funds. Na Kupa`a successfully completed the OMB A-133 audits for 2007 and 2008 when federal funds were expended for the Molokai water

improvements project. No significant audit findings nor issues were found. Na Kupa`a has also partnered with the Rural Community Assistance Corporation (RCAC) for their technical knowledge and capacity for managing and operating small water systems similar to those serving Hawaiian Home Lands. For 35 years, RCAC works with small, rural communities in 13 western states including the Western Pacific, specifically on drinking water and wastewater management and operations. For over 25 years, RCAC serves as USDA's designated technical assistance provider for USDA borrowers for water/wastewater facilities. For over 20 years, RCAC serves as US EPA's designated technical assistance provider for tribal water and wastewater systems in California, Arizona, Nevada. In addition, Na Kupaa is a partner with DHHL and USDA under an MOU for the Rural Home Loan Partnership (RHLP) program, since 2008. Under that MOU, Na Kupaa has leveraged over \$21 million in USDA 502 funds for DHHL beneficiary families in 5 homesteads to use as mortgage loan funds. Because this MOU is in place, USDA has given DHHL priority standing for USDA 502 funds. See Attachment C for further info on RHLP

REFER ATTACHMENT A FOR FURTHER INFO

**Requesting Organization – Individual or Business**

- Individual       Sole Proprietorship       Partnership  
 Corporation       Limited Liability Corporation       Other

**Is an Individual HHCA Beneficiary/is Owned by an HHCA Beneficiary**  Yes  No

**Requesting Organization – Government Agency**

- Federal       State       County

**Section III: Land Request Instrument, Terms & Purpose**

Applicant requests the following land transaction instrument:

- Right of Entry       Revocable Permit       Easement:  
 License       General Lease       Other:

**Land Description:** within the roadways of DHHL's Phase II of the Pi'ilani Mai Ke Kai DHHL homestead subdivision. The homestead subdivision consists of one parcel with a total of approx. 16.5 acres. The parcel is located approx. 13 miles north of the Lihue Airport, makai side of Kuhio Highway.

**Island:** Kauai      **Tax Map Key No.:** (4) 3-8-003:18 (portion)

**Term:** 35 years      **Payment Amount:**  Undetermined  Market value land rents  
 Gratis/or Less than Market value land rents  \$ \_\_\_\_\_

**\*If Gratis or Less than Market – Explain Why the Trust Should Not be Compensated:** Na Kupa`a has accessed approx. \$19 mil in federal USDA funds to bring safe drinking water and sanitary wastewater disposal systems for six (6) DHHL homestead subdivisions – approximately 2,314 homes for Trust native Hawaiian families.

**Land Use or Purpose:** Purpose is for HOMESTEADING purposes for Trust beneficiary native Hawaiians. Na Kupa`a's contribution of the financing (\$810,000 in federal USDA funds) for the drinking water infrastructure will assist DHHL to produce 51 house lots for Trust beneficiary native Hawaiians. Request is for a utility license easement to construct drinking water distribution lines within the Pi'ilani Mai Ke Kai Phase 2 homestead subdivision development as requested by DHHL

**Land Use Benefit to the Trust and/or its Beneficiaries:** Na Kupa`a brings to the table \$810,000 in federal funds (awarded in 2009) for construction of the drinking water system to serve the Pi`ilani Mai Ke Kai Phase 2 homestead subdivision. This infrastructure is needed in order for DHHL to develop finished house lots for 51 DHHL beneficiary families

---

**If Applicant is Not a Homestead Beneficiary Organization or a Subsidiary Thereof, Describe How the Applicant is Partnered with Such Organizations:** Pi`ilani Mai Ke Kai homestead subdivision is a DHHL homestead project. As such, this project has gone through beneficiary consultation through DHHL Regional Planning process, in which DHHL infrastructure (including drinking water system) was discussed. DHHL requested Na Kupa`a to assist with securing federal funds to finance the water infrastructure portion of DHHL's homestead project. Also, at the time the federal funds were awarded to Na Kupa`a in 2009, there was not a homestead organization in existence. Na Kupa`a was recently informed that the Pi`ilani Mai Ke Kai homestead community association has been incorporated, but does not yet have a fully democratically elected board. When the Association is fully operational, we will outreach to them, seek their mana`o, and inform the Association on the progress of this water project

---

**Section IV. Relevant HHCA Sections to Non-Homesteading Trust Land Disposition**

The HHCA addresses non-homesteading public purpose licenses, such as community facilities, commercial or multi-purpose functions, when such purpose supports the overall mission and well-being of the trust and its HHCA beneficiaries.

**Section 207(c)** – This application relates to which of the following four categories under Section 207(c) of the Hawaiian Homes Commission Act wherein a License may be issued:

- Section 207(c)(1) – Railroads, Telephone Lines, Electric/Utility Lines, Gas Mains, etc; OR
- Section 207(c)(1)(A) – Churches, hospitals, public schools, post offices and other improvements for public purposes; OR
- Section 207(c)(1)(B) – Theatres, garages, service stations, markets, stores and other mercantile establishments (all of which shall be owned by native Hawaiians or by organizations formed and controlled by native Hawaiians); OR
- Section 207(c)(2) – Reservations, roads and other right of way, water storage and distribution facilities and practice target ranges of the United States;
- None of the Above

**Section 204(a)(1)** – Lands not required for leasing under 207(a) (homesteading), DHHL may issue a general lease for public, commercial or multipurpose use in accordance to Chapter 171, HRS, as amended. This application is for a commercial or multipurpose use:

- Land use or improvements will generate commercial profit to the applicant
- Land use or improvements will not generate commercial profit to the applicant

**Section 204(a)(2)/220.5**– Lands not required for leasing under 207(a) (homesteading), DHHL is expressly authorized to negotiate, prior to negotiations with the general public, the disposition of Hawaiian home lands or any improvements thereon to a native Hawaiian, or organization or association owned or controlled by native Hawaiians, for commercial, industrial or other business purposes in accordance to section 171HRS.

- This Land Request IS made by an \*HHCA Homestead Beneficiary Organization.

This Land Request IS NOT made by an \*HHCA Homestead Beneficiary Organization or individual or business owned and controlled by HHCA Beneficiaries.

**Section V. Beneficiary Consultation, Applicant Capacity and Land Use Benefit Analysis**

Trust Lands represent a finite amount of land, with thousands of HHCA eligible beneficiaries awaiting an award under the Residential, Agricultural or Pastoral Homesteading program, as well as dozens of Homestead Associations controlled by HHCA Beneficiaries working on homestead based development projects.

As a result, the applicant acknowledges that part of the process of considering applications for trust lands should include the following:

**1. Beneficiary Consultation**

- a. A Notice of All Land Requests to License/Lease Hawaiian Home Lands for non-homesteading purposes should be sent to all Homestead Associations with an opportunity for beneficiaries of the trust to comment and provide input.
- b. All input received should be provided to the Hawaiian Homes Commission.

**2. Applicant Capacity**

- a. If a Nonprofit Organization – should be assessed by DHHL Kulia i ka Nuu capacity program to determine financial, programmatic, governance and leadership capacity and determine legal structure. Additional information may be required to be submitted to DHHL.
- b. If an Individual/Business – should be assessed by DHHL to determine financial and leadership capacity and legal structure. Additional information may be required to be submitted to DHHL.

**3. Land Use Benefit Analysis**

- a. The land requested should have a direct or significant indirect benefit to the trust or to the beneficiaries of the trust. Additional information may be required to be submitted to DHHL.
- b. The land requested should comply with the spirit and intent of Section 207(c) and Section 204(a)(2)/220.5 of the Hawaiian Homes Commission Act, as amended, by engaging beneficiary organizations. Additional information may be required to be submitted to DHHL to determine how Beneficiary Organizations are directly connected to the land request use.

The following authorized representative, submits this request for Hawaiian home lands:

Na Kupa'a o Kuhio  
Print Individual or Organization Name

Patricia Brandt, executive director  
Authorized Representative Name & Title

6-6-12  
Date  
Patricia Brandt  
Signature

Na Kupaa o Kuhio

Statement of Qualifications  
Recent and Relevant Projects

Na Kupaa o Kuhio is a statewide federally tax-exempt 501(c)(3) nonprofit corporation that was established in 2006 to partner on projects with the Department of Hawaiian Home Lands (DHHL) to assist DHHL to carryout its mission to fulfill its responsibilities and serve its beneficiaries pursuant to the Hawaiian Homes Commission Act, 1920, as amended. Since its inception, Na Kupaa has focused primarily on infrastructure development assistance and seeking federal resources to lessen the burden on DHHL to raise 100% of the funding necessary to build and improve existing infrastructure for native Hawaiian homestead communities.

Through its work over the past 5 years of its operation, Na Kupaa has successfully applied for and received over \$18 million in federal funds for drinking water and wastewater system improvements on Hawaiian Home Lands and off-site systems serving homestead communities. Na Kupaa has developed experience and expertise with accessing US Department of Agriculture Rural Development funding programs – an under-utilized program in Hawaii.

Infrastructure development, on average, costs the Department \$120,000 - \$150,000. Approximately fifteen percent of this cost is for water and wastewater systems. For every \$1 that Na Kupaa secures for water and wastewater infrastructure development from outside sources, DHHL funds an average of \$8 for roads, utilities, telecommunications and other infrastructure.

The following is a list of Na Kupaa's current projects funded by USDA.

Project name	Award Amount	Date of award
Molokai Phase IV water system improvement	\$2,487,000	2005
Makuu off-site well (water) Pahoa, Hawaii	\$5,248,000	Sept 2005
Lai Opua Village 4 water & wastewater Kona, Hawaii	\$3,051,350	April 2009
Waiohuli / Keokea Phase 3 & 4 water Kula, Maui	\$2,768,655	April 2009
Kaka'ina water & wastewater Waimanalo, Oahu	\$918,800	August 2009
Pi'ilani Mai Ke Kai water Anahola, Kauai	\$810,000	August 2009

East Kapolei 2B water & wastewater, Oahu	\$3,701,000	April 2011
<b>TOTAL</b>	<b>\$18,984,805</b>	

Na Kupaa o Kuhio has a strong board with a broad range of knowledge, skills and experience in the following: Hawaiian Homes Commission Act; civil engineering; affordable housing; infrastructure development, and utility management and operations. Two out of five board members have an engineering background; and one served as deputy chief engineer for the Public Works Department, County of Hawaii. Two other board members are former Hawaiian Homes Commissioners.

Na Kupaa is well-networked with state and county government agencies and has the ability to procure the necessary technical expertise to assist and support Na Kupaa projects.

## **Na Kupa'a o Kuhio**

### **List of Board members, Staff and Potential Partners**

The following provides background information on Na Kupaa o Kuhio board members, staff and potential partners to be used to provide the professional services being sought by DHHL:

#### **Thomas Contrades, Board President**

Mr. Contrades has more than 35 years of community service and involvement. He currently is employed by the Office of the Mayor for County of Kauai and serves as a Commissioner on the State Land Use Commission (LUC). In 2009, Mr. Contrades was reappointed to a second 4-year term on the LUC. The LUC deals with a number of controversial, community-based issues and matters on a continuous basis. Mr. Contrades' strong professional and community background is of tremendous benefit to the LUC when faced with tough decisions. Mr. Contrades is also an Ordained Deacon serving the Immaculate Conception Parish. He also served on the Hawaiian Homes Commission. Lastly, he was a Business Agent for the ILWU Local 142 on Kauai for over 20 years.

#### **Dr. Michael Chun, Vice President**

Dr. Chun is Headmaster of Kamehameha Schools Kapalama campus. He has held this position for 23 years. Dr. Chun is an active participant in professional, community and business organizations. Prior to his appointment as Kamehameha Schools president, Dr. Chun served in the following positions: vice president of Park Engineering; Chief Engineer of the City and County of Honolulu; and he taught at the University of Hawaii where he directed graduate instruction and research in environmental engineering. In 1990, Dr. Chun was named "Hawaii State Engineer of the Year" by the Hawaii Society of Professional Engineer.

Dr. Chun has a doctorate in environmental health engineering and master's and bachelor's degrees both in civil engineering.

#### **Riley Smith, Secretary/Treasurer**

Mr. Smith is currently Vice-President, Properties and Honokohau Development Project Manager for Lanihau Properties, LLC. He has served as Vice-President of Construction for Clearcom, Inc., Vice-President/Land & Asset Manager for Parker Ranch, Regional Manager for Sandwich Isles Communication and was Project Manager for Parker 2020, a master planned residential, commercial and industrial project in Kamuela, Hawaii. He has also served as Project Manager for PBR Hawaii, Bedford Properties and was Project Engineer for Kaiser Development Company. With over 20 years of experience in land management, development planning, design and construction, Mr. Smith is a respected industry professional and, in 2004, was named Engineer of the Year by the Big Island Chapter of the Hawaii Society of Professional Engineers. He has a degree in Engineering from the University of Southern California and a Masters of Business Administration from the University of Hawai'i.

**Todd Apo, board member**

Mr. Apo recently joined the Disney Corporation as Director of Public Affairs Hawaii. Mr. Apo brings to Na Kupa'a a unique background which includes experience with government, business, development and law. For six years, Mr. Apo served on the City and County of Honolulu Council. In recent years, he served as Chair of the Council and Chair of the Council Committee on Budget and Transportation.

Mr. Apo is a graduate of Kamehameha Schools and received degrees in computer science and economics from Brown University. He received his law degree and master's in business administration from University of Hawaii.

**Micah Kane, board member**

Mr. Kane currently serves as a trustee for Kamehameha Schools. Previously, Mr. Kane served for two-consecutive 4-year terms as Chair of Hawaiian Homes Commission and Director of the Department of Hawaiian Home Lands. He led the Department in awarding 2000 leases to native Hawaiian beneficiaries during his tenure.

A graduate of Kamehameha Schools, Mr. Kane also holds a master's degree in business administration.

**Patricia K. Brandt, executive director**

Ms. Brandt is a homestead lessee in Kaupē'a Kapolei on Oahu. Ms. Brandt is an accomplished professional with extensive background in both public and private sectors. She has previously served as Chief of Staff to Office of Hawaiian Affairs chairman of the board. Ms. Brandt brings her influence and keen understanding of the important issues facing Hawaiians as Hawaii leaders move forward in efforts to secure critical recognition by the federal government. A 25-year veteran of state government, Ms. Brandt has worked in appointed advisory capacities in the administrations of two governors. She launched Hawaii's first micro-loan program in partnership with the Small Business Administration and the Immigrant and Refugee Resettlement Service. She has served as executive director for Hawaii Community Loan Fund and Pacific Gateway Center.

**POTENTIAL PARTNERS**

Na Kupaa o Kuhio has partnered with the following organizations:

**Foster Pepper PLLC**

Foster Pepper LLC is a USDA-recognized bond counsel and legal firm based in Seattle Washington. Attorneys Nancy Neras and Greg Guedel are currently under contract by Na Kupaa to prepare USDA documents for Na Kupaa's Kakaina and East Kapolei 2B water and wastewater projects.

Foster Pepper's experience with complex infrastructure projects is unmatched in the region. Attorneys have sited, permitted and defended major infrastructure projects throughout the Pacific Northwest including roads, sewage and water treatment plants, light rail, and airports. Foster Pepper's Infrastructure Group combines the talents of lawyers across multiple disciplines to provide clients with strategic, cost-effective, and creative solutions to the many complex issues that are typically associated with these types of projects. Our attorneys have vast project



experience, which often begins at the earliest stages of the project with strategic legal advice on issues such as legislation and financing and continues through construction and operation of the project.

**PBR Hawaii & Associates Inc.**

PBR is a Hawaii-based planning consulting firm assisting Na Kupaa with Environmental studies and preliminary engineering reports required by federal funders including USDA Rural Development. PBR is currently under contract by Na Kupaa.

For over 40 years, PBR has been active in all aspects of land planning, landscape architecture, environmental studies, and graphic design. PBR engages in a variety of projects ranging from specific site designs to regional and community plans, urban design studies and large-scale resource inventory and land management projects.

PBR staff consist of Planners, Landscape Architects, Landscape Designers and Graphic Designers.

**Rural Community Assistance Corporation (RCAC)**

RCAC is a 501(c)(3) nonprofit corporation providing technical assistance and training in water and wastewater projects as well as affordable housing and community facility financing in 13 western states, including Hawaii and the Western Pacific. For over 30 years, RCAC has worked with rural communities, small water and wastewater systems, and tribal utilities and housing authorities. RCAC is a designated technical assistance provider funded by USDA to assist USDA borrowers and applicants. RCAC Hawaii-based staff have experience working with federal, state and county government agencies; management and operations of water/wastewater systems; public works engineering; and project financing.

**Na Kupa'a o Kuhio**  
**Projects for USDA RD Water & Waste Disposal**  
**Direct Grant and Loan Program**  
**June 6, 2012**

Table 1: Projects funded and construction completed

Item	Name of project and Cost estimate	Water	Waste-water	Na Kupa'a annual loan payment to USDA	STATUS
1	<b>Moloka'i Water System Phase IV</b> \$2,585,500 – Project Total <b>\$2,487,000 – USDA Total</b> \$1,163,475 – 45 % Grant \$1,323,525 – 55% Loan (4.375% int. rate; 35-year term) \$98,500 – DHHL contribution  <b>578 users</b>	X		\$82,025	<b>Construction DONE</b>  Na Kupaa currently making loan payments

Table 2: USDA funds awarded and obligated to Na Kupa'a o Kuhio

Total obligated: \$16,497,805

( 2,768,655 ) – Waiohuli / Keokea de-obligated

TOTAL remaining: \$13,729,150

Item	Name of project and Cost estimate	Water	Waste-water	ESTIMATED Na Kupa'a annual loan payment to USDA	STATUS
2	<b>Maku'u Water System</b> \$5,557,000 – Project Total <b>\$5,248,000 – USDA Total</b> \$2,100,000 – 40% Grant \$3,148,000 – 60% Loan (4.125% int. rate; 35-year term) \$309,000 – DHHL Contribution  Original LOC issued to DHHL 09/23/05  Obligation transferred to Na Kupaa and LOC re-issued 07/06/09  978 users (estimate)	X		\$193,952	April 2012 Target to issue construction bid  03/16/11 mtg w/Chris K, Bob H, Gigi C  Received clarification from USDA, the LOC date remains 2005. Per Chris, USDA national is de-obligating funds from

Item	Name of project and Cost estimate	Water	Waste-water	ESTIMATED Na Kupa'a annual loan payment to USDA	STATUS
					2001 and earlier.
3	<p><b>La'i 'Ōpua Village 4 Water</b>            \$1,503,600 – Project Total  <b>\$1,381,650 – USDA total</b>            \$415,650 – 30% Grant            \$966,000 - 70% Loan            (3.75% int. rate; 35-year term)            \$121,950 – DHHL Contribution</p> <p>LOC issued 04/08/09</p> <p>242 total users (house lots)            Akau – 117            Hema – 125</p>	X		\$56,669	<p>Aug 2012            Target to issue construction bid</p> <p>USDA funds generally have a 5-year window</p> <p>Construction should start before 04/2014</p>
4	<p><b>La'i 'Ōpua Village 4 Wastewater</b>            \$1,799,400 – Project Total  <b>\$1,669,700 – USDA total</b>            \$501,700 – 30% Grant            \$1,168,000 – 70% Loan            (3.75% int. rate; 35-year term)            \$129,700 – DHHL Contribution</p> <p>LOC issued 04/08/09</p> <p>242 total users (house lots)            Akau – 117            Hema – 125</p>		X	\$68,519	<p>Aug 2012            Target to issue construction bid</p> <p>USDA funds generally have a 5-year window</p> <p>Construction should start before 04/2014</p>
5	<p><b>Waiohuli / Kēōkea 3 &amp; 4 Water</b>            \$2,985,455 – Project Total  <b>\$2,768,655 – USDA total</b>            \$855,655 – 31% Grant            \$1,913,000 – 69% Loan            (3.75% int. rate; 35-year term)            \$216,800 – DHHL Contribution</p> <p>LOC issued 04/08/09</p> <p>272 users (house lots)</p>	X		\$112,224	<p><b>USDA de-obligated the funds</b></p> <p><b>10/12/11</b></p>
6 ARRA funds	<p><b>Waimānalo / Kaka'ina Street Water &amp; Wastewater</b></p> <p>\$943,800 Project Total  <b>\$918,800 – USDA Total</b>            \$377,800 – 41% Grant            \$541,000 – 59% Loan            (3.5% int. rate; 35-year term)            \$25,000 – DHHL Contribution</p>	X	X	\$30,696	<p>In "Loan Closing" phase</p> <p>Construction contractor selected</p> <p>ARRA funds expire in 5 years</p>

Item	Name of project and Cost estimate	Water	Waste-water	ESTIMATED Na Kupa'a annual loan payment to USDA	STATUS
	LOC issued 08/31/09 44 users (house lots)				10/06/11 USDA verbal notification – ARRA funds now expire in 3 years. Advised to start construction before 08/2012
<b>7 ARRA funds</b>	<b>Pi'ilani Mai Ke Kai / Anahola Water</b>  \$835,500 - Project Total <b>\$810,000 – USDA Total</b> \$339,000 – 41% Grant \$471,000 – 59% Loan (3.5% interest rate; 35-year term) \$25,500 – DHHL Contribution  LOC issued 08/31/09  51 users (lots)	X		\$26,725	June 2012 Target to issue construction bid  ARRA funds expire in 5 years  10/06/11 USDA verbal notification – ARRA funds now expire in 3 years. Advised to start construction before 08/2012
<b>8 \$5mil set-aside</b>	<b>East Kapolei 2B</b> \$3,861,000 – Project Total <b>\$ 3,701,000 – USDA Total</b> \$1,513,000 - 40 % Grant (from \$5m set-aside) \$2,188,000 - 60 % Loan (3.75% interest rate; 40-year term)  Notes: \$2,000,000 – water portion \$1,701,000 – wastewater portion \$160,000 – DHHL Contribution  LOC issued 04/20/11  160 users (house lots)	X	X	\$108,963	Dec 2012 Target to issue construction bid  USDA funds generally have a 5-year window  Construction should start before 04/2016

June 6, 2012

LOC = USDA Letter of Conditions

\* Information subject to change \*

3

**Notes:**

(1) Generally, USDA funding awards have a 5-year life span from obligation date. After 5 years, USDA may choose to de-obligate funds. For the Nā Kūpa‘a projects, USDA has de-obligated only one project, thus far – Waiohuli / Keokea (\$2,768,655).

**(2) ARRA funds**

At time of award (2009), Nā Kūpa‘a was notified that ARRA funds have a 5-year life span. If funds are not spent within 5 years, the remaining balance returns to USDA.

UPDATE October 6, 2011 – in meeting with USDA, Nā Kūpa‘a was notified that the 5-year window has changed to 3-years. This affects the Kaka‘ina and Pi‘ilani Mai Ke Kai projects. USDA advised Nā Kūpa‘a to at least start construction on both these projects before Aug 2012.

**(3) Total funds obligated to Nā Kūpa‘a o Kūhiō for all projects**

Total Grant funds obligated \$ 7,266,280 (includes \$1.513 grant for E. Kapolei 2B)  
 Total Loan funds obligated + \$10,395,000  
 TOTAL \$18,984,805

Less Waiohuli/Keokea (\$ 2,768,655)

**NEW TOTAL \$16,216,150**

**(4) Source of funds**

USDA RD Hawaii State Office has access to four (4) sources of funds to fund projects in Hawaii. USDA makes the decision on which source of funds to use. Na Kupa`a was advised by USDA not to make specific requests for a specific source.

- (1) Loan funds allocated from national office to Hawaii state office
- (2) Grant funds allocated from national office to Hawaii state office
- (3) American Recovery and Reinvestment Act of 2009 (ARRA) or “federal stimulus” funds. Available at national office. State offices may request ARRA funds from national office
- (4) Congressional Set Aside - \$5 million in grant funds made available per year for 3 years – 2009, 2012, 2011. Current total available is \$15mil. Thus far, USDA has used \$1,513,000 out of the total \$15mil.

Project & Total USDA funds	Hawaii office loan funds	Hawaii office grant funds	ARRA (loan / grant)	Congressional Set Aside
Moloka‘i - \$2,487,000	\$1,323,525	\$1,163,475	- 0 -	- 0 -
Maku‘u - \$5,248,000	3,148,000	2,100,000	- 0 -	- 0 -
La‘i ‘Opua 4 water - \$1,381,650	966,000	415,650	- 0 -	- 0 -
La‘i ‘Opua 4 wastewater - \$1,669,700	1,168,000	501,700	- 0 -	- 0 -
Kaka‘ina - \$918,800	- 0 -	- 0 -	\$541,000 / \$377,800	
Pi‘ilani Mai Ke Kai - \$810,000	- 0 -	- 0 -	\$471,000 / \$339,000	
East Kapolei 2B - \$3,701,000	2,188,000	- 0 -	- 0 -	1,513,000
<b>TOTAL</b>	<b>\$8,793,525</b>	<b>\$4,180,825</b>	<b>\$1,728,800</b>	<b>\$1,513,000</b>

Total USDA funds for water/wastewater systems on Hawaiian Home Lands (all grant and loan combined) \$16,216,150

## Rural Home Loan Partnership

US Department of Agriculture Rural Development  
Na Kupa`a o Kuhio  
Department of Hawaiian Home Lands

<b>Homestead</b>	<b># of homes</b>	<b>RHLP 502 funds</b>
Kanehili	53 turnkey homes	\$11,942,870
Kanehili	10 owner builder homes	\$ 1,860,700
Kanehili	2 vacant lots	\$ 441,940
Kumuhau	17 turnkey homes	\$ 3,646,506
La`i `Opuā	6 turnkey homes	\$ 1,335,010
Pi`ilani Mai Ke Kai	6 turnkey homes	\$ 1,211,425
Pi`ilani Mai Ke Kai	6 owner builder homes	\$ 955,800
<b>TOTALS</b>	<b>100 homes for Trust native Hawaiian beneficiaries</b>	<b>\$21,394,251</b>