

HAWAIIAN HOMES COMMISSION
Minutes of October 17, 2011
Meeting Held in Paukūkalo, Maui

Pursuant to proper call, the 620th Regular Meeting of the Hawaiian Homes Commission was held at the Paukūkalo Community Center, 657 Kaumuali'i, Wailuku, Maui, Hawai'i, beginning at 10:00 a.m.

PRESENT Mr. Albert "Alapaki" Nahale-a, Chairman
Mr. Imaikalani Aiu, Commissioner, Kaua'i
Mr. Perry O. Artates, Commissioner, Maui
Ms. Leimana DaMate, Commissioner, West Hawai'i
Mr. J. Kama Hopkins, Commissioner, O'ahu (arr: 4 pm)
Mr. Michael P. Kahikina, Commissioner, O'ahu
Mr. Ian B. Lee Loy, Commissioner, East Hawai'i
Mr. Henry K. Tancayo, Commissioner, Moloka'i
Mr. Renwick V.I. Tassill, Commissioner, O'ahu

COUNSEL Deputy Attorneys General Kalani Bush

STAFF Michelle Ka'uhane Deputy to the Chairman
Wai'ale'ale Sarsona, Chief of Staff
Linda Chinn, Administrator, Land Management Division
Darrell Yagodich, Administrator, Planning Office
Dean Oshiro, Acting Administrator, Homestead Services Division
Crystal Kua, Information Communications Relations Officer
Francis Apoliona, Compliance Officer
Blaine Fergerstrom, Information Specialist, ICRO
Carolyn Darr, Land Agent, Land Management Division
Todd Gray, Land Agent, Land Management Division
Mona Kapaku, Homestead District Operations Manager
Julie Cachola, Planner, Planning Division
Gigi Cairel, Planner, Planning Division
Zelda Moleta, Secretary, Office of the Chairman
John Peiper, Enforcement Officer
Elaine Searle Secretary to the Commission

PULE & Commission Michael Kahikina
Walter Kanamu shared a Folklore of Kahikinui "Listen to the Voice of Tutu, Return to the Lands of Our Ancestors, We Take Care of Each Other".

AGENDA Commissioner P. Artates moved, seconded by Commissioner I. Aiu, to approve the agenda. Motion carried unanimously.

Hawaiian Homes Commission Minutes - October 17, 2011
Waiohuli, Maui

AMENDED
AGENDA Commissioner P. Artates moved, seconded by Commissioner I. Aiu, to commence with Item G-1. Motion carried unanimously.

MINUTES Commissioner I. Aiu moved, seconded by Commissioner M. Kahikina, to approve the minutes of September 19, 2011 as circulated. Motion carried unanimously.

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
Paukūkalo Community Center, 657 Kaumuali'i, Wailuku, Maui
Monday, October 17, 2011 - 10:00 a.m. & Tuesday, October 18, 2011
Agenda Items not completed on Monday will be recessed to Tuesday @ 8:30 a.m.
(To be announced at the close of Monday's meeting)

ORDER OF BUSINESS

Roll Call
Approval of Agenda
Approval of Minutes of September 19, 2011

A - WORKSHOP PRESENTATIONS

- Native Hawaiian Development Program Plan (Part 4 of 4)
 - Self Governance
 - Beneficiary Consultation
- Kahikinui - Petrel Habitat Restoration Plan

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

C - OFFICE OF THE CHAIRMAN

- C-1 Goals and Objectives for Hawaiian Home Lands Strategic Plan
- C-2 Policy Development for Amendments to HAR Title 10

D - HOMESTEAD SERVICES DIVISION

- D-1 HSD Status Reports
 - Exhibits:
 - A) - Homestead Lease and Application Totals and Monthly Activity Reports
 - B) - Delinquency Report and Status of Contested Case Hearings
 - C) - DHHL Guarantees for USDA-RD Loans
 - D) - Guarantees for Habitat for Humanity Loans
 - E) - DHHL Guarantees for FHA Construction Loans
- D-2 Ratification of Loan Approvals
- D-3 Approval of Consent to Mortgage
- D-4 Schedule of Loan Delinquency Contested Case Hearings
- D-5 Homestead Application Transfers / Cancellations

- D-6 Commission Designation of Successors to Application Rights - Public Notice 2010
- D-7 Reinstatement of Deferred Applications
- D-8 Cancellation of Deceased Applicants from Waiting List - Public Notice 2010)
- D-9 Ratification of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds
- D-10 Approval of Exchange of Lease
- D-11 Approval of Assignment of Leasehold Interest
- D-12 Approval of Amendment of Leasehold Interest
- D-13 Request to Schedule Contested Case Hearing - **Lease Violation**
- D-14 Commission Designation of Successor - **Robert M. Nuesca**
- D-15 Cancellation of Lease - **Gary M. Kanekoa**
- D-16 Request to Surrender Lease - **Eugene S. Mariano**
- D-17 Hawaiian Home Lands Mortgage Insurance Account and Department of Housing and Urban Development (HUD)
- D-18 Rebranding of HOAP (Home Ownership Assistance Program)

F- LAND MANAGEMENT DIVISION

- F-1 Proposed Terms and Conditions to General Lease Pu`unēnē Group, Pu`unēnē , Maui
- F-2 Preliminary Approval for License to the State of Hawai`i, Department of Transportation, Lalamilo Phase II Improvements to Kawaihae Road, Lalamilo, Hawai`i
- F-3 Approval of Anahola Energy Project
- F-4 Ratification of Consents and Approvals by Chairman, Hawaiian Homes Commission
- F-5 Notices of Default and Revocations, Statewide

G - PLANNING DIVISION

- G-1 Request for Support, Association of Hawaiian Civic Clubs
- G-2 Beneficiary Consultation for Puunene Master Plan

J - AGENDA

- J-1 Request to Address the Commission - Tasha Kama, Keokea Homestead Farm Lands Association

EXECUTIVE SESSION


The Commission anticipates convening in executive meeting Pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities and liabilities.

1. Richard Nelson, III, Kaliko Chun et al. v. HHC, Civil No. 09-1-161507
2. Honokaia `Ohana v. HHC & DHHL, Civil No. 09-00395
3. Honokaia `Ohana v. HHC & DHHL, Civil No. 09-101615-07
4. Leimomi Lum v. Hawaiian Homes Commission, et al; Civil No. 09-1-2332-10 & Civil No. 10-102170-10
5. Kalima v. SOH, DHHL, Civil No. 99-0-4771-12 (EHH) (Class Action
6. Beth Ann Wong v. DHHL, Civil No. 10-1-2237-10
7. Villages of Kapolei v. DHHL and HFFDC
8. Petition for Certiorari to US. Supreme Court, Corboy v Louie
9. Resolution of Property Tax Liability
10. Defect of Title Claims
11. Alternate Land Use for Pastoral & Agricultural Homestead Leases
12. In the Matter of Vanessa Wong
13. Potential Conflicts of Interests of Commissioners Under HRS 84-14(a)
14. In the Matter of Arlene Chow
15. In the Matter of Pilialoha, et al. v. Thomas Rogers, Civil No. 07-1-002185
16. UPW Agreement and Possible Strike Plan

ANNOUNCEMENTS AND ADJOURNMENT

1. Next Meeting – November 14, 2011, Kapolei, Hawai'i
2. Other Announcements
3. Adjournment



 Albert "Alapaki" Nahale-a, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Imaikalani P. Aiu, Kaua'i
Perry O. Artates, Maui
Leimana DaMate, West Hawai'i
J. "Kama" Hopkins, O'ahu

Michael P. Kahikina, O'ahu
Ian B. Lee Loy, East Hawai'i
Henry K. Tancayo, Moloka'i
Renwick V.I. Tassill, O'ahu

The next community meeting will be held on Monday, November 14, 2011 at Waimanalo Community Center,
"Ka Ho'olina Na Kuhio, 41-253 Ilauhole St., Waimanalo, O'ahu at 6:00 p.m.

Special Accommodations (such as Sign Language interpreter, large print, taped materials) can be provided, if requested at least five (5) working days before the scheduled meeting on the respective island by calling (808) 620-9590.

ITEM NO: G-1

SUBJECT: Request for Support, Association of Hawaiian Civic Clubs

MOTION

Moved by Commissioner L. Damate, seconded by Commissioner I. Aiu.

DISCUSSION

Prince Kuhio founded the first Hawaiian Civic Club in Honolulu in 1918. The Association of Hawaiian Civic Clubs will host 500 attendees at its annual convention being held at Turtle Bay on O`ahu next week; its theme "Pu`uhonua Ho`olu Aloha". It will feature a constitutional convention which is held every 10 years with 350 delegates expected to engage in debate over 60 resolutions according to Soulee Stroud, executive board president. They have lobbied at the legislature in support of various bills affecting native Hawaiians, one a landmark Federal legislation affecting the Hawaiian Home Lands Trust. The association is advocating support from the commission for this event.

ACTION

Motion carried unanimously.

COMMENT

CNHA president, Robin Danner stated that SCHHA and most homestead associations opposed legislation of Hawaiian Civic Club's support to extend 99 years to beneficiaries. According to Ms. Danner, Act 187, an improved bill, was the final result of efforts made by SCHHA, homestead communities and DHHL.

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

Item F-3 – Robin Danner

1. Request for 25-year license to the Homestead Development Corporation, HCDC, Anahola Hawaiian Homes Association (AHHA) tax CDC arm.
2. Request license to be in dual status to HCDC and KIUC (Kauai Island Utility Coop) – To develop 60 acres of land in Anahola to develop a 10 megawatt, \$70M solar farm; 5 acres to be developed into a \$3M service center and community offices in partnership with KIUC.
3. With license at end-of-year – to qualify 55 acres to be eligible for federal and state energy tax credit which expires Dec 31, 2011, worth \$12M.
4. HCDC and KIUC needs to spend \$5M by end-of-year to qualify project.
5. Once Environmental Assessment (EA) and construction bids are procured for solar panels including beneficiary consultation, permits and financing terms and finalizing

homestead benefits agreement, a request will be made to cancel the license and have a general lease issued solely to HCDC.

6. Would authorize a sublease to LLC, similar to Solar One, to be formed to initiate project.
7. Close on interim construction financing once general lease is signed.
8. Proposes an 80/20 share of market value of the land.

Ms. Danner hopes to complete a \$3.5M of purchase before November 30th. Ms. Lorraine Rapozo, Anahola Hawaiian Homestead Association validates this as win-win situation for all beneficiaries.

Item F-3 - Kali Watson

1. Favors support of this project due to intent to empower beneficiaries.
2. Various communities have taken the lead on projects such as Nanakuli Village Center, Kamoleau in Panaewa, Farmers' Market in Maku`u and Waimanalo community development. Mr. Watson commends Ms. Danner for her initiative to work in partnership with a utility company and claims the benefits package is vital to the community.

Workshop: Kahikinui Petrel Habitat Restoration Project – Walter Kanamu

1. Monies designated to build enclosures for Petrel should be utilized to protect the entire forest, not only limited to birds, noted Walter Kanamu. He suggests utilizing funds from Phase II will benefit by fencing the entire 7,000 acres to provide a habitat for all the birds. He doubts birds will return to these smaller enclosures.

A - WORKSHOP PRESENTATIONS

I. Native Hawaiian Development Program Plan - Darrell Yagodich, Planning Administrator

Purpose of the Native Hawaiian Development Program Plan is intent to utilize NRFF funds for the betterment of the conditions of our people to achieve self-determination and self-sufficiency.

a. Self Governance – Movement to give more responsibility and assets to homestead associations to manage and control. Derived from Act 302, it fosters a state legislative initiation whereby democratically elected Hawaiian homestead community associations, who have the capacity to take on different functions, are allowed to take on more responsibility through the Kulia capacity building project with compensation from the commission. Due to the Barrett lawsuit in 2001, it triggered a reaction in homestead communities to begin a federal recognition process to protect the Hawaiian home lands trust and their homes. A Pono Kakou campaign group made up of SCHHA and Hui Kakou Ho`opulapula advocated that people be informed of the federal recognition by urging people to write their Congressman. The department provided a

public educational project to assist native Hawaiians in understanding what federal recognition was all about.

A series of CNHA symposiums was supported by the department to provide information on federal recognition: - the first forum in 2006; a self-governance forum in 2008; a land fee settlement forum in 2009. Other workshops provided information on lawsuits in legislation and the Akaka Bill.

b. Beneficiary Consultation - Quarterly homestead meetings have been held with homestead leaders to update them on the status of lawsuits, federal recognition and allowing leaders to share their mana`o. These tools were provided through the Native Hawaiian Development Program Plan at the direction of the commission to assist beneficiaries by exercising their rights under the laws. The department funded beneficiary consultations to allow input from the community. In the past, the department has funded the intervention of the SCHHA in our lawsuits because they represent the beneficiaries. The department has assisted funding their attorney and ours to proceed with the lawsuits. It proved valuable in both the Barrett and the Arakaki lawsuits.

Q&A Is there a bi-annual plan being submitted to the commission for approval? Is money being given out?

A budget has been submitted but plans need to be approved by the commission. At the moment it is out for consultation with the communities during a 30 day period. It is hoped a package will be addressed by the end of the year.

Q&A

What about the assessment needs and the economic reviews of the practicality of the program?

Evaluations have been presented after the event and beneficiary consultation is presented before the plan is completed. For the last several months, consultation has taking place around the state regarding the Native Hawaiian Development Plan. Staff is compiling comments gathered from these consultation sessions. A draft will then be posted on the website for additional comments, another 30-day consultation period to comment, then to commission for approval. Budgets for prior funds and other approvals were done two years ago. No Native Hawaiian Development Plans have been approved by this current commission. Once posted, there will be a 30-day consultation plan.

Q&A

What about eligibility for non-profit associations?

Only homestead associations are qualified to receive these grants.

Q&A

What has happened to those grants that were awarded and in the Kulia ika Nu`u program and now are at a standstill? Why are certain associations graded at a certain level when performance is at a higher capacity?

Due to staffing shortages, a backlog has occurred. Some things are moving forward such as the certification process. Some challenges have been with banks that need to be addressed. Through the consultation process, communities would like improvements made and would likely respond to the draft, noted Chairman Nahale-a.

Q&A

What kinds of comments have these workshops provided?

Many comments and feedback have been received from beneficiaries indicating they like the program; however, resources need to be provided to implement and manage it. A major problem is trying to control everything which has proved opposite the intent.

Comment

The department needs to look internally at ourselves. The community is in favor of controlling land assets and receiving grant funds and everyone is in favor of it. The department has certification processes in executing the grants in a timely manner. Changes are being made towards improving those efforts.

II. Kahikinui – Petrel Habitat Restoration Plan

Land Management Administrator Linda Chinn presented a draft for a conservation plan for the Hawaiian Petrel at Kahikinui. Auwahi Wind Farm is preparing a 21 megawatt wind project on Ulupalakua Ranch lands next to the department's Kahikinui lands and has offered to build a conservation plan to be erected on Hawaiian home lands.

Sempra Generation's Development Director Mitch Dmohowski was present and he introduced others involved in the project: Summer Erdman, Ulupalakua Ranch, Alica Embrita, an Environmental Consultant, Dan Hyatt, Semper's Engineer and project guide and Leilani Kamanu, an assistant. A handout displayed the eight wind turbines makai of Pi'ilani Highway on Maui, to be submitted as part of these minutes as Exhibit "A".

Mr. Dmohowski provided an overview of a habitat conservation plan to mitigate Petrel in the upper regions of DHHL lands in Kahikinui. The purpose of the Auwahi project was in response to HECO's call to reduce the need of imported oil and stabilize energy rates. The plan is to install a 21 megawatt project, powering up to typically 10,000 homes. Eight wind turbines producing 3 megawatt of power each will appear along approximately 120 acres of land

averaging 20 - 30 feet high. The average wind speed would be approximately 20 miles per hour which is ideal. The Kahikinui homestead site is approximately 3 miles from the wind farm site. The turbines will be situated above the Wailea-Makena with generator hookup near Wailea.

They plan a reforestation effort with saddlewood, koa and other trees to create more bat habitat. The conservation plan will aid in protecting the Petrels in Kahikinui, preservation of moss in Auwahi and bats in Waihou.

Two surveys were completed over a 300 acre parcel in the upper 10,000 foot levels in Kahikinui to determine if fencing and/or other kinds of traps will suffice to keep the area predator proof. Kahikinui homesteaders have been assisting in those efforts along with DOFA and U.S. Fish and Game and Wildlife Divisions. The plan would be to continue monitoring over a period of 20 years. The ideal access to the area is via Kahikinui as fencing prohibits entry through Haleakala State Park. The potential benefits for Kahikinui would be: 1) roads and 2) water. Mobilizing equipment would be beneficial as it would already be established in the area. The key to finalizing everything is the approval and permitting segment. These are some of the issues that keep the project from moving ahead.

Huge benefits to Kahikinui homesteaders would be to establish a wind farm on Kahikinui. It is hopeful there will be a groundbreaking in March, 2012 to be fully operational in December 2012. An MOU would need to be in place for potential community benefits.

Q&A

Commissioner I. Aiu recollected that in a previous Regional Plan for Kahikinui, the plan was to advance a lower impact lifestyle in Kahikinui, how does this mesh with the plans for Kahikinui?

Many of the homesteaders can build on their lots, however accessing their homestead creates a problem and trucking water is a challenge as well. In the regional plans above the settlement, this is still a part of a priority project for reforestation, added Julie Cachola. The community welcomes that type of assistance.

Q&A

When would this be finalized?

Meetings are still ongoing and key points are being worked on as part of the benefits. Once the MOU (Memorandum of Understanding) is finalized, it will come before the commission for issuance of a general license.

Q&A

Why not a lease?

A license will suffice. There may be some benefits in the form of an improved road, water and other small benefits and a license can still generate revenue.

COMMENT

We run a business, noted Commissioner I. Aiu and in this case we are partnering with the necessary thing that your business needs. Semper expects to generate revenue, and the department should expect to generate revenue as well. The benefits package looks good, however, there should be an income stream as well.

Q&A

What is the Hawaiian name for Petrel and is there a cultural advisor?

Owa`u is the Hawaiian word for this sea bird which sounds more compatible. Charley Maxwell has been hired as a cultural advisor who has done extensive surveys on the lands. An archaeological company, Pacific Legacy, is also part of the survey.

Q&A

Although the wind farm project is not on Hawaiian home lands, will there be other mitigation efforts happening on other lands besides Hawaiian home lands?

No. The company could venture to other areas, however it would become more beneficial to offer this to Kahikinui homesteading community which lacks a mitigation plan. Negotiations will be finalized before being presented to the commission for approval.

Q&A

Will there be electrical benefits for the homestead community in Kahikinui?

As the homestead community is at least three (3) miles away, it would not be practical to run lines there. An option would be to provide small wind turbines with solar and batteries. Many of the homesteaders in Kahikinui already have solar and batteries, including the community center. The most beneficial aid for Kahikinui would be the roads and the well.

AMEND MOTION/ACTION

Upon request by Chairman Nahale-a Commissioner I. Lee Loy moved to commence with Items No. F-3 and G-1 immediately after Item No. C-1, seconded by Commissioner H. Tancayo. Motion carried unanimously.

C - OFFICE OF THE CHAIRMAN

ITEM NO: C-1

SUBJECT: Goals and Objectives for Hawaiian Home Lands Strategic Plan

COMMENT

Chairman Nahale-a presented a power point of the new Strategic Plan of Goals and Objectives for 2012 - 2017 including assessment of how we stand financially. The department spends approximately \$100 million annually; \$10 million for administration and \$90 million in development expenses while taking in \$60 million annually. Half of the \$60 million income is from a settlement revenue which expires in 2014. The balance comes from NAHASDA (\$12 million) and general lease revenues. The trust has financial obligations for bonds, RD loans and a loan for our building. The cost to manage the native species, water resources and protection of iwi are included. The department is implementing new policies for this commission as there have been an unprecedented amount of lawsuits affecting the department.

Building the infrastructure for homestead lands is very costly. The department is responsible for building subdivisions with roads, sewers and electricity. Very few pastoral lots and no agriculture lots were available. Very few self-help and Habitat models were also available. Fixed costs will increase as we build more homes with road repairs and sewer repairs being added. Our leadership team deems our kuleana is to lay a solid foundation upon which this trust can succeed in perpetuity. Therefore, the "Strategic" plan is based on this concept. One of the first objectives is:

- 1) To deliver diverse homestead opportunities - to deliver product that meets beneficiary needs.
- 2) To provide excellent customer service - It reminds us that we have beneficiaries who have birthright.
- 3) To secure the financial well being of the Trust - for a long term period
- 4) To reaffirm and assert that we have a trust obligation - the department has the responsibility to fulfill the obligation of the Trust.

The Strategic Goals and Objectives handout displays every vibrant idea embedded in everything the department does daily - to build vibrant homestead communities that flourish from the solid foundation of the HHL Trust, a trust grounded in commitment to serving and partnering with beneficiaries. Implementation of sound policies and procedures, and following a long-term sustainable financial plan and practice of a organizational culture to honor the spirit of founder, Prince Jonah Kūhio Kalanianaʻole.

Specific objectives are providing four types of homesteading: Residential, Agriculture, Pastoral, and Aquaculture. This is what the Act requires the department to do.

Delivering and Expanding 1) residential opportunities, create 2) agriculture and 3) pastoral opportunities and 4) aquaculture, which was listed but not awarded and 5) alternative financing for homesteading opportunities. The previous "Strat" plan had HOAP as its own theme; however, HOAP will be embedded through the entire trust from the beginning of what it is intended for - financing efforts.

Ensuring the well-being of the Trust the objective is 1) improve efficiency of internal operations, 2) embracing of partnerships, and 3) diversifying and increasing revenue. With each of these objectives, there will be prioritizing of activities for "year one", another set for "year two".

Customer service embodies 1) communication and access to information, 2) transparent policies and procedures, 3) professional development for staff, to build the human resource to be effective and reaffirm the trust status.

Assert Trust Status There are 200,000 acres and only one cultural environmental specialist. commission will 1) address the internal capacity to provide the kuleana. We need to be actively engaged in 2) protecting our Trust from assault and the validity of our existence and 3) advance the Hawaiian Homes Act. The department has been asked to be engaged in homeless shelters. The commission will need to take a stance on such issues and support funding.

MOTION

Moved by Commissioner I. Lee Loy, seconded by Commissioner R. Tassill to approve the Strategic Goals and Objectives for 2012-2017.

DISCUSSION

Inquiry on the future of the HOAP program and where does it stand today. HOAP is the manner in which the department interacts with beneficiaries to become qualified for homestead. There is discussion on how much work should be embedded in-house and contracted out. This will be addressed in today's agenda.

Commissioner DaMate has arrived.

Chairman Nahale-a noted there will be many challenges ahead and the framework is very vital. Division Administrators have begun looking at the activities and budget for this project. Homestead leaders will be invited to share their mana`o at a meeting planned for next month. This is about a stepping stone to laying a solid foundation for future commissioners and chairmen to follow.

Whatever task is taken, the objective should be judged by whatever action is taken. Using this framework, there may be some uncomfortable shifts in prioritizing work in the department. It will be a work in progress.

ACTION

Motion carried unanimously.

ITEM NO: F-3

SUBJECT: Approval of Anahola Energy Project

RECOMMENDATION

To move forward with an alternative energy project subject to beneficiary consultation and land use amendment of selected sites in Anahola, Kauaʻi.

MOTION

Moved by Commissioner M. Kahikina, seconded by Commissioner P. Artates.

DISCUSSION

Deputy Attorney General Kalani Bush requested to convene in Executive Session to clarify a memo dated October 17, 2011 that was submitted as testimony today. Chairman Nahale-a agreed to honor his request after HCDC president Robin Danner presents her comments.

This is not a typical proposal, noted Chairman Nahale-a, as the department generally takes a more deliberate stance on issues. In the department, there are two paths; one a commercial - getting the most return for the dollar, and a gratis - a community support project. This is sort of a hybrid. The department supports the project which regrettably faces a time management situation, noted Chairman Nahale-a.

Ms. Danner presented a 16-page document as testimony to be made a part of these minutes as Exhibit "A" should approval of this energy project advance. Her request is twofold:

A) Approve and authorize chairman to issue an exclusive license under HHCA, Section 207(c)(1) to the Homestead Community Development Corporation (HCDC) and Kauaʻi Island Utility Cooperative (KIUC).

B) Approve and authorize the chairman to issue a general lease (GL) under HHCA Section 204(2) to HCDC for 60 acres in Anahola

C) Approve and authorize chairman to accomplish items A & B subject to approval of 25 years with opportunity for extensions; to pay \$25,000 in deposit in the event the project does not materialize.

A market value appraisal appears on page 2 for revenue sharing and step-ups. Total revenue proposal is estimated at \$3.2 million total with an estimated \$2.6 million to the department and \$642,000 to homestead as its developer.

Under terms of the general lease, the plan is to separate 55 acres for the solar project from the 5 acre service and training center. If executed and with terms of the GL, request to sublease to KIUC Renewable Solutions One to execute leasehold financing for improvements to the area.

With the benefits agreement, execute a tri-party Homestead Benefits Agreement (HBA) between Anahola Hawaiian Homestead Association (AHHA), HCDC and KIUC. According to Ms. Danner, Anahola homestead received the highest rating (4) in the Kūlia ika Nuʻu program.

A 10 megawatt solar farm is being planned for the area and nothing in the submission of this project is an exception as other projects have been granted similar pursuits. This solar farm has been targeted as one of its priority projects. Total projection cost is \$70 million. This project may be one of the largest in the state and involves a not for profit utility company.

The 55 of the 60 acres is appraised as agricultural use, not industrial and it would be beneficial to retain this status as all the lands in Anahola are designated agriculture lands, added Ms. Danner. Two alternative fee simple ag sites would be considered if the 60 acres are unavailable. The opportunity to place this project on homestead lands will impact all the beneficiaries. The advantage of having a grid on Anahola lands would be beneficial as well. HCDC anticipates pre-development reimbursement costs of \$55,000 over an 18 month period through the use of consultation, conferences, etc. Upon operation, a co-developer fee of \$150,000 will also be issued as a one time payment. The homestead anticipates grossing 1% production value, which may provide full-time staffing, educational and policing opportunities.

A first priority for maintenance contracts will generate \$5.4 million over the term of the contract. A plan is to negotiate a program for employment benefits for homesteaders through training as KIUC linemen, etc. Hopefully, it will position themselves as employers of construction workers as well as becoming a sole developer. The information in the booklet presents a detailed and comprehensive plan. This project may open doors for other homesteading communities and place homesteaders in the driver's seat in this type of venture. Ms. Danner purported the land split to be 80/20.

MOTION/ACTION

Moved by Commissioner I. Lee Loy, seconded by Commissioner I. Aiu to adjourn to Executive Session to discuss legal issues that may apply to Item F-3. Motion carried unanimously.

RECESS: 1:00 P.M.

RECONVENE: 1:35 P.M.

(continuation Item No. F-3)

AMENDED MOTION

Moved by Commissioner I. Lee Loy, seconded by Commissioner I Aiu to amend the original motion and add to approve a license agreement with HCDC and KIUC and authorize the chairman to negotiate the details of the agreement.

DISCUSSION

To address issues that may emerge, the commission is authorizing the chairman to work out those issues with HCDC to meet their critical timelines. Chairman Nahale-a expressed it as a way of approving a license subject to negotiations to eliminate readdressing it again. Chairman Nahale-a also noted the packet presented by Ms. Danner is a testimony, not a submittal.

Ms. Chinn explained the 60 acres selected in the Anahola Town Center plan was not intended for that purpose, therefore, a land use amendment will need to be addressed to allow for those changes.

ACTION

Motion carried unanimously to approve the amended motion.

DISCUSSION

Commissioner R. Tassill expressed this as a classic example of partnerships and complimented Ms. Danner on her outstanding work to produce such a plan. He encouraged Ms. Danner to share her knowledge with others in the homestead communities to help them succeed and move forward. Ms. Danner indicated she would welcome the challenge. "It's about everyone working together in the community", added Anahola homestead leader, Lorraine Rapozo. She also thanked the commission for giving them the opportunity. Commissioner L. DaMate congratulated both women for empowering themselves in sustainability while Commissioner I. Aiu added the granting of authority comes with responsibility to not only hand out money to do what you want. It comes with responsibility to manage your own kuleana.

ACTION

Motion carried unanimously.

ITEM NO. G-1

SUBJECT: Request for Support, Association of Hawaiian Civic Clubs

MOTION

Moved by Commissioner L. DaMate, seconded by Commissioner I. Aiu.

DISCUSSION

The Hawaiian Civic Club was founded by Prince Jonah Kūhio Kalanianaʻole in 1918 prior to Hawaiian Home Lands. Commissioner L. DaMate, a 30 year member, strongly supports its

influence on appeals. This year's convention will mark its 52nd Annual Convention to include a constitutional convention. One of the main issues being discussed is "state recognition" and resolutions to support the DHHL Trust.

Funding supports convention activities said Soulee Stroud, President of Association of Hawaiian Civic Clubs (AHCC). One key issue being discussed is Act 195 which recognizes native Hawaiians as indigenous people of Hawai'i. Native Hawaiian legislators plan to attend.

SCHHA (Sovereign Council of Hawaiian Homes Assembly) opposed Hawaiian Civic Club's inconsistencies on grant proposals and would like to see more camaraderie on issues facing Hawaiian homesteads. Commissioner R. Tassill supports more participation in the legislation. Many members of Hawaiian Civic Club are homesteaders and with this new commission, we need to build a better partnership with the Hawaiian Civic Club to bring about changes for all beneficiaries, added Chairman Nahale-a.

There is always room for collaboration and improvements, commented Mr. Stroud and he appreciates the comments. He looks forward to implementing new ideas and goals.

ACTION

Motion carried unanimously.

ITEM NO: C-2

SUBJECT: Policy Development for Amendments to HAR Title 10

RECOMMENDATION

Policy Analyst Dre Kalili recommended a clarification to Item 1), page 1 to read:

That the Hawaiian Homes Commission set a policy based on a recommendation from the Hawaiian Homes Commission Ad Hoc committee on Administrative Rules on the following issues:

- 1) The implementation of Hawaiian Homes Commission Act § 208 (5) to allow a lessee to rent ~~a portion of his/her homestead lot or home~~ lodging to a native Hawaiian;

MOTION

Moved by Commissioner I. Aiu, seconded by Commissioner M. Kahikina.

DISCUSSION

Ad Hoc Committee Chair I. Aiu feels the enforcement of this policy should be the burden of the lessee, not the staff to prove that he/she is renting to a native Hawaiian. With stringent rules in

place and consultation with the attorney general, Commissioner I. Aiu recommends that repeated violation of the enforcement of these rules be sufficient grounds to forfeit the lease. Commission I. Aiu also recommends interim rules be adopted for Undivided Interest.

Is staff addressing `Ohana zoning? The policy is to direct staff to develop rules that implement §208 (5) of the HHCA which describes lodging. According to DLNR procedures, the department is exempt from `Ohana zoning. The counties, however, may not agree with that context.

Although the department has not formally addressed these matters, a staff workshop, which included the Ad Hoc committee, broached on the subject of multi-family dwelling and alternative homestead. Vetting out these issues to set policy all takes time. This far, staff discovered eight distinct policies that needed addressing; only four were covered. There is a constant evaluation on all of these decisions, added Ms. Kalili. When work is complete, it will be presented to communities for input.

ACTION

Motion carried unanimously.

ITEM NO: D-1

SUBJECT: HSD Status Reports

MOTION/ACTION

None, for information only.

- Exhibit: A) Lease and Application Totals and monthly activity reports
B) Delinquency report and Status of Contested Case Hearings
C) DHHL Guarantees for USDA-RD Loans
D) Guarantees for Habitat for Humanity Loans
E) DHHL Guarantees for FHA Construction Loans

ITEM NO: D-2

SUBJECT: Ratification of Loan Approvals

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by Commissioner M. Kahikina. Motion carried unanimously.

Comment

A new policy in procedures is being implemented to acquire approval from the commission prior to executing the lease or prior to transfer.

ITEM NO: D-3

SUBJECT: Approval of Consent to Mortgage

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by commissioner I. Lee Loy. Motion carried unanimously.

ITEM NO: D-4

SUBJECT: Schedule of Loan Delinquency Contested Case Hearings

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by Commissioner H. Tancayo. Motion carried unanimously.

ITEM NO: D-5

SUBJECT: Homestead Application Transfers / Cancellations

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner P. Artates. Motion carried unanimously.

ITEM NO: D-6

**SUBJECT: Commission Designation of Successors to Application Rights - Public Notice
2010**

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner P. Artates.

DISCUSSION

For clarification, only an applicant who has 50 % native Hawaiian can succeed an applicant on the waitlist. A successor to an applicant who was listed on both the residential and pastoral/agricultural waitlist may succeed to both leases.

ACTION

Motion carried unanimously.

ITEM NO: D-7

SUBJECT: Reinstatement of Deferred Application

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by commissioner P. Artates. Motion carried unanimously.

ITEM NO: D-8

SUBJECT: Cancellation of Deceased Applicants from Waiting List - Public Notice 2010

MOTION/ACTION

Moved by Commissioner L. Damate, seconded by Commissioner H. Tancayo. Motion carried unanimously.

DISCUSSION

A question was posed as to the wait time on deceased applicant claims. According to Acting Homestead Administrator Dean Oshiro, a death certificate needs to be submitted, then, the process is to look for the successor. If no successor is listed, there needs to be a public notice, then a required wait period for claims to be submitted before determining a successor. It may take anywhere from two weeks to years depending on the tracking and resource of information.

ITEM NO: D-9

**SUBJECT: Ratification of Designation of Successors to Leasehold Interest and
Designation of Persons to Receive Net Proceeds**

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by commissioner I. Lee Loy. Motion carried unanimously.

ITEM NO: D-10

SUBJECT: Approval of Exchange of Lease

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by Commissioner L. DaMate. Motion carried unanimously.

ITEM NO: D-11

SUBJECT: Approval of Assignment of Leasehold Interest

MOTION

Moved by Commissioner P. Artates, seconded by Commissioner H. Tancayo. Motion carried unanimously.

CORRECTION

On Item 10, Page 4 of the submittal, "Lessee wants his ~~her~~ son to have his own home".

Correction noted

ACTION

Motion carried unanimously on the corrected information.

ITEM NO: D-12

SUBJECT: Approval of Amendment of Leasehold Interest

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by Commissioner H. Tancayo. Motion carried unanimously.

ITEM NO: D-13

SUBJECT: Request to Schedule Contested Case Hearing - Lease Violation

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner R. Tassill. Motion carried unanimously.

ITEM NO: D-14

SUBJECT: Commission Designation of Successor - Robert M. Nuesca

MOTION/ACTION

Moved by Commissioner P. Artates, seconded by Commissioner H. Tancayo. Motion carried unanimously.

ITEM NO: D-15

SUBJECT: Cancellation of Lease - Gary M. Kanekoa

MOTION/ACTION

Moved by Commission H. Tancayo, seconded by Commissioner M. Kahikina. Motion carried unanimously.

ITEM NO: D-16

SUBJECT: Request to Surrender Lease - Eugene S. Mariano

MOTION

Moved by Commissioner I. Lee Loy, seconded by Commissioner M. Kahikina.

COMMENT

Due to the seriousness of Mr. Mariano's illness, the family is requesting net proceeds of the sale of the home be advanced so they can find suitable housing. They have endured much in the process of securing their homestead during the time of the Fredo fiasco, noted Commissioner I. Lee Loy

AMENDED MOTION

Moved by Commissioner I. Lee Loy in addition to approving the surrender of Lease Lot #11307 in Kaumana, to approve the advancement of net proceeds of the lease, seconded by Commissioner L. DaMate.

DISCUSSION

Commissioner L. DaMate supports the efforts of Commissioner I. Lee Loy who is familiar with the details of this family's plight. Deputy Chairman Ka`uhane cautioned the commission of the implications it may create for those families who are strapped for money that they, too, can be compensated after turning in their leases . The department doesn't want to give the impression it

condones these types of circumstances. We need to look for other avenues to assist families. The reality of advanced age and required care are important to our beneficiaries

MOTION/ACTION

Moved by Commissioner M. Kahikina, seconded by Commissioner I. Aiu to defer this matter to Executive Session. Motion carried unanimously.

ITEM NO: D-17

SUBJECT: Hawaiian Home Lands Mortgage Insurance Account and Department of Housing and Urban Development (HUD)

MOTION

Moved by Commissioner M. Kahikina, seconded by Commissioner P. Artates.

DISCUSSION

The FHA 247 loan is a primary mortgage product that was eligible on Hawaiian home lands specifically for homestead financing. Under HUD, when the beneficiary pays mortgage insurance on a home loan, money is placed in a special account different from the rest of the nation. DHHL is required to keep the account at a threshold of \$2 million dollars. In addition to the \$2 million dollars, the department has another set-aside account of \$500,000 in the event the \$2 million dollars falls below, so there is assurance it can be replenished.

The original MOU was signed in 1987 and updated in 2006. In a recent meeting with HUD in Washington, D.C. it was determined this account has not been reconciled over 10 years. DHHL Accountant, Wayne Takahashi, has been diligent in maintaining accurate records. Currently, there is a balance of \$1 million dollars in the account. The department is requesting documentation for all monies removed by HUD. There are some major errors by HUD, however, thanks to the diligence of Mr. Takahashi, the department may need to reconcile this account. Chairman Nahale-a acknowledged Deputy Ka`uhane's assistance on this matter.

ACTION

Motion carried unanimously

ITEM NO: D-18

SUBJECT: Rebranding of HOAP (Home Ownership Assistance Program)

MOTION

Moved by Commissioner I. Lee Loy, seconded by Commissioner I. Aiu. Motion carried unanimously.

DISCUSSION

The new logo will now become Homesteading Opportunities Assistance Program and will be expanded to include aquaculture along with residential, pastoral and agriculture.

Commissioner R. Tassill suggested considering other ideas such as relocating criminals back to the islands as the state spends \$250 million to house them out of state. He referred to the intention of HHCA is to rehabilitate. Commissioner I Aiu said expanding the opportunities for agriculture is favorable especially on Kaua'i. He believes the County and State should be supportive of Hawaiian home lands' agricultural lands by building infrastructure and training beneficiaries to work the lands as these are the only affordable agriculture lands available.

The direction of the HOAP program is part of the Office of the Chairman and will be reviewed along with the grants program. The program will still be able to contract with non-profit housing counseling agencies like HCA and Nanakuli Housing to deliver services. Services will be expanded to other beneficiaries in the agriculture and pastoral outside of residential. Chairman Nahale-a articulated the department should be accountable for getting homesteaders on the lands by contracting some of the work out, not all of it. We need to find the best uses of our Trust resources. Other consideration is being given to hiring expert ranchers and farmers on staff.

ACTION

Motion carried unanimously.

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner R. Tassill to commence with Item No. G-2. Motion carried unanimously.

ITEM NO: G-2

SUBJECT Beneficiary Consultation for Pu'unene Master Plan

RECOMMENDATION

To approve this beneficiary consultation report, prepared by DHHL Planning office, as a means to identify and address concerns of Hawaiian home lands trust on Pu'unene, Maui.

MOTION

Moved by Commissioner P. Artates, seconded by Commissioner H. Tancayo.

DISCUSSION

DHHL lands encompass 831 acres with 100 acres newly acquired in Pu`unene, Maui, stated DHHL Planner Julie Cachola. This is a District 10 zoning which is a flexible zoning that includes Maui County lands and DHHL lands. Areas are designated industrial and agriculture.

A community consultation took place on August 4, 2011 which addressed industrial designation. The community expressed interest in agriculture homestead which is on the Pu`unene Island Plan. A company has been contracted to complete a master plan on Pu`unene in conjunction with other state agencies. Beneficiaries will have an opportunity to consult on the bigger plan. Beneficiaries submitted ideas such as building a bowling alley, convention hall and ballroom dancing. One of the main concerns is how to share in the revenue. One of the main issues is having access to the frontage of agriculture land for community use to include revenue generating.

One of the more critical issues discussed was water. One of the suggestions is to engage in a joint funding opportunity with other agencies to acquire water and wastewater sources. Another idea is to have the department develop water and wastewater source on its property and charge user fees. This could be used as a form of revenue generating opportunities for the department.

The department's project can move forward with or without partnering with public or private sectors. The beneficiaries have expressed their mana`o and want this project to move forward quickly.

Blossom Feteira expressed that the department and beneficiaries should be partnering to validate a cohesive plan that will benefit both the department and community. She welcomes economic opportunities for its beneficiaries to establish a foundation for self determination.

ACTION

Motion carried unanimously.

ITEM NO: F-1

SUBJECT: Proposed Terms and Conditions to General Lease Pu`unene Group,
Pu`unene, Maui

MOTION/ACTION

Moved by Commissioner R. Tassill, seconded by Commissioner P. Artates. Motion carried unanimously.

DISCUSSION

The community is anxious to move this agricultural project forward where jobs can be created for beneficiaries. To require the developer to consider native Hawaiians for the initial work would hinder its progress, noted Blossom Feteira. As part of the department's fiduciary responsibility Commissioner I. Aiu recommended that lead site design and certification be included in the contract.

Commissioner P. Artates commended the department for being diligent and recognizing the needs of the community and for the commitment by the community to be engaged through the beneficiary consultation process. He recognized Maui beneficiaries Tasha Kama and Kehau Felimoeatu as spear headers of this project and Blossom Feteira, for her contribution in comments and support. Commissioner P. Artates recognizes this to be the hub of economic opportunities for the future.

AMEND MOTION/ACTION

Moved by Commissioner I. Aiu recommended that lead site design and certification be included in the contract, seconded by Commissioner M. Kahikina. Motion carried unanimously.

ITEM NO: F-2

SUBJECT: Preliminary Approval for License to the State of Hawai'i, Department of Transportation, Lalamilo Phase II Improvements to Kawaihae Road, Lalamilo, Hawai'i

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner I. Lee Loy.

MOTION/ACTION

Chairman Nahale-a recommended this matter be deferred to Executive Session. Moved by Commissioner H. Tancayo, seconded by Commissioner M. Kahikina to defer this matter to Executive Session. Motion carried unanimously.

ITEM NO: F-4

SUBJECT: Ratification of Consents and Approvals by Chairman, Hawaiian Homes Commission

MOTION/ACTION

Moved by Commissioner R. Tassill, seconded by Commissioner H. Tancayo. Motion carried unanimously.

ITEM NO. F-5

SUBJECT: Notices of Default and Revocations, Statewide

MOTION/ACTION

None. There were no notices of revocation for this month to report.

J - GENERAL AGENDA

ITEM NO: J-1

**SUBJECT: Request to Address the Commission – Tasha Kama, Keokea Homestead
Farm Lands Association**

MOTION/ACTION

None, for information only.

Ms. Tasha Kama was unable to appear on behalf of Keokea Homestead Farm Lands Assn.

COMMENT

In addressing a question posed by Blossom Feteira on availability of the agenda prior to the meeting dates, Chairman Nahale-a announced that each neighbor island District Office generally has a copy of the agenda for viewing one week prior to the meeting date. Commissioners may be contacted on these agenda items.

RECESS 3:40 P.M.

EXECUTIVE SESSION

Moved by Commissioner I. Aiu to adjourn to Executive Session, seconded by Commissioner P. Artates. Motion carried unanimously.

The Commission convened in Executive Session Pursuant to Section 92-5 (a), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities and liabilities.

1. Richard Nelson III, Kaliko Chun, et al. vs HHC, Georgina K. Kawamura and SOH Civil No. 07-163-08 BIA
2. In the Matter of Fredco, Inc.
3. in the Matter of Dick Pacific Lawsuit

4. Helenihi vs. HHC, et al.
5. Hui Maka`ainana a Kalawahine vs. HHC, et al.
6. Villages of Kapolei vs DHHL and HHFDC
7. Lease Commencement

RECONVENE: 4:40 P.M.

MOTION/ACTION

Moved by Commissioner M. Kahikina, seconded by Commissioner I. Lee Loy to adjourn to regular meeting. Motion carried unanimously. Commission I. Aiu was absent.

(continuation)

ITEM NO. F-2

SUBJECT: Preliminary Approval for License to the State of Hawai`i, Department of Transportation, Lalamilo Phase II Improvements to Kawaihae Road, Lalamilo, Hawai`i

MOTION/ACTION

Moved by Commissioner H. Tancayo, seconded by Commissioner M. Kahikina to grant easement to the State of Hawai`i, DOT as requested. Motion carried unanimously.

ITEM D-16

SUBJECT: Request to Surrender Lease - Eugene S. Mariano

2nd AMENDED MOTION/ACTION

In addition to approving the advancement of net proceeds from lease surrender of lease No. 11307, Lot No. 75, Kaumana, moved by Commissioner I. Lee Loy to require the lessee to establish medical conditions of advanced care, seconded by Commissioner L. DaMate. Motion carried unanimously.

ACTION

Motion carried on the main motion.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING

November 14, 2011 in Kapolei, O`ahu

ANNOUNCEMENTS

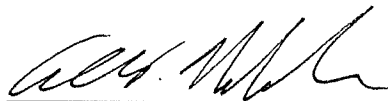
Next community meeting to be held at Ka Ho`olina Na Kuhio, 41-253 Ilaupohole, Waimanalo, O`ahu. A site visit to Kupuna Housing in Waimanalo is planned.

A beneficiary leadership meeting will be held on November 4th on O`ahu at Washington Place and DHHLs Hale Kalaniana`ole.

ADJOURNMENT

4:45 P.M.

Respectfully submitted:



Albert "Alapaki" Nahale-a, Chairman
Hawaiian Homes Commission


Prepared by:



Elaine Searle
Secretary to the Commission

APPROVED BY
The Hawaiian Homes Commission
At Its Regular Monthly Meeting Of
November 14, 2011



 Albert "Alapaki" Nahale-a, Chairman
Hawaiian Homes Commission

TESTIMONY

HHC Mtg

SIGN-IN SHEET

10/17/11

Name

Organization

Phone

E-Mail

- ① DuPilatona M Kuahulu
Kuahulu Ohana (808) 349-0001 995MC@LIVE.COM
- ② ^{Southeast} John Sprout
Association of Hawaiian Civic Clubs 5062KK@AOL
- ③ Robin Danner
~~AKA~~ F-3
- ④ Keli Watson
KCDB - F-3
- ⑤ Lawrence Lopez
A & D F-3
- 6 Walter Kadane
Living Indigenous Forest Ecosystems
760-8224
WKA@AOL Sandwich Isles, net

SELF-GOVERNANCE

ACT 302 DEMOCRATICALLY-ELECTED HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATIONS

- Kulia Capacity-Building
- Ka Paepae Aupuni (SCHHA)

SUPPORT FEDERAL RECOGNITION

- HHC Resolutions & Testimonies
- Pono Kakou Campaign (SCHHA & Hui)
- Public Policy Project (SCHHA & Hui)

HHC Item No. Wkshp #1
Exhibit _____
Date 10-17-11

UNDERSTANDING FEDERAL POLICY TOWARDS NATIVE PEOPLE

- **SYMPOSIUM SERIES (CNHA)**

Native Constitutions (2004)

Citizenship (2006)

Self-Governance (2008)

Native Land Claims Settlements (2009)

- **PUBLIC POLICY PROJECTS (CNHA)**

Lawsuits & Legislation (2003-04)

Federal Government 101 (2003)

Federal Trust Responsibility (2004)

- **SPECIAL FORUMS**

- **ANNUAL CONVENTIONS**

SCHHA, CNHA, Hawaiian Civic Clubs

- **QUARTERLY HOMESTEAD LEADERS MEETINGS**

Regular Updates on:

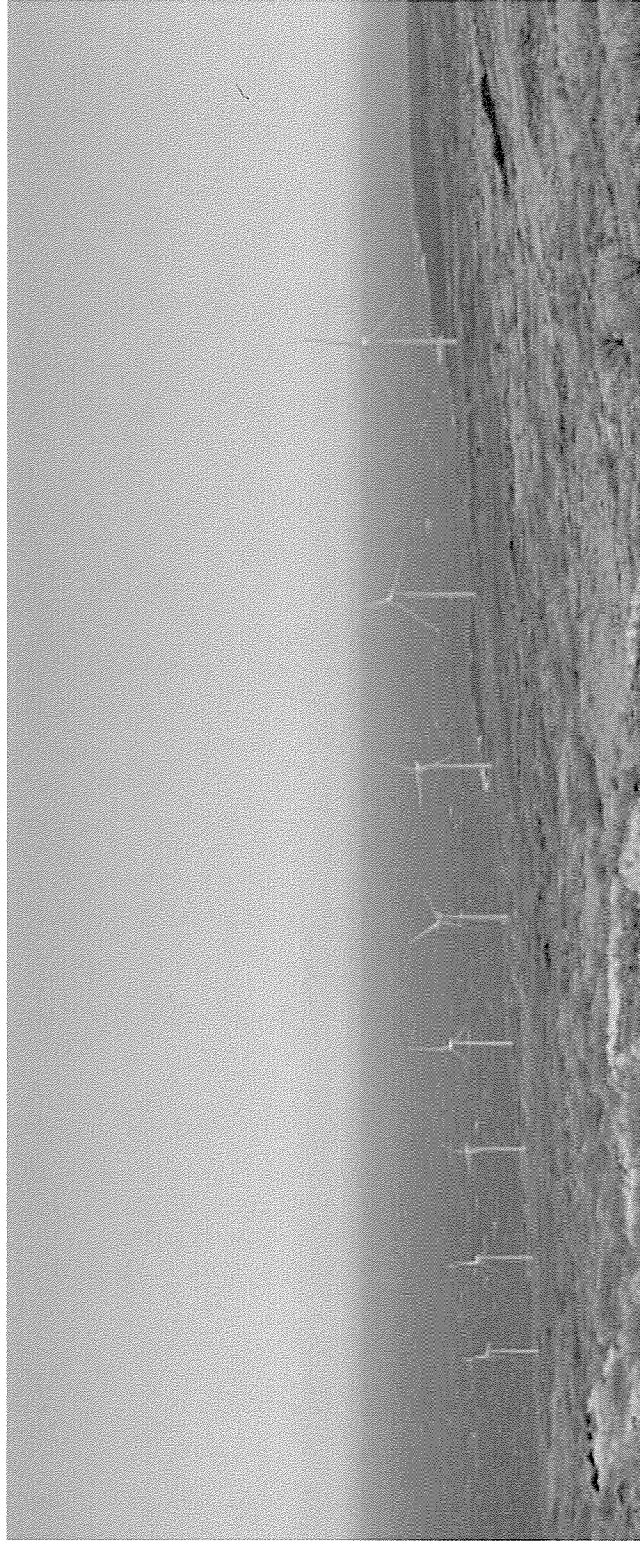
- **Status of Lawsuits**
- **Federal Recognition & Issues**
- **Proposed S/W Policy & New Initiatives**
- **Sharing Among Leaders**

EXERCISING PUBLIC POLICY TOOLS FOR BENEFICIARY ADVOCACY

- Planning & Land Use System
- Community Consultations
- Environmental Reviews
- Intervention in Lawsuits
- Federal & State Testimonies
- HHC & DHHL Meetings

Auwahi Wind Farm Project

Draft Habitat Conservation Plan - Hawaiian Petrel Mitigation Plan Overview



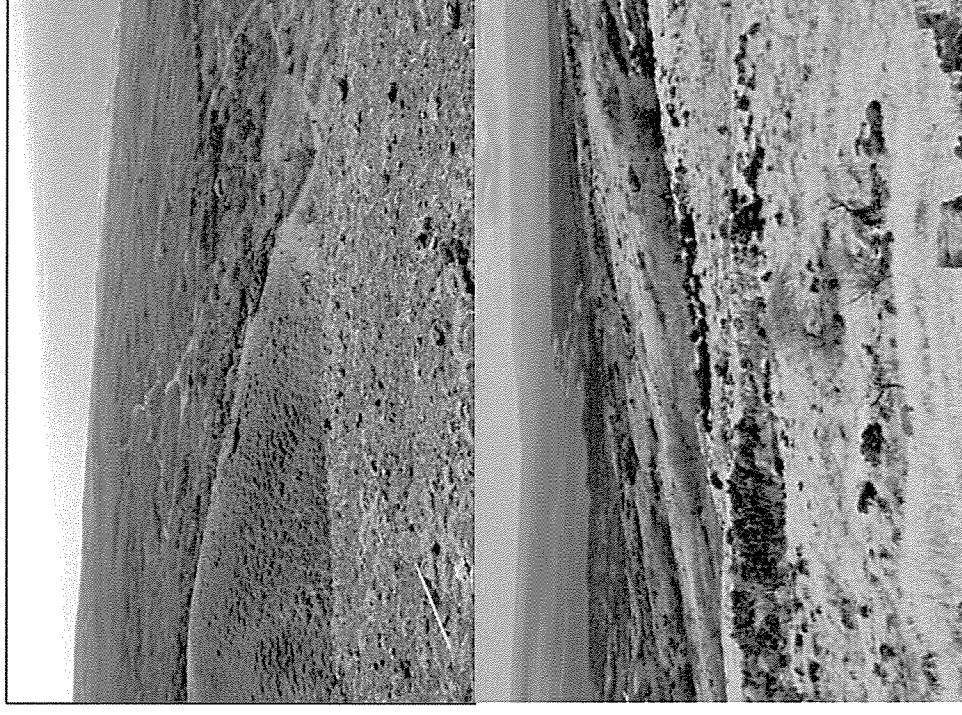
DHHL Meeting October 17, 2011



HHC Item No. WKshop 2
Exhibit 1
Date 10-17-11

Agenda

- Overview of Auwahi Wind Project
- Overview of HCP
 - Petrel Mitigation
 - Access Needs
- Questions/Comments



Auwahi Wind Project

- 21 MW net output
- 8 Siemens 3.0 MW turbines
- 120 acres of wind farm facilities footprint
- 9 miles of 34.5 kV generator tie-line
- 4.6 miles of construction access road (Papaka Road)
- Augmented with a battery energy storage system

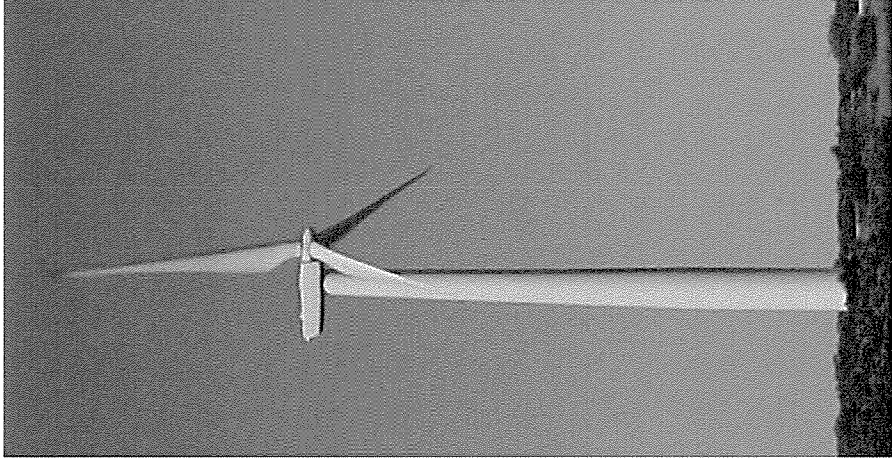
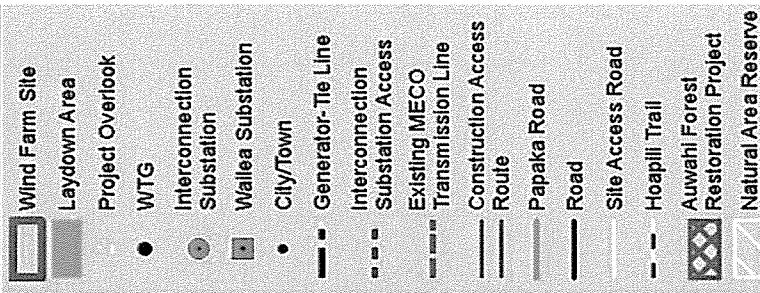


FIGURE 1-2

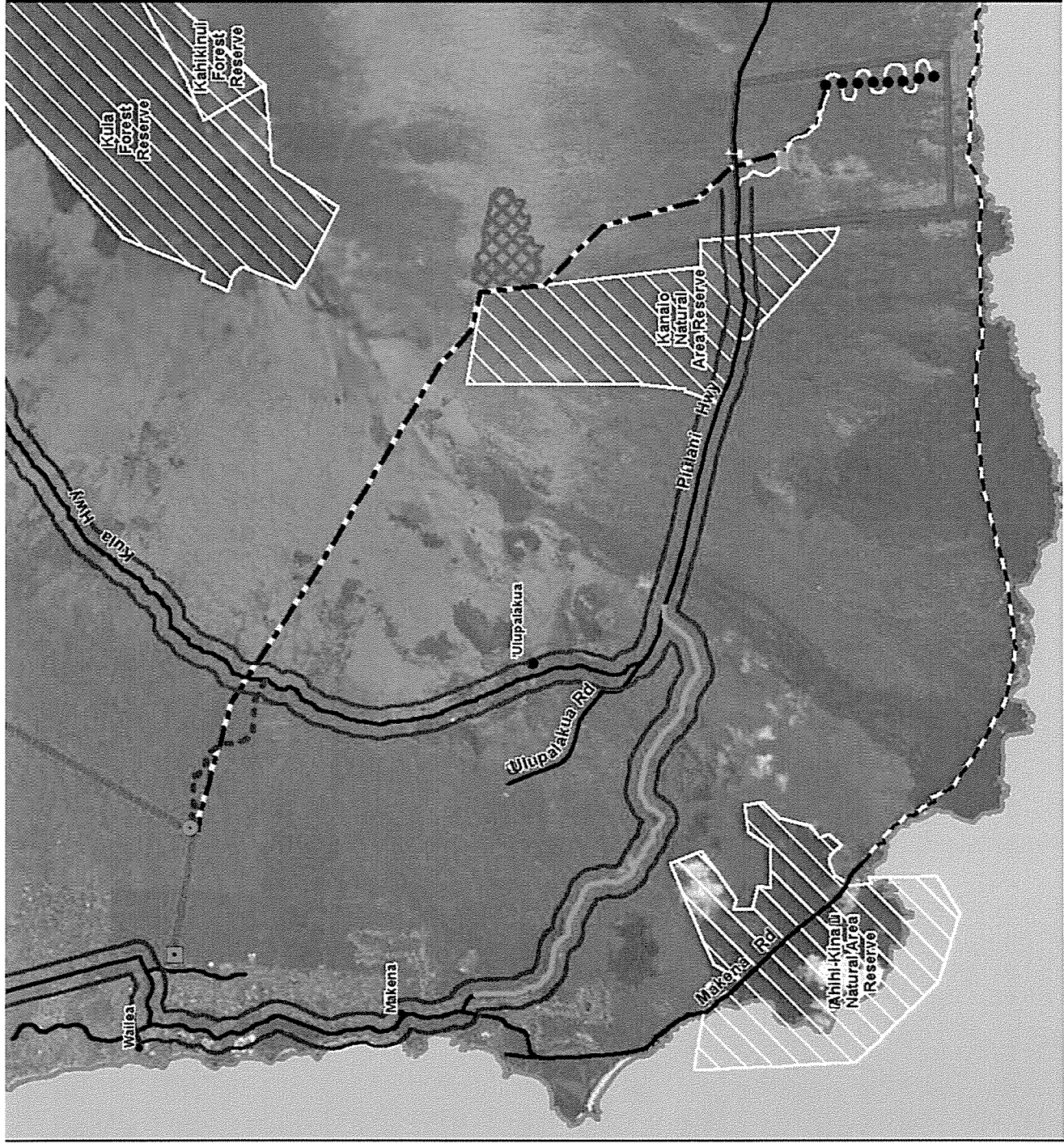
AUWAHI WIND PROJECT

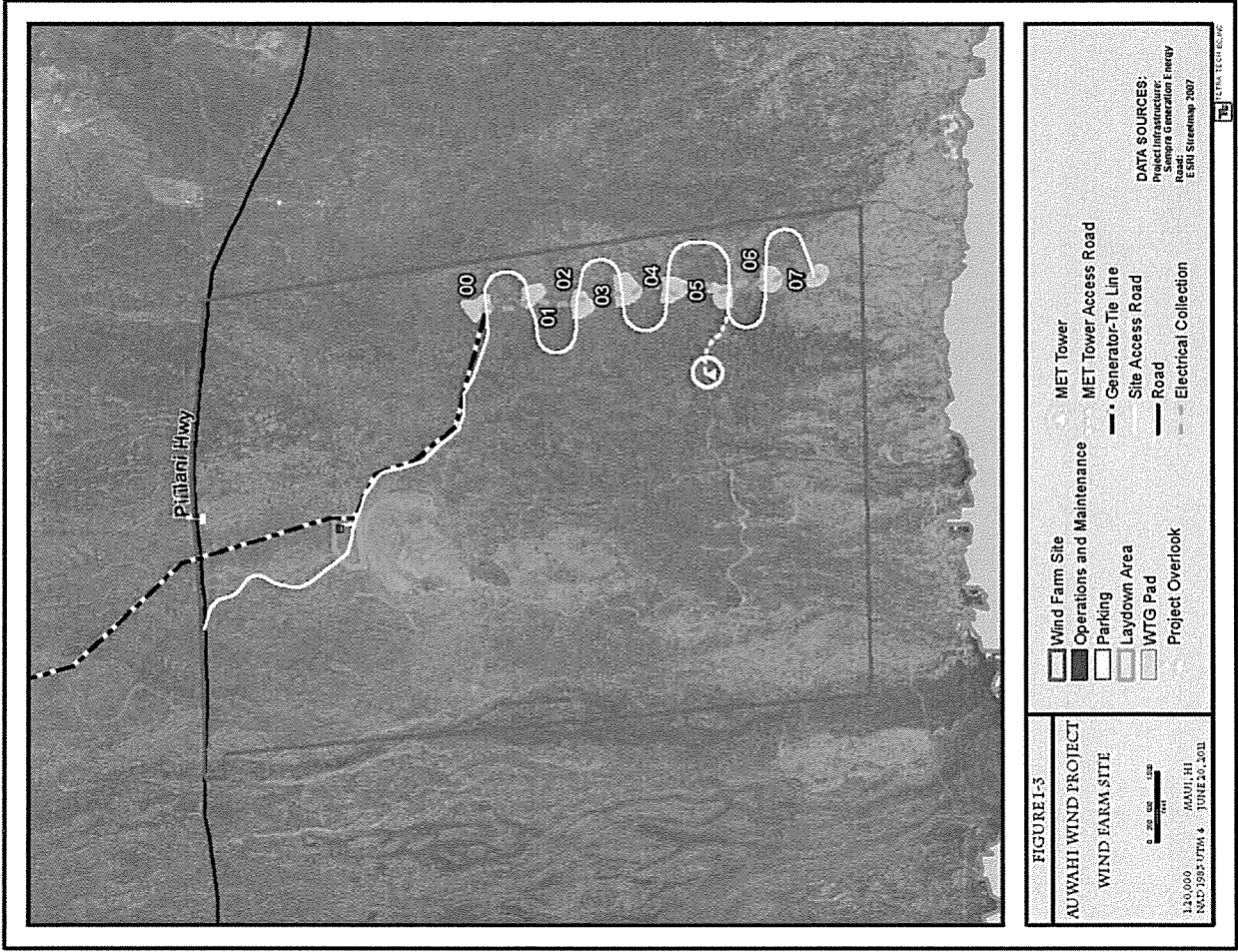
PROJECT MAP



DATA SOURCES:

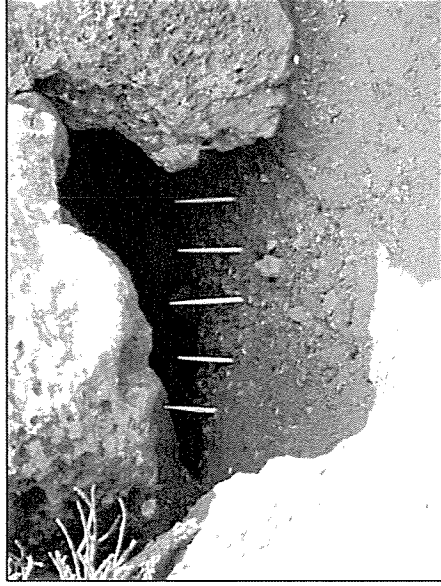
Auwahi Restoration Reserve;
 Leeward Haleakala Watershed
 Restoration Partnership
 Natural Area Reserve
 Sempia Generation Energy
 Project Infrastructure;
 Sempia Generation Energy
 City/Road;
 ESRI Streetmap 2007

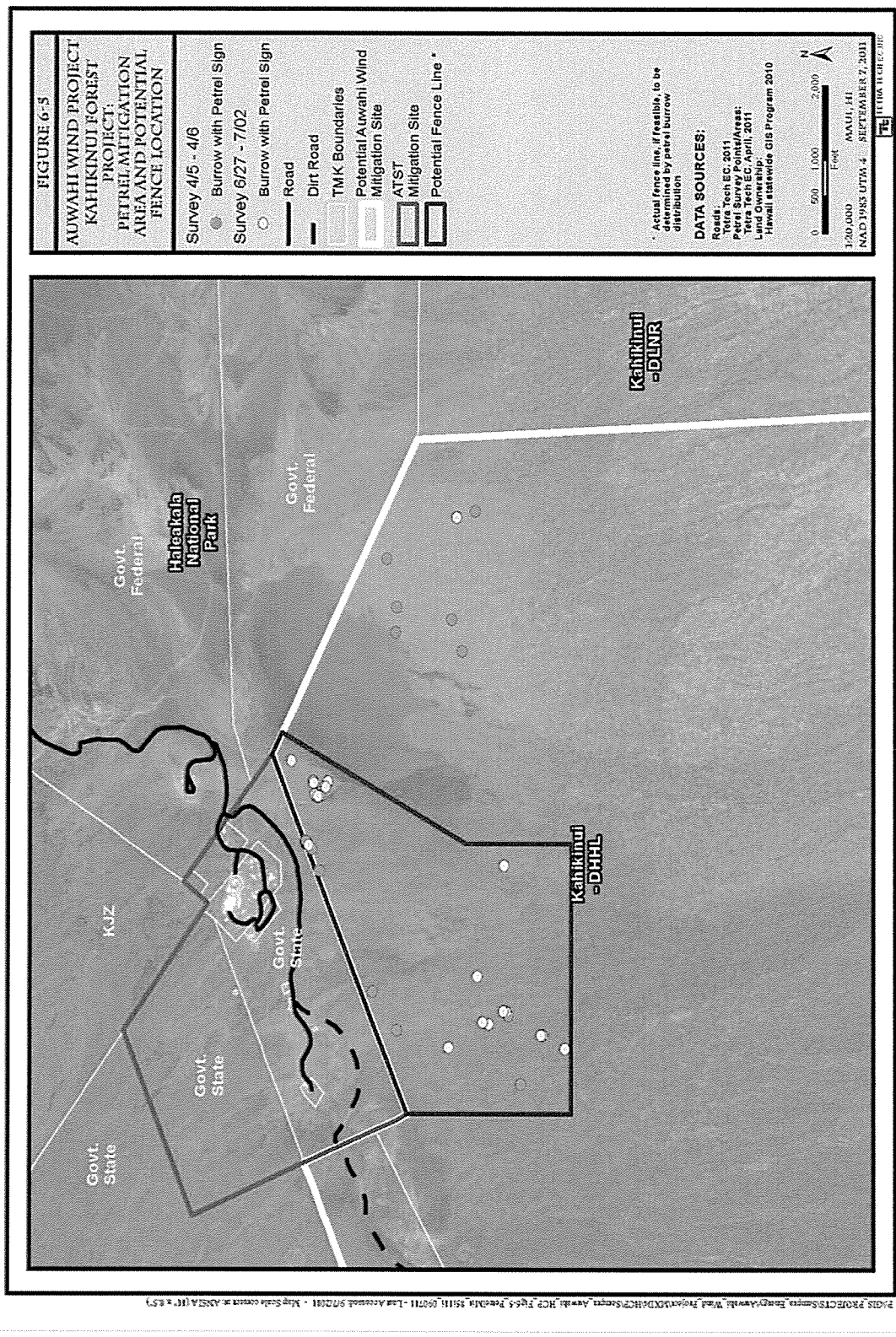




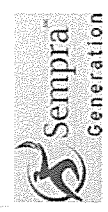
Petrel Surveys at Kahikinui Project

- Pilot survey at Kahikinui completed in April 5-6, 2011 to confirm presence of petrel burrows
 - 20 potential burrows identified
- Burrow survey completed from June 27-July 2, 2011
 - 24 additional burrows identified
- Total of 44 independent burrows



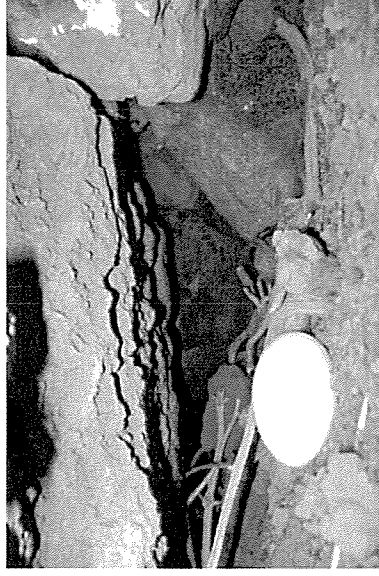


PROJECTS\Sempra_Bioenergy\Auwahi_Wind_Protection\NDP\HCP\Stamps_AuwaHI_HCP_Fig6-5_Petrel_Mitigation_Sites.mxd - Last Accessed 9/7/2011 - Map Scale created at ANSIA (UTM = 857)



Petrel Mitigation - Predator Control and Monitoring at Kahikinui Project

- Predator control for petrels would be conducted with a predator-proof fence and/or trapping
- Total area of management has not been finalized but may be approximately 300 acres
- Mitigation will complement on-going efforts by Leeward Haleakala Watershed Restoration Partnership (LHWRP) and the Haleakala National Park



Petrel Mitigation - Predator Control and Monitoring at Kahikinui Project



Depiction of the type of predator-proof fence proposed for Kahikinui, shown here installed on pahoe (smooth) lava on the island of Hawaii (Misajon 2009).

Petrel Mitigation - Predator Control and Monitoring at Kahikinui Project

- Predators to be targeted for removal include feral cats and mongoose
- Removing predators from the area would allow the petrel colony to be viable and increase in size as evident at nearby Haleakala National Park
- The colony would be monitored to identify if the colony is expanding
- Predator control and monitoring would occur over a period of up to 20 years

Petrel Mitigation – Access at Kahikinui Project

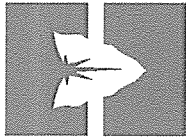
- Limited access by the public during the petrel breeding season (March – November) may be required so the colony is not disturbed during the active breeding season or the trapping efforts to remove feral cats and mongoose
- If a predator-proof fence is installed, access would occur through gates only
- Auwahi Wind or LHWRP staff will require year-round access to the property to implement management activities
- Access to the petrel mitigation area would occur via existing roads or trails

DHHL Kahikinui Ohana Benefits

- Establishing a long term relationship with Sempra, DHHL, and Kahikinui
- Roadway improvements
- Petrel mitigation
- Master plan of restoration efforts (including LHWRP's plan)
- Future wind expansion opportunities on DHHL lands
- Potential for future wheeling opportunities
- Potable water source: well, fog drip system, and re-activating water reservoirs
- Funding of a wind study
- Employment opportunities

Questions or Comments?





**HAWAIIAN
HOME LANDS
TRUST**

Department of Hawaiian Home Lands

Strategic Goals & Objectives 2012 - 2017

Vision: *To build vibrant homestead communities that flourish from the solid foundation of the Hawaiian Home Lands Trust. A trust grounded in commitment to serving and partnering with beneficiaries, implementing sound policies and procedures, following a long-term sustainable financial plan, and practicing an organizational culture that honors the spirit of its founder, Prince Jonah Kūhiō Kalanianaʻole.*

assert

Reaffirm & Assert TRUST Status

Objective 1: Determine & commit to meeting the TRUST kuleana

Objective 2: Protect the TRUST

Objective 3: Advance the Hawaiian Homes Commission Act

The Hawaiian Home Lands Trust was created by the Hawaiian Homes Commission Act of 1920. Upon statehood, the State of Hawaii committed to fulfilling the mission of the trust and created the Department of Hawaiian Home Lands to meet that kuleana. Both the trust and the department must work to determine that kuleana includes providing access to homesteading and managing trust resources.

protect

Ensuring the Financial Well-Being of the Trust

Objective 1: Improve Efficiency And Effectiveness Of Internal Operations.

Objective 2: Create Synergistic Partnerships And Alliances

Objective 3: Diversify And Increase Revenue Streams

The trust has a finite amount of land and resources with over 40,000 current applications. The trust is expected to provide "new" homesteads for its growing waitlist while it continues to serve the existing 10,000 lessees with repair and maintenance of utilities, traffic, roads, water and wastewater systems, and health and safety requirements. The trust must also use its lands to generate revenue to financially support its work of serving beneficiaries. The current economic environment impacts the development of new strategies that produce optimal performance of the trust. Developing partnerships and alliances that provide mutual benefit will enhance the opportunities for success. The trust must also consider alternative revenue streams that will help to meet the ever growing waitlist. The more successful we are, the longer the waitlist grows.

serve

Provide Excellent Customer Service

Objective 1: Increase Communication And Access to Information

Objective 2: Develop Transparent Policies, Procedures and Practice

Objective 3: Provide Professional Development Opportunities and Support For All Staff Members.

During both the beneficiary and staff retreats, opinions centered on the trust's ability to provide for and support beneficiaries and employees. One comment in particular came from the staff retreat: "Good customer service benefits both beneficiaries and employees/DHHL." Both groups also expressed the desire for consistent and clear policies -- procedures and practice that would withstand the changing of new administration over time. Through the objectives above, the trust will focus on laying the foundation for consistency, providing communication and creating methods for beneficiaries, staff and the broader public to access information. Further, the goals will provide for staff professional development support which leads to strong customer service and high performance while incorporating our Hawaiian values and understandings.

deliver

Deliver Diverse Homesteading Opportunities

Objective 1: Expand The Variety Of Residential Homesteading Opportunities

Objective 2: Implement Agricultural Homesteading Opportunities

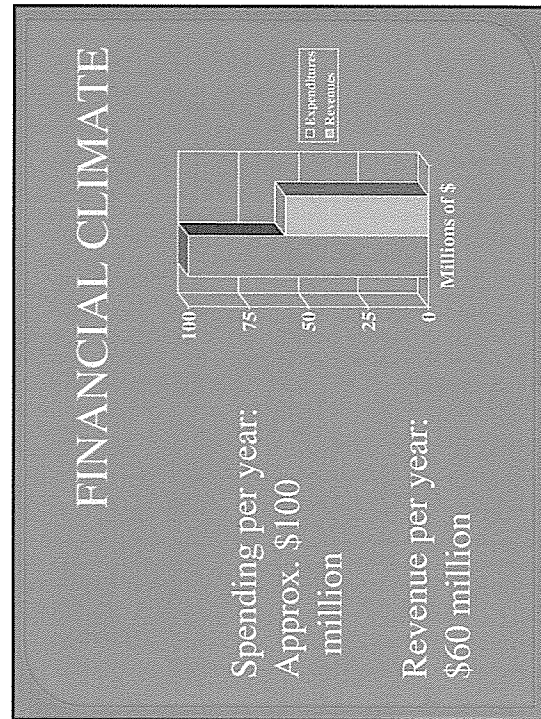
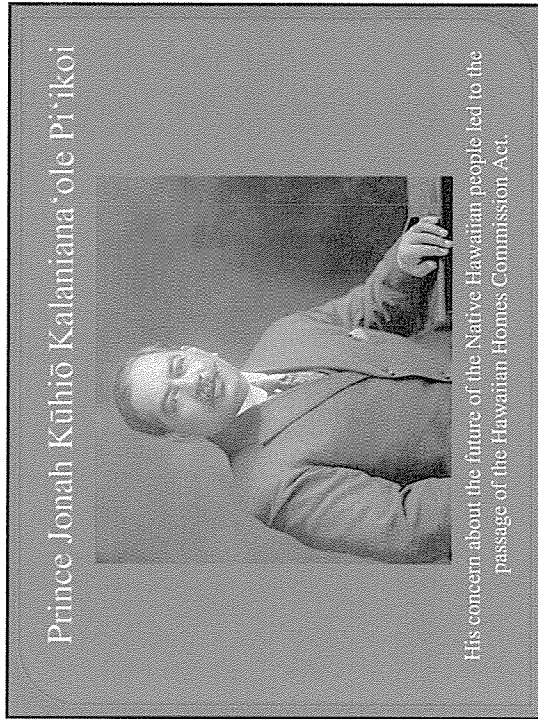
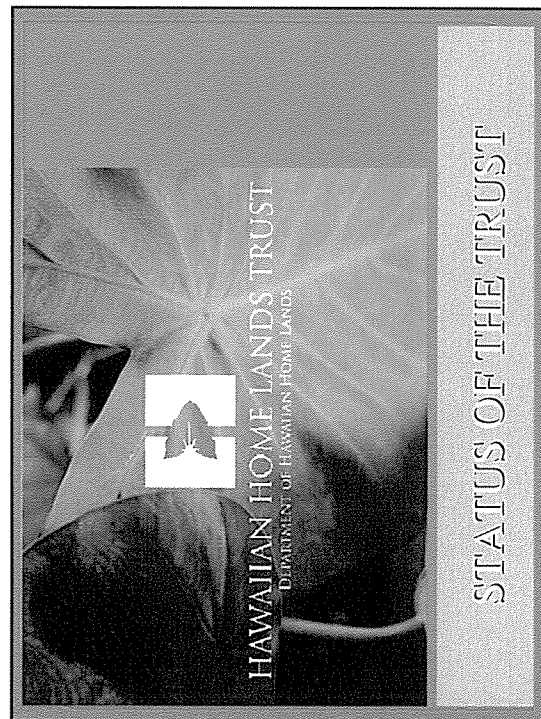
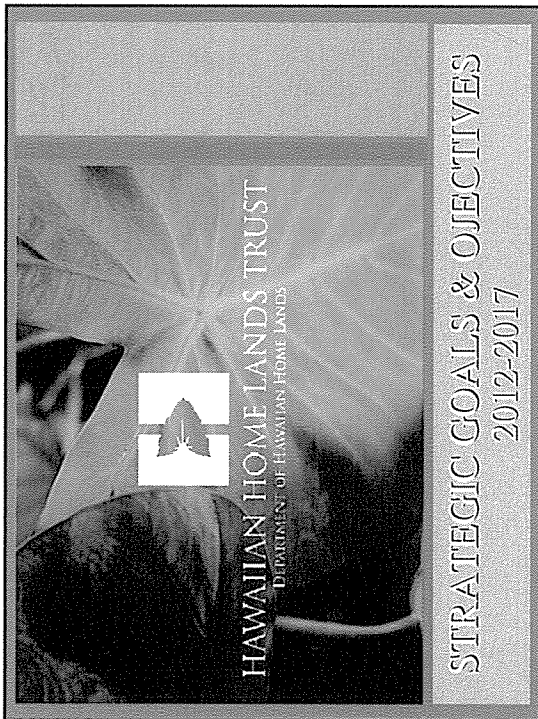
Objective 3: Implement Pastoral Homesteading Opportunities

Objective 4: Implement Aquaculture Homesteading Opportunities

Objective 5: Seek Alternative Financing For Homesteading Opportunities

The trust has primarily focused on delivering single-family homes over its lifetime. Driven by beneficiary needs and the economic times, the trust must seek to expand the breadth and depth of its homesteading opportunities overall. The trust has over 40,000 applications for families waiting to be returned to the 'āina. Expanding residential homesteading opportunities into areas such as Kauhale, multi-family homes, rental and transitional units will provide relief to applicants who continue to wait for a home to meet their needs. The trust will also strive to implement agricultural, pastoral and aquacultural homesteading opportunities to fit today's family. Considerations will be given to cluster-lots, community use lots and rural homesteading. To support these objectives, the department must step out of the box to create alternative financing models to service these beneficiaries.

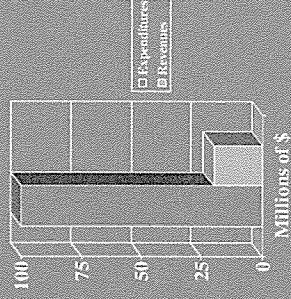
HHC Item No. C-1
Exhibit C
Date 10-17-11



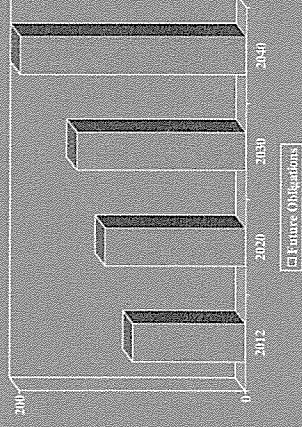
HHC Item No. C-1
 Exhibit C
 Date 10-17-11

VOLATILE REVENUE

- \$30 million ends 2014
- Federal funding under attack
- Public funding and general lease revenue at-risk.



FUTURE OBLIGATIONS



The department is obligated with ongoing expenditures for decades. (bond financing, RD loans, COPS, etc...)

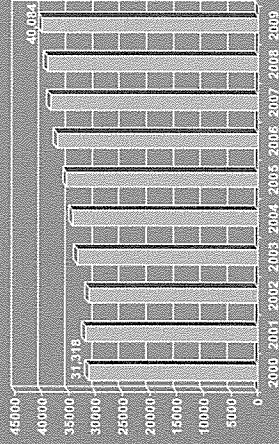
FISCAL CLIMATE

- Cost to adequately manage undeveloped land is enormous.
- National and state economy is limiting ability to generate commercial revenue.
- The state's fiscal situation inhibits our ability to get support from state.
- The economy makes it more difficult for beneficiaries to qualify for mortgages.

ADMINISTRATIVE CLIMATE

- Rules have not been promulgated for over a decade
- Few policies, lots of practices.
- Lack of updated rules and clear policies and procedures creates miscommunication and confusion, putting the trust at risk.
- Trust facing an unprecedented number of lawsuits.

ADDRESSING THE WAITLIST



The more successful we are, the longer the
waitlist grows

Waitlist Complications



- High infrastructure costs for units built in the last decade.
- Single-family units built in last decade resulted in higher mortgages to homesteaders.
- Few pastoral and no agriculture homesteads developed in recent years.
- As the trust builds more homesteads, fixed costs go up.

Hawaiian Home Lands Trust




Four Themes of the Administration

- Deliver diverse homesteading opportunities
- Provide excellent service to beneficiaries
- Secure the financial well-being of the Trust
- Reaffirm & Assert TRUST status



HAWAIIAN HOME LANDS TRUST
DEPARTMENT OF HAWAIIAN HOME LANDS

BUILDING A SOLID FOUNDATION



Strategic Goals & Objectives
2012 - 2017

Assert

Protect

Serve

Deliver

2012 – 2017 Strategic Plan

GOALS & OBJECTIVES

VISION: To build vibrant homestead communities that flourish from solid foundation of the Hawaiian Home Lands Trust. A trust grounded in commitment to serving and partnering with beneficiaries, implementing sound policies and procedures, following a long-term sustainable financial plan, and practicing an organizational culture that honors the spirit of its founder, Prince Jonah Kūhiō Kalanianaʻole.

Deliver Diverse Homesteading Opportunities

- Objective 1: Expand The Variety Of Residential Homesteading Opportunities
- Objective 2: Implement Agricultural Homesteading Opportunities
- Objective 3: Implement Pastoral Homesteading Opportunities
- Objective 4: Implement Aquaculture Homesteading Opportunities
- Objective 5: Seek Alternative Financing For Homesteading Opportunities

Deliver

Ensuring the Financial Well-Being of the Trust

- Objective 1: Improve Efficiency And Effectiveness Of Internal Operations.
- Objective 2: Create Synergistic Partnerships And Alliances
- Objective 3: Diversify And Increase Revenue

protect

Provide Excellent Customer Service

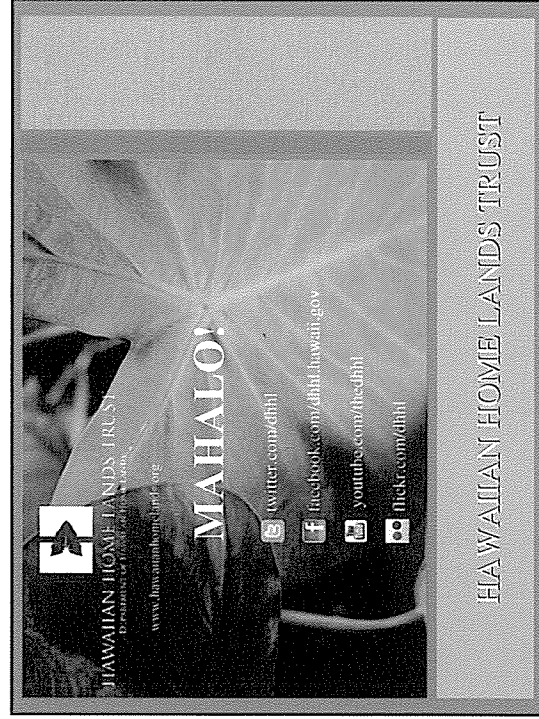
- Objective 1: Increase Communication And Access to Information
- Objective 2: Develop Transparent Policies, Procedures and Practice
- Objective 3: Provide Professional Development Opportunities and Support For All Staff Members.

serve

Reaffirm & Assert TRUST Status

- Objective 1: Determine & commit to meeting the TRUST kuleana
- Objective 2: Protect the TRUST
- Objective 3: Advance the Hawaiian Homes Commission Act

assert



A black and white photograph of a person's hands holding a large, open palm frond. The card features the Hawaiian Home Lands Trust logo (a stylized mountain peak) and the word "MAHALO!" in large, bold letters. Below the photo, there are social media icons for Twitter, Facebook, YouTube, and Flickr, each followed by the handle @dhhl. The website address www.hawaiianhomelands.org is also listed.

HAWAIIAN HOME LANDS TRUST
www.hawaiianhomelands.org

MAHALO!

twitter.com/dhhl
facebook.com/dhhl.hawaii.gov
youtube.com/thedhhl
flickr.com/dhhl

HAWAIIAN HOME LANDS TRUST