STATE OF HAWAI‘I
DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA
Kūlana ‘Oiwi Multi-Purpose Conference Room
600 Maunaloa Highway, Kalama‘ula, Moloka‘i, Hawai‘i
Monday, April 17, 2017 at 9:30 a.m. to be continued, if necessary, on
Tuesday, April 18, 2017, at 9:30 a.m.

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov, by Saturday, April 15, 2017.

I. ORDER OF BUSINESS

A. Roll Call
B. Approval of Agenda
C. Approval of Minutes for
D. Public Testimony on Agendized Items

II. ITEMS FOR DECISION MAKING

A. CONSENT AGENDA

Homestead Services Division

D-2 Approval of Consent to Mortgage (see exhibit)
D-3 Approval of Refinance of Loans (see exhibit)
D-4 Approval of Streamline Refinance of Loans (see exhibit)
D-5 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
D-6 Approval of Homestead Application Transfers / Cancellations (see exhibit)
D-7 Commission Designation of Successors to Application Rights – Public Notice 2015 (see exhibit)
D-8 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)
D-9 Approval of Assignment of Leasehold Interest (see exhibit)
D-10 Approval of Amendment of Leasehold Interest (see exhibit)
D-11 Request to Schedule Contested Case Hearing for Lease Violations (see exhibit)
D-12 Cancellation of Lease – RAVILAND K. ALI, Agricultural Lease No. 10177, Lot No. 162-A, Panaewa, Hawaii
D-13 Commission Designation of Successor – ADAM KAIWI, SR., Residential Lease No. 8187, Lot No. 52, Waimanalo, Oahu
D-14 Commission Designation of Successor – JOSEPHINE K. KAILIKINI, Residential Lease No. 1586, Lot No. 15, Waikea, Hawaii
D-15 Request to Schedule Contested Case Hearing – Successorship to JAMES P. AKIONA, SR. Lease by HAROLD AKIONA and SHERILYN WAHINEKAPU, Honokaia Pastoral Lease No. 1, Lease NO. 10155 and Lot No. 1-5, Lease No. 9043
D-16 Commission Designation of Successor – ALEXANDER H.K.P. LEAMOHALA, Pastoral Lease No. 9121, Lot No. 101, Kahikinui, Maui
B. REGULAR AGENDA

Office of the Chairman

C-1 Approval of mediation agreement in matter concerning water allocation in the Waimea Watershed Area on Kaua‘i

Land Management Division

F-1 Issuance of License to Kekaha Hawaiian Homestead Association for 231 acres at Pu‘u Opa‘e, Kaua‘i Island, TMK (4)1-2-002:023(por.)
F-2 Annual Renewal of Right of Entry Permits, Moloka‘i Island (see exhibit)

Planning Office

G-1 Approval of Recommendations for Capacity Building Grants Awards

Land Development Division

E-1 Approval of Various Lease Awards (see exhibit)
E-2 Correction to Previous Approval of Rescission of Homestead Lease Award and Reinstatement of Application – Ella M. K. McComber

III. 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 on these matters.

1. Approval of mediation agreement in matter concerning water allocation in the Waimea Watershed Area on Kaua‘i
2. Mediated Settlement Agreement between DHHL, Ben Char, and Manawale‘a Riding Center relating to Civil No. 1RC15-1-11007, District Court of the First Circuit, Ko‘olaupoko Division, State of Hawaii, Waimanalo, O‘ahu Island, Various TMKs

IV. ITEMS FOR INFORMATION/DISCUSSION

A. WORKSHOPS (For action on Tuesday, April 18, 2017)

Land Management Division

F-3 Request to Amend General Lease No. 281, Nānākuli Hawaiian Homestead Community Association (NHHCA), Nānākuli, O‘ahu Island, TMK (1)8-9-002:001

F-4 Request to Assignment of General Lease Nos. S-3831, S-3840, S-4647 to DCI Paradise, LLC, a Hawaii limited liability corporation, Wailua, Kaua‘i Island, TMK Nos. (4)3-9-006:016 and 020

Office of the Chairman

C-2 Workshop on Water System and Planning System Administrative Rules
B. GENERAL AGENDA

Requests to Address the Commission

J-1 Tammy I. Levi – Hoolehua Lease Transfer
J-2 Maile Orme – Kapua‘iwa Coconut Grove
J-3 U‘i Kahue – Lot #25 Puukapele
J-4 Lloyd Acasio – Ag Lease in Na‘iwa
J-5 Harry K. Purdy III – Hoolehua Agriculture Lot 4B
J-6 Stephanie K. Lauifi – 2017 Legislation on Blood Quantum
J-7 Faith Tuipulotu-Moloka‘i Homestead Farmers Alliance
J-8 Hala Pa-Kala – President Kamiloa/OneAlii & Kapaakea Homestead Associations
J-9 Patti Silva – Manawale‘a Riding Center

C. REGULAR AGENDA

Planning Office

G-2 Moloka‘i Regional Update
G-3 Legislative Update 2017
G-4 Quarterly Grants Status Report End of 1st Quarter
G-5 For Information Only - Update on Moloka‘i Water Projects and Issues
G-6 Mo‘omomi, Molokai – Background Data
I. ORDER OF BUSINESS

A. Roll Call
B. Public Testimony on Agendized Items *Note: Public testimony may be limited to 3 minutes

II. ITEMS FOR DECISION MAKING

A. REGULAR AGENDA

Land Management Division

F-5 Approval to Amend General Lease No. 281, Nanakuli Hawaiian Homestead Community Association (NHHCA), Nanakuli, O‘ahu Island, TMK (1)B-9-002:001

F-6 Approval to Assignment of General Lease Nos. S-3831, S-3840, S-4647 to DCI Paradise, LLC, a Hawaii limited liability corporation, Wailua, Kaua‘i Island, TMK Nos. (4)3-9-006:016 and 020

Office of the Chairman

C-3 Approval to Proceed to Beneficiary Consultation for Water System and Planning System Rules

III. ITEMS FOR INFORMATION/DISCUSSION

A. WORKSHOP AGENDA

Office of the Chairman

C-4 Presentation by Department of Land and Natural Resources staff regarding Proposed Mo‘omomi North Coast of Moloka‘i Community-Based Subsistence Fishing Area Designation.

IV. 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 on these matters.

1. Update on Nelson Case- Richard Nelson, III et al., v HHC, Civil No. 07-1-1663
2. Update on issues related to Sandwich Isles Communications.
3. Commission review on contested case procedures under Chapter 91, Hawai‘i Revised Statutes
V. ITEMS FOR INFORMATION/DISCUSSION

B. REGULAR AGENDA

Office of the Chairman

C-5 Draft 2017 Native Hawaiian Housing Block Grant Annual Housing Plan

Homestead Services Division

D-1 HSD Status Reports
Exhibits:
A - Homestead Lease and Application Totals and Monthly Activity Reports
B - Delinquency Report
C - DHHL Guarantees for USDA-RD Mortgage Loans

VI. ANNOUNCEMENTS AND ADJOURNMENT

2. Other Announcements
3. Adjournment

Note: No Contested Case Hearings Scheduled.

Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Doreen N. Canto, Maui
Kathleen P. Chin, Kaua‘i
Gene Ross K. Davis, Moloka‘i
Wallace A. Ishibashi, East Hawai‘i

David B. Ka‘apu, West Hawai‘i
Michael P. Kahikina, O‘ahu
William K. Richardson, O‘ahu
Wren Wescoatt, O‘ahu

Community Meeting to be held on April 17, 2017, Kūlana ʻŌiwi Hālau
600 Maunaloa Highway, Kalama‘ula, Moloka‘i 6:00 p.m.

Special Accommodations (such as Sign Language Interpreter, large print, taped material) can be provided, if requested, at least five (5) working days before the scheduled meeting on the respective island by calling Ku‘uwehi Hiraishi, at the Information & Community Relations Office, on Oahu, (808) 620-9590.
### ITEM D-2 EXHIBIT
**APPROVAL OF CONSENT TO MORTGAGE**

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### ITEM D-3 EXHIBIT
**APPROVAL OF REFINANCE OF LOANS**

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ITEM D-4 EXHIBIT
APPROVAL OF STREAMLINE REFINANCE OF LOANS

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ITEM D-5 EXHIBIT
APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARING

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ITEM D-6 EXHIBIT
HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

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* IW = Islandwide

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* ITEM D-9 EXHIBIT
APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

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<td>SILVA, Geraldine N.</td>
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**ITEM D-10 EXHIBIT**
APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

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<tr>
<td>AKIONA, Albert L., Sr.</td>
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<td>DUDOIT, Nicole A. I.</td>
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<td>FINNEGAN, Lucy Ann K.</td>
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<td>HELEKAHI, Earl, Sr.</td>
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<td>KAANAHUI, Stanley K., Jr.</td>
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<td>KANAEHE-MOSSMAN,</td>
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**ITEM D-11 EXHIBIT**
APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSES FOR ROOFTOP PHOTOVOLTAIC SYSTEMS FOR CERTAIN LESSEES

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ITEM E-1 EXHIBIT  
APPROVAL OF VARIOUS LEASE AWARDS

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ITEM E-1 EXHIBIT  
RIGHT OF ENTRY PERMITS MOLOKA’I ISLAND

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Notice of Annual Hawaiian Homes Commission Regular Meeting

Monday, April 17, 2017 at 9:30 a.m.*
and Tuesday, April 18, 2017 at 9:30 a.m.

at Kulana ‘Oiwi Multi-Purpose Conference Room
600 Maunaloa Highway, Kalama’ula, Moloka’i, 96748

Hawaiian Homes Commission Meeting agendas are available approximately one week in advance on the HHC Meetings page on the DHHL website: www.dhhl.gov/hhc

*Meeting times are subject to change. Please check our website for an updated schedule

Hawaiian Homes Commission Meeting with the Moloka’i Homestead Community

on Monday, April 17, 2017 from 6:00 - 8:00 p.m. at Kulana ‘Oiwi Halau
600 Maunaloa Highway, Kalama’ula, Moloka’i, 96748

AGENDA

6:00 - 6:30 p.m. DHHL Update
6:30 - 7:00 p.m. Ho’olehua Water System Presentation
7:00 - 7:30 p.m. Homestead Community Update
7:30 - 8:00 p.m. Open House**
8:00 p.m. Adjournment

**During Open House representatives from DHHL Division will be available for one-on-one consultations. Community organizations will also be present with informational booths.

To request accommodations for a sign language interpreter or accessible parking (must be requested five days prior to the meeting date), or for more information, please contact the DHHL Information and Community Relations Office on O’ahu at 808-620-9590.
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
APRIL 17 & 18, 2017
KULANA OIWI, MOLOKAI

C-ITEMS
OFFICE OF THE CHAIRMAN
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17 & 18, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: William Aila Jr., Deputy Director
      Niniau Simmons, NAHASDA Manager

SUBJECT:

   C-1 Approval of mediation agreement in matter concerning water allocation in the
       Waimea Watershed Area on Kauai
   C-4 Presentation by Department of Land and Natural Resources staff regarding
       Proposed Mo’omomi North Coast of Moloka’i Community-Based Subsistence
       Fishing Area Designation.
   C-5 Draft 2017 Native Hawaiian Housing Block Grant Annual Housing Plan

THESE SUBMITTAL ITEMS WILL BE DISTRIBUTED UNDER SEPARATE COVER
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Hokulei Lindsey, Administrative Rules Officer
       Office of the Chairman

SUBJECT: Workshop: Proposed Rules for Hawaiian Home Lands Water
         System and Planning System

RECOMMENDED MOTION/ACTION

None. For information only.

DISCUSSION:

Water Systems

Under section 221(f) of the Hawaiian Homes Commission Act, the Department manages four water systems. These four systems include three that are regulated public water systems (Hoolehua, Anahola, Kawaihae) and one that is an unregulated water system (Puukapu). Over the past several years, the Commission has moved toward better management of this valuable resource: in 2012 the HHC approved use of the Enterprise Accounting System and in 2014 the HHC approved the Water Policy. Adoption of rules can bring much needed certainty to the technical, managerial, and financial well-being as well as the capacity of the water systems by providing specific procedures for operation.

The quality of water provided by these systems is good and meets regulatory standards. The movement toward adopting rules is related to age-Hoolehua dates back to the 1930s—and maintenance issues that are impacting the systems financially as well as the Department’s responsibility as trustee over this necessary resource. To achieve better stewardship and efficiency, the proposed rules cover safety and emergency procedures, conditions for service, setting of rates, billing, and processes for delinquencies and collection. In fact, the draft rules look a lot like what a water utility may have for its rules; for DHHL, section 221(f) mandates that the Department maintain exclusive control over its water systems. With better
management, comes more stability, better service, and funding opportunities.

The proposed water system rules represent a complete and comprehensive set, including everything that is required under the federal Safe Drinking Water Act (SDWA) and the state Department of Health for managing a public water system. Several portions of the proposal have been highlighted. These sections represent components that are not supported by the SDWA and Department of Health requirements but are either of specific interest to DHHL or representative of best practices.

Planning System

As a general matter, a "planning system" is a method used to further objectives through systematic management; it is a process designed, in light of an organization's situation, to organize and coordinate planning activities. The planning system proposed for rulemaking would standardize the way the Department plans and manages its lands and resources.

The HHCA grants broad land use authority to the DHHL over lands that carry the status of Hawaiian Home Lands. Under this authority, the DHHL undertakes the development of lands for homesteading, commercial, and multi-purpose projects. The Department also has the responsibility to manage conservation and special area lands. To manage these lands and resources, the DHHL currently operates under a planning system adopted by the HHC in February 2002. The planning system was adopted as a policy. As such, it does not contain a mandate; it is possible from one administration to the next, that the system could be followed in whole, in piece meal, or not at all. Administrative rules to standardize a planning system will ensure greater accountability and consistency across different administrations.

The proposed planning system rules provide a method to further the objectives of the Act by systematically coordinating the management of Hawaiian home lands and programs in a manner that is comprehensive, consistent, and collaborative. The system establishes a three-tiered hierarchy of plans. Tier 1 is the top tier consisting of the general plan and establishes overall policy. Tiers 2 and 3 are guided by the general plan and focus with increasing specificity on programs or geographic areas. The proposed system also ensures beneficiary consultation appropriate to the potential impact of the decision or action is conducted in a meaningful and timely manner.
Promulgating planning system rules will provide transparency as to processes as well as ensure greater accountability, consistency, and predictability across administrations, plans, and programs.

RECOMMENDATION:

None. For information only.
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 18, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Hokulei Lindsey, Administrative Rules Officer
Office of the Chairman

SUBJECT: Approval to Proceed to Beneficiary Consultation for Water Systems and Planning System Rules

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission approve proceeding to beneficiary consultation for proposed new rules for the water systems and the planning system.

DISCUSSION:

The Department of Hawaiian Home Lands has begun to prepare for another round of administrative rulemaking. Among the topics for consideration are rules for the water systems and rules for a planning system. Complete drafts have been prepared by consultants with expertise in these areas.

The draft water systems rules are attached as Exhibit A. This draft is comprehensive, it includes everything required by the federal Safe Drinking Water Act (SDWA) and the state Department of Health (DOH). Several sections and subsections are highlighted. These highlighted sections are not supported by the SDWA and DOH but are of interest to the DHHL or represent a best practice. While the final product may not be as lengthy, there are necessary elements required by federal and state law that must be part of the final rules.

The draft planning system rules are attached as Exhibit B. The planning system rules provide processes that the Department must follow in making decisions about land use and programs. These rules would replace the current planning system, which has been in place since it was adopted by the HHC in 2002. The current system, diagrammed in Exhibit C, and the proposed system are similar. The proposed system would add "Special Area Plans," like the Ka‘u Management Plan, to tier 3. The most
impactful difference is that the current system does not contain a mandate and therefore implementation is voluntary and at the pleasure of the administration; the Department potentially could change direction at any time despite the existence of a planning system. Promulgating planning system rules would limit major shifts and promote greater consistency and accountability across administrations because the planning documents and implementation processes are institutionalized. Flexibility for each administration would be in priority setting. The additional value and importance is that the proposal ensures beneficiary consultation is conducted at a scale that matches the likely impact of a decision or action.

RECOMMENDATION:  

Staff requests approval of the recommended motion as stated above.
SUBCHAPTER 5

WATER SYSTEMS

§10-4-61 Purpose. The purpose of this subchapter is to promote the health, safety and general welfare of the community by providing standards through water administrative rules for governing the provision of water service by the department water services.

§10-4-62 Applicability. This subchapter shall apply to all public drinking water systems operated by DHHL. This chapter shall not be construed to amend or modify rights or entitlements to water as provided for in section 221 of the act and native Hawaiian rights customarily and traditionally exercised for subsistence, cultural, and religious purposes in accordance with article XII, section 7, Constitution of the State of Hawaii.

§10-4-63 Administration. Except as otherwise provided in this subchapter, the chairman shall administer, implement, and enforce the provisions herein. All powers granted to, or duties imposed upon, the chairman may be delegated by the chairman to personnel within the department. All communication to the commission shall be addressed as provided in section 10-2-1 of this title.

§10-4-64 Definitions. As used in this subchapter, unless plainly evident from the context that a different meaning is intended:

Item C-3; Exhibit A
“Agricultural consumer” means a consumer that actively engages in crop production, livestock raising, dairy farming, or aquaculture for commercial production, and whose minimum gross annual income from such activities is $1,000 as shown by the consumer’s current State of Hawai‘i General Excise Tax License and General Excise/Use Tax Returns.

“Applicant” means any person who causes, or applies to cause, land to be subdivided. It also means any person applying for water service or additional water service.

“Application” means a request for water service or additional water service.

“Consumer” means the person, firm, corporation, association, or governmental entity, whether owner or tenant, whose name appears on the records of the Department as the party responsible and liable for receiving water service from the department.

“Consumer’s water system” means the pipes and plumbing extending from the water service connection.

“Cross-Connection” means any actual or potential connection between the public water supply and a source of contamination or pollution.

“County” means the county where the department water service is located.

“Department of Health” means the State of Hawaii Department of Health.

“Department of Health rules” means Hawaii administrative rules, Title 11, Chapter 20, entitled “Rules Relating to Public Water Systems” and Title 11, Chapter 21, entitled “Cross-Connection and Backflow Control.”

“Main” or “main pipe” means the department's supply or distribution pipe from which service connections are made.

“Potable water” means water that has been certified by the department of health as suitable for cooking or drinking purposes.

“Premises” means a parcel of real property and any structures thereon which have water service, will require water service, or requires additional water service.
“Public water spigot” means a potable water spigot to be maintained by the department for lessee access to potable water.

“Public drinking water system” means a water system owned, operated, and maintained by the department.

“Service connection” or “service lateral” means the complete installation of pipes, fittings, appurtenances, and meter necessary to provide water service to a consumer’s premises and water system.

“Temporary meter” means any meter connected to a fire hydrant or a service lateral used less than one year in accordance with an agreement with the department.

“Water meter” means a device that measures the volume of water delivered to any premises.

“Water service connection” means the terminal end of a service connection from the public drinking water system; i.e., where the department loses jurisdiction and sanitary control over the water at its point of delivery into the consumer's water system. If a meter is installed at the end of the service connection then the water service connection shall mean the downstream end of the meter.

“Water service” means the delivery of water to any premises.

“Water system” means a network of pipelines, main taps, storage, facilities, pumps, shut-off valve, and other appurtenances, wells, water filtration treatment facilities, or other sources which furnishes a supply of water to the premises.

§10-4-65 Public water spigots. (a) Public water spigots shall be provided on all water systems operated by the department or its contractors. The public water spigot, and water spigot area, shall be maintained by the Department or Department’s contractor and they may be used by beneficiaries to obtain potable water.
(b) All tanks shall be inspected prior to connection to a public water spigot and before any consumer fills such tank. The connection shall include a backflow prevention device or a properly installed air gap, or both, which must also be inspected.

(c) Once a satisfactory inspection has occurred, a spigot use permit shall be issued for the specific tank inspected. The capacity of the tank must be provided and listed on the permit. The spigot use permit must be kept with the tank, visible to department personnel and the public, should they so request.

(d) Water may only be obtained at the public water spigot noted on the spigot use permit; the spigot use permit is specifically for use at the public water spigot noted on the document.

(e) The consumer shall check in with the department before each fill-up. Failure to do so may result in revocation of the spigot use permit.

(f) Each fill-up will be metered. If not documented, each trip or fill-up shall be assumed to have required a full tank.

(g) The department may refuse a spigot use permit to those unwilling to meet the above criteria and during times of water restrictions.

(h) The department guarantees potable water only to the point of withdrawal from its system.

§10-4-66 Fire hydrants. (a) Any use of a fire hydrant or the taking of water from one for purposes other than fire protection by persons other than authorized employees of a fire department or of the department is prohibited without a written hydrant permit from the department. A fire department shall have the prior right to use any hydrant at any time and shall have the authority to remove peremptorily, if necessary in case of emergency, any connection approved by the Department. Hydrant main line valves shall not be used to control flows.
(b) The Department may provide water to consumers from fire hydrants located within and served by the Department upon compliance with the terms and conditions described in subsections (c) through (k).

(c) The consumer seeking to purchase water from fire hydrants must first apply for a hydrant permit. The consumer shall provide the department an estimation of the length of time for which a hydrant permit is sought. No permit shall be issued for a period longer than six months. Hydrant permit approval shall be withheld unless the applicant agrees to notify the department as soon as the use of the hydrant is finished. The department may reject any application and revoke approval at any time.

(d) At the time of hydrant permit issue, the department shall collect a non-refundable hydrant permit fee and security deposit. The amounts to be paid shall be established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department. The security deposit is a meter assembly and unpaid charges deposit. This sum shall remain on hold during the life of the hydrant permit and may be applied by the department against damage to, loss of, or failure to return the meter assembly or to the water use charges owing. Upon surrender or termination of the hydrant permit, the deposit shall, unless applied to such damage or charges, be refunded to the consumer without accumulation of interest.

(e) The department reserves the authority to and shall collect from the consumer the difference between the deposit and the cost of repair or replacement of the meter.

(f) Upon receipt of the hydrant permit fee and security deposit and issuance of the hydrant permit, the consumer shall be issued a meter assembly to be attached to a designated fire hydrant as directed by the department and through which water is to be purchased by the consumer.

(g) Any failure of the consumer to properly utilize the meter assembly to record water taken through a fire hydrant shall constitute a violation of
the hydrant permit and shall terminate the hydrant permit and the consumer's right to continue use of the meter. Consumers found to have violated the hydrant permit shall have their deposit forfeited as liquidated damages for such violation and be disqualified from obtaining a hydrant permit from the department until such time as a hydrant use agreement can be drafted by the department.

(h) The hydrant permit fee shall not include the cost of the water usage. The department shall bill the consumer for the amount of water consumed. The consumer shall pay the bulk sales rate established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.

(i) The consumer shall deliver the meter to the department at the end of the hydrant permit period for verification of reading and billing. The department shall thereafter issue a billing for water used during the applicable period. Charges billed shall be subject to past due and late payment penalties authorized pursuant to this rule.

(j) A charge per calendar day shall be levied for each day, or a portion thereof, that the meter is past due.

(k) The use of any hydrant under a hydrant permit and the connections thereto shall be subject to the direction and approval of the department. As a further condition of the validity of the hydrant permit, the consumer shall comply with all rules and regulations of the department and shall maintain the hydrant permit or a valid copy thereof on site, and surrender it for inspection to department's personnel, at all times during which it shall engage in the removal of water from any fire hydrant. The consumer shall report any defect in or damage to the hydrant promptly to the department.

(l) Only regulation fire hydrant wrenches which shall have been approved by the department shall be used for the operation of fire hydrants. The use of any other type of wrench or operating device shall not be permitted. The permit will be revoked if other

Item C-3; Exhibit A
than approved regulation fire hydrant wrenches are
used.

(m) The department may reject any application
and to revoke approval at any time.

(n) If approval is revoked, the department shall
remove any connections to the hydrant after notice to
the consumer is made. The consumer shall pay all of
the costs of disconnecting from the hydrant. The
department shall inspect each hydrant and all costs of
repair, which the department has determined to be due
to consumer use, as well as the cost of inspection,
shall be paid for by the consumer.

(o) The department shall not be held responsible
for any damage to property or injury to persons
arising from the use of any hydrants for any cause
whatsoever. Any damage to fire hydrants shall be paid
by the consumer.

(p) The department guarantees potable water only
to the point of withdrawal from its system.

(q) Any and all person or persons or entities,
or both, found to have used obstructed, or tampered
with a department fire hydrant without the express
written consent of department shall be assessed fees
and charges.

(1) For each offense the person or persons, or
entities or both shall be:

(A) Charged for an estimated amount of
water based on the intended use and
estimated size of the vehicle conveying
the water at the current rate for bulk
water sales;

(B) Charged, at the bulk water rate for
water discharged by the Department to
clear the mains affected by the illegal
use;

(C) Charged for labor and materials
required to correct adverse conditions
created by the illegal use of a fire
hydrant, such charges at prevailing
rates;

(D) Charged administrative costs incurred
for

Item C-3; Exhibit A
the purposes of billing the offenders, such charges at prevailing rates; and
(E) Fined increasing amounts for first, second and third offenses.

(2) Each invoice not paid within ten days of date thereon will accrue a late charge equal to five per cent of the unpaid balance at the time it becomes delinquent and an additional five per cent for each month delinquent thereafter.

(s) The department shall, if it approves the request for a change in location of a hydrant, change such location; provided, that the cost of all labor, material, equipment and all other charges are paid in advance by the consumer.

§10-4-67 General conditions for water service. (a) Any applicant whose premises is located within service limits established by the department and adjacent to a distribution main, where pressure conditions permit, may obtain water service, provided, that:

(1) The existing water system servicing the area has adequate physical and legal capacity as determined by the department for such intended use without impairing service to existing consumers or future lessees;

(2) All applicable fees and deposits for such service have been paid in full;

(3) The applicant is not delinquent on other services in his or her name; and,

(4) The applicant agrees to abide by the rules, regulations and standards of the department.

(b) Water service shall be restricted to the property for which the application is made.

(c) All water service supplied by the department shall be measured by means of meters furnished by the department. The amounts to be paid for water service shall be established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.
(d) The department shall determine the final location and size of the service connection. All service connections and service laterals up to the water service connection shall be operated and maintained by the department.

(e) The department shall only be responsible for the operation and maintenance of its public drinking water systems.

§10-4-68 Application for water service. (a) Each prospective consumer shall be required to complete a standard application form for the water service desired. The application shall include, but is not limited to: name, address, phone number, legal description of property to be served, parcel or tax map of property to be served with requested meter location noted. Verification of information provided may be required. Such information shall be considered confidential and to be used for setting up the water service, billing and collection purposes only. Prospective consumers shall assume responsibility for the payment of future charges for service at the designated location before water is turned on for any use. The department will inform the applicant in writing that the application is complete and accepted or that the application is deficient and what specific information is necessary to make the application complete. When a complete application is received, the department shall assign an account number. The person, entity or organization executing the application form shall be held liable for the payment of all charges for water service at the designated location.

(b) If a consumer fails to pay water service bills rendered as required in these Rules water will remain available to the lessee at the public water spigot.

(c) Charges for service will begin when the service connection and the consumer's water system are physically joined and water is made available to the
consumer and will continue until due notification in writing from the consumer, the consumer's authorized agent, or by judicial order, or until discontinued by the department for failure of the consumer to comply with the provisions of this subchapter.

(d) When an application for water service is made by a former consumer who was responsible for and failed to pay all bills for water service previously rendered, regardless of location or time incurred, the Department may refuse to furnish service to the premises of the applicant until the outstanding bills are paid.

(e) A consumer taking possession of premises and using water without having made application for the transfer of water service shall be held liable for the water delivered from the date of the last recorded meter reading. If required application for transfer is not made, and if accumulated bills for water service are not paid upon presentation, the water service may be discontinued ten business days after written notice is given to the consumer.

§10-4-69 Accessing the consumer’s premises. Any properly identified officer or employee of the department shall have the right of ingress to and egress from the consumer’s premises at all reasonable hours for any purpose reasonably connected to the protection of the public drinking water system and furnishing of water to said premises and the exercise of any and all rights secured to it by law or this subchapter. In case any such officer or employee is otherwise prevented from carrying out the duties, the department may cause the water to be turned off from said premises after giving at least twenty-four hours’ notice to the consumer/occupant of said premises.

§10-4-70 Installation of water service. (a) When an application for water service has been
approved, such water service will be installed as agreed upon between the department and applicant.
There shall be one meter for each service, unless the department, because of operating necessity, installs a combination meter or two or more meters in parallel. All meters shall be sealed and tested for accuracy before installation. All meters shall be installed along the property boundary, unless due to operating necessity or other extenuating situations, the department approves installation of the meter elsewhere.

(b) It is the consumer’s responsibility and expense to install their supply pipe and water system, to connect such system to the department’s service connection, and to install an approved backflow prevention devise on the consumer’s system on the downstream side of the meter. The department may provide backflow prevention devices to lessees and beneficiaries as a means to protect the public drinking water system. The consumer’s water system shall, at all times, remain the sole property of the consumer, who shall be responsible for its maintenance, repair, and/or replacement.

(c) A readily accessible shutoff valve controlling all outlets will be installed by the department on the consumer’s water system supply pipe at a location to be determined by the department (usually immediately after the meter and within the meter box). In addition, the department may install a shutoff valve before the meter for the use of employees of the Department. If a replacement of the shutoff valve is necessary, it shall be installed by the department and paid for by the consumer.

(d) If the consumer's water system supply pipe is installed to the intended and agreed location of the meter, the department may make the connection to it when setting the meter.

(e) Only employees of the department will be allowed to connect or disconnect the water service to or from the department's main.

(f) When the proper size of service connection for any premises has been determined and the

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installation has been made by the department at the location specified by the consumer, the department has fulfilled its obligations insofar as the size of the service and the location thereof are concerned. For those water systems where the department has determined that water is available, each dwelling unit or lot shall use a separate 5/8-inch meter at a minimum. If thereafter the consumer desires a change in size of the service connection or a change in the location thereof, the consumer shall bear all costs of such change.

(g) Whenever a check valve or pressure reducing valve is installed on the consumer’s cold water supply line between the meter and the hot water storage tank or heater, there shall be installed on the consumer’s hot water distribution system a suitable pressure relief valve.

(h) Once installed, any costs associated with the repair or replacement of damaged or missing meters and services will be charged to the owner of the property. Such costs may include but are not limited to gaskets, meter boxes, lid inserts, meters, pressure regulator valves, related labor, equipment, vehicles, and materials. This does not include replacement of meters that are operating outside of tolerances.

§10-4-71 Responsibility for equipment. (a) At the consumer's own risk and expense, the consumer shall furnish, install and keep in good, safe and operating condition all equipment that may be required for receiving, controlling, applying, and utilizing water. The department shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the consumer.

(b) Water service may be discontinued to any consumer whose water system includes plumbing fixtures or water containers in any form, or of any use, which in the opinion of the department may contaminate the Department’s water supply or may endanger the public

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water supply from a public health standpoint. Any such discontinuation of service shall continue until such objectionable fixtures or uses have been corrected, removed or discontinued, and the department is assured that the objectionable fixtures or uses will not be reinstalled or resumed.

(c) The department shall not be responsible for damage to property caused by spigots, faucets, valves, and other equipment that may be open when water is turned on at the meter either when turned on originally or when turned on after temporary shutdown.

(d) All water service connections and service laterals shall become the property of the department and shall be operated and maintained by the department.

(e) All equipment belonging to the Department and installed upon the consumer’s premises for measurement, test, check, or any other purpose, shall continue to be the property of the Department, and the Department may access the consumer’s premises at all reasonable times so that the equipment may be repaired, replaced or removed by the department without consent of the consumer. The consumer shall exercise reasonable care to prevent damage to meters and other equipment of the department upon said premises and shall in no way interfere with the operation of the same.

(f) Any cost to repair damage to water mains, service connections, valves, fire hydrants, or other property of the Department shall be paid for by the person or organization responsible for the damage. The consumer shall be liable for any damage to a meter or other equipment or property of contractors, licensees or permittees, on the consumer’s premises, and the Department shall be promptly reimbursed by the consumer for any such damage upon presentation of the bill there of. In the event settlement for such damage is not promptly made within thirty days, the department reserves the right to discontinue water service to such premises.

(g) When a meter is found to have been damaged by hot water or steam emanating from the premises

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served, the consumer shall pay for all costs required to repair the meter.

§10-4-72 Electrical grounding. (a) Protective grounding of alternating current secondary distribution circuits made to the water system shall conform in all details with the national electrical code of the national board of fire underwriters and with the county building code where the water system is located.

(b) The department shall not be responsible for any damage or injury caused by any electrical grounding.

(c) No grounding of direct current to any portion of the water system shall be permitted.

(d) No grounding other than as provided in this section shall be made to any portion of the water system without the department's written approval.

(e) The department shall not be responsible for the maintaining of a continuous metallic water piping system and reserves the right, without liability to public utility electric companies, electric consumers, or any other agency, consumer, or individual, to create a physical break in its service connections and mains, or to incorporate non-metallic pipes and appurtenances in its system and to make joints of any materials, without regard to their efficiency as conductors of electricity and without giving notice.

§10-4-73 Cross-connection control and backflow prevention. (a) No cross-connections with other water supplies shall exist or be installed, located, maintained or operated that could permit the flow of water or other liquids, mixtures, gases or other substances from the consumer's premises into the department's water system.

(b) It is unlawful for any person to make, maintain, or cause temporarily or permanently, any
cross-connection that has a potential for backflow between their plumbing pipes or water fixtures and the department's water system. Existing cross-connections between the department's water system and any auxiliary water supply shall be eliminated or protected by means of an approved backflow prevention assembly. Cross-connection control and backflow prevention requirements for facilities and/or premises shall be in accordance to the department's rules and standards.

(c) The department shall require the consumer to install an approved backflow prevention assembly at the consumer's expense for continued service or before a new service will be provided, whenever the consumer has an actual or potential situation for backflow condition within their premises and/or for any reason or cause deemed in the best interest of the Department. The assembly shall be located immediately downstream of the meter.

(d) The department may at its discretion, provide for the installation of an approved backflow prevention assembly to lessees and beneficiaries.

(e) If there is a need for uninterrupted water service, an additional backflow prevention assembly shall be installed in an approved manner to ensure continued water service whenever inspection, testing and repair procedures is being performed on any one of these assemblies.

(f) The consumer is solely responsible for the installation, maintenance, testing and repair of their backflow prevention assembly. The department will not be responsible for any loss or damage incurred by the consumer or owner as a result of non-compliance with the department's rules and standards.

(g) All installations shall conform to the uniform plumbing code, the county's code, and the department's rules and standards.

(h) Details of backflow prevention assemblies, showing both plan and elevation views, including size and location of devices, shall be submitted to the Department for review and approval prior to installation. The backflow prevention assemblies
shall be installed on the consumer side of the property line immediately downstream of the water meter. Connections between the meter and backflow assembly are not permitted. Installation heights shall conform to the department's standards.

(i) Backflow assemblies shall be installed above ground unless otherwise approved by the department.

(j) The department reserves the right to determine the type of backflow prevention installation based on a case-by-case evaluation. In situations where the hazard cannot be readily determined or access is restricted, a reduced pressure principle assembly or air-gap separation shall be required.

(k) Temporary water meter installations shall require installation of an approved backflow prevention assembly to protect the department's water system. The following conditions shall apply:

(1) Applications for temporary meter installations shall be made at the department on appropriate forms provided by the department. All costs and fees for the installation of the temporary water meter, backflow protection assembly and water use shall be paid by the consumer.

(2) The applicant shall install a department approved reduced pressure principle backflow preventer. The department shall inspect the installation and test the applicant's backflow preventer before activating the temporary service. Applicant shall be responsible for the maintenance, repair, and yearly testing of the backflow preventer.

(l) Conditions relative to the installation and maintenance of cross-connection control and backflow prevention referred to in this section shall be subject to change to meet changing requirements of the State and federal health authorities, the county's building and plumbing codes, and the department's rules.

(m) It is the responsibility of the consumer/owner to maintain all backflow prevention assemblies on the consumer's premises in good working
order. No piping or other arrangement for the purpose of bypassing backflow prevention assemblies shall be permitted. Upon request by the department, the consumer shall present an affidavit certifying that there are no cross-connections with other water supplies or other physical cross-connections installed, located, maintained, or operated that could permit backflow.

(n) Records of tests, repairs, parts and inspections shall be made on forms prescribed by the Department. The consumer shall furnish a copy of such records to the department. Failure of the consumer to make the proper tests and submissions of records may result in termination of service. The department has the option to schedule tests, needed repairs, and replacements at the expense of the consumer. Failure to pay for such costs shall be a cause for termination of water service.

(o) The department shall provide periodic testing and inspection schedules for all backflow prevention assemblies. Intervals between such testing, inspections and overhauls of each assembly shall be established in accordance with the degree of hazard, age and condition of the backflow assembly and the cost to do it shall be the responsibility of the consumer. The following maintenance requirements shall apply:

1. All backflow prevention assemblies shall be inspected and tested upon initial installation.

2. All backflow prevention assemblies shall be inspected and tested yearly.

3. If a backflow prevention device fails the requirements from a certified tester, the consumer is responsible for the costs to repair and for the device to be re-tested before being placed back into service. Wastewater facilities’ backflow prevention assemblies shall be inspected and tested every four months, immediately repaired if necessary, and retested before being placed back into service.

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(4) A certified general tester acceptable to the department shall perform the inspection and testing.

(5) Inspections and test of backflow prevention assemblies may be required at more frequent intervals as required by the department.

(6) Test equipment shall be certified by University of Southern California Foundation for Cross Connection Control and Hydraulic Research, calibrated by the manufacturer every two years, and shall maintain a precision of +/- 5% of the actual reading.

(p) All backflow prevention devices assemblies, testing, and record keeping shall be in accordance to the department’s backflow standard operating procedures.

(q) When a backflow prevention assembly fails in service the consumer shall notify the department. Repairs are the responsibility of the consumer. A certified general tester approved by the department shall perform the testing. Backflow prevention assembly test forms shall be completed and sent to the Department for confirmation that the device has been properly repaired and functions as required. Inspection and approval by the department shall be conducted before the device is put back into operation.

(r) When the department encounters water uses that represent a clear and immediate hazard to the department’s water supply that cannot be immediately abated, the department may terminate water service at the premises immediately. A written notice will be given to the consumer after water service termination. Conditions or water uses that create a basis for immediate water service terminations include, but are not limited to the following:

(1) Refusal to install or to test a backflow prevention assembly, or to repair or replace a faulty backflow prevention assembly.

(2) Direct or indirect connections between the department’s water system and a sewer line.

(3) Unprotected direct or indirect connections

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between the department’s water system and a system or equipment containing pollutants and/or contaminants.

(4) Unprotected direct or indirect connections between the department’s water system and an auxiliary water system.

(5) For other situations requiring backflow protection where there is not apparent and immediate hazard to the water supply, the department will terminate water service to a consumer’s premises after proper notification has been sent. The termination steps are the following:

(1) The consumer will be notified by letter of the department’s intent to terminate water service, allowing thirty calendar days to remedy the situation.

(2) If compliance has not been met, a letter to terminate water service will be issued stating that water service will be terminated with in five calendar days. Water service will not resume until the corrective action has been completed and approved by the department.

§10-4-74 Interruption of water supply and emergency conditions. (a) While the department shall exercise reasonable diligence and care to deliver an adequate supply of potable water under reasonable pressure, the department shall not be financially liable for any direct or consequential damages resulting from water supply interruption, shortage, insufficiency of supply, inadequate or excessive water pressure, leakage on the consumer’s premises, or temporary colored and turbid water quality conditions caused by emergency repair of water mains. The department further disclaims all warranties, expressed or implied, and reserves the right to shut off water mains for repairs, extensions, or alterations, and to terminate water service as provided herein for conservation measures, during emergency conditions and

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for other reasons deemed by the department to be necessary and proper without notice.

(b) The department may declare water shortage whenever the water supply becomes inadequate in any area because of a period of drought, an infrastructure or mechanical malfunction, natural disaster, or other event causing a water shortage. Whenever, in the department’s opinion, special conservation measures are advisable in order to forestall water shortage and/or an emergency, the department may restrict the use of water by any reasonable method of control including the procedures set forth below. The department shall also have the right to limit the quantity of water taken from any of its facilities. In determining the priorities in restricting the use of water, the health and safety of the public shall be given first consideration over other uses.

(c) When the department’s water supply usage exceeds the rate of resupply (when we are not able to meet demand), the commission may declare whether such condition constitutes a stage 1 minor emergency, a stage 2 moderate emergency, or a stage 3 severe emergency, whereupon the following user restrictions and penalties shall apply to use of water from the department’s sources:

(1) Stage 1 Minor Emergency Conditions:
   (A) No watering of lawns but this does not include the grass areas of public use athletic and physical education fields;
   (B) No washing of sidewalks, walkways, driveways, parking lots, or other impervious surface areas;
   (C) No washing of any building or structure except that high pressure, low water volume washers may be used;
   (D) No washing of any motor vehicle, boat, travel trailer other than for safety cleaning of windows;
   (E) No tap water served to customers at restaurants unless requested by the customer to whom it is provided;
   (F) No use of water for fire department
drills or burn house exercises; and
(G) Bulk water restrictions at the commission’s discretion.

(2) Stage 2 Moderate Emergency Conditions:
(A) All of the restrictions listed in subsection (c)(1) above;
(B) No washing of any building or structure;
(C) No use of water to fill any indoor or outdoor swimming pools or spas; and
(D) No use of water for operating private or public fountains or ponds for aesthetic or scenic uses.

(3) Stage 3 Severe Emergency Conditions:
(A) All of the restrictions listed in subsection (c)(1) and (2) above; and
(B) Shrubs, flowers and tree seedlings and vegetable gardens may only be hand watered or watered by manually initiated timer controlled irrigation systems.

(4) Upon first violation, the consumer will be issued a written notice of warning. Upon a second and additional violations, the consumer shall be fined in accordance with the rates established by the commission. Copies of these rates shall be on file and available at the department. Upon a third or additional violation, the consumer shall be issued a written notice of violation and water service to such consumer may be disconnected as determined by the commission.

(5) Any consumer notified of a violation of emergency conditions shall pay an emergency conditions violation fine. The emergency conditions violation fine shall be established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department. The fine will be included in the consumer’s next regular billing for
water service by the department. If the fine is not paid in accordance with billing procedures set forth in this subchapter it shall be subject to collections and the commission may elect to take whatever legal action is deemed necessary to collect unpaid fines and protect the assets of the commission.

(d) Any consumer contending that the mandatory water restrictions contained in this section constitute a public or personal health or safety hazard may apply for an exemption from, or modification of, the restriction by application to the commission. For good cause shown, the commission may modify any mandatory water use restriction applicable to such consumer or exempt the consumer from the subject restriction.

(e) The department shall notify consumers of emergency conditions by written communication through mailing, electronic posting, or the newspaper, or any combination thereof.

(f) The department reserves the right at any and all times to shut off water from the mains without notice for the purpose of making repairs, extensions, alterations, or for other reasons deemed necessary or in the best interest of the department. Consumers depending upon a continuous supply of water shall provide for their own emergency water storage and any check valves or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the department's mains. Repairs or improvements shall be completed as rapidly as practicable.

§10-4-75 Water pressure and elevation conditions. (a) The department shall exercise reasonable diligence and care to maintain adequate pressure in its water mains but accepts no responsibility for maintain such pressure.
(b) Where a premise is situated at such an elevation that it cannot be assured of a dependable supply or of adequate service from the department's distribution system, the consumer, in consideration of water service and connection to the department's system:

1. Shall agree to accept such service as the department is able to render from its existing facilities;

2. Shall agree to install, if necessary, and maintain at the consumer's expense a tank and pump, with an air gap between the consumer's supply pipe and the department's system, of suitable design and of sufficient capacity to furnish an adequate supply of water; and

3. Shall execute a written release in favor of the department for all claims on account of any inadequacy in the department's system or inadequacy of water supply to the premise.

(c) When the pressure of the department's supply fluctuates or is higher than that for which individual fixtures are designed, the consumer shall protect such fixtures by installing and maintaining pressure reducing and/or relief valves. The department shall not be liable for damage due to pressure conditions or for damages caused by or arising from the failure of, or the defective condition of such pressure regulators and/or relief valves, or for damage that may occur through the installation, maintenance, or use of such equipment.

§10-4-76 Water service rates. (a) Water rates for consumers shall be established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.

(b) Agricultural consumers are those consumers that actively engages in crop production, livestock raising, dairy farming, or aquaculture for commercial
production, and whose minimum gross annual income from such activities is $1,000 as shown by the consumer’s current State of Hawai‘i General Excise Tax License and General Excise/Use Tax Returns.

(c) Consumers who are actively engaged in crop production, livestock raising, dairy farming, or aquaculture for commercial food production, but do not meet the minimum gross annual income requirement to qualify as an agricultural consumer for a given year, because their crop, stock or service did not harvest or produce for that given year, may request a waiver of the income requirement for that year. If approved by the department, the same consumer may request further waivers of the income requirement for subsequent years.

(d) Agricultural consumers will have a separate meter to provide water for agricultural activities. The cost of providing an agricultural meter and backflow prevention device is the responsibility of the consumer.

(e) In the event the total water supply shall be insufficient to meet all of the needs of the consumers, or in the event there is a shortage of water, the Department may prorate the water available among the various consumers on such basis is deemed equitable by the Department, and may also prescribe a schedule of hours covering the use of water and require adherence thereto, provided that if at any time the total water supply shall be insufficient to meet all of the needs of the consumers for domestic and other purposes, the Department must first satisfy all of the needs of the consumers for domestic purposes before supplying any water for other purposes.

§10-4-77 Meter reading and rendering of bills.
(a) Meter readings and billings shall be on at least a bi-monthly basis, except for closing of accounts for special conditions with the approval of the department.
(b) Closing bills for shorter periods of time shall be determined by the sum of the charges per water meter reading and prorating of the monthly service charge. If a meter cannot be read, an estimated bill will be rendered.

(c) Bills for metered water service shall be on a per meter basis, and several separate meter readings shall not be combined in the event that a consumer has more than one metered installation on his or her premises.

§10-4-78 Obstructed meter fine. (a) The department shall charge the property owner an obstructed meter fine per billing period when access to the meter is significantly obstructed by landscaping or other barriers and the meter cannot be read. This fine shall be applied only after the property owner has been notified, via a door hanger, that the obstruction exists and that the problem must be corrected by the time of the next meter reading.

(b) The obstructed meter fine shall continue to be charged each billing period until such time as the obstruction has been removed. The obstructed meter fine shall be established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.

§10-4-79 Tampering fine. (a) The department shall levy a fine to the property owner for water services and/or meters which are tampered with and shall further charge the property owner, on a time and materials basis, the department's costs associated with any necessary repair to the water service connection and/or meter. Consumers are prohibited from using or tampering with the valve or stopcock before the meter. Meters which are tampered with shall be removed and will not be reinstalled until the Tampering Fine is paid. The tampering fine shall be
established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.

(b) In the event such charges shall remain unpaid for a period of thirty days following the date of billing, the department shall charge the late fee to the account. After sixty days the department shall certify such delinquency to the commission and turn the amount due to collections. The commission may elect to take whatever legal action is deemed necessary to collect unpaid fines and protect the assets of the commission.

§10-4-80 Payment of bills. All bills shall be due and payable within twenty-one days from the bill date. Payment shall be made at the office of the department or, at the department’s option, to duly authorized collectors of the department. If any bill is not paid within thirty days from the bill date, it shall be considered delinquent and the water service shall be subject to shut-off.

§10-4-81 Delinquency, shut-offs, and collections. (a) An account is delinquent when it is not paid in full within thirty days after the bill date and at that time the account the outstanding balance becomes subject to a monthly late fee as established in a resolution by the commission. A copy of the rates and fines resolution shall be on file and available at the department.

(b) When a delinquent account remains unpaid twenty-one days after the second regular billing water service will be shut-off/discontinued to the consumer.

(c) For those water charges not paid by the due date, a reminder notice will be sent to the consumer. The notice shall state the amounts and types of charges past due and the date by which such charges must be paid to avoid turn off procedures. The
reminder notice shall be placed in the United States mail during the next billing cycle.

(d) For those water charges not paid by the due date stated on the reminder notice, a shut-off notice shall be hung on the front door of the dwelling or hung on the property gate at least forty-eight hours prior to the scheduled actual shut-off. The department shall maintain a list of all shut-off notices indicating the time and location the notice was placed and by whom. The shut-off notice shall state the amounts and types of charges past due and the date and time such charges must be paid to avoid actual shut-off of services.

(e) All accounts determined to be unpaid forty-eight hours after a shut-off notice has been placed on the premises shall be listed and scheduled for shut-off. The forty-eight hours shall be counted on business days only and shall not include holidays or weekends. On the day scheduled for shut-off, daily payments will be reviewed to determine if any applicable payments have been received. The list as amended will then be delivered to the appropriate department personnel that will then shut off and lock those meters on the list.

(f) A delinquency fee established in a resolution by the commission shall be added to each account that has not been paid prior to the time indicated on the shut-off notice. The fee covers all costs associated with the delinquent collection process. The charge shall apply even if actual shut-off is not performed due to the payment of the past due balance made in the office just prior to shut-off.

(g) Water service will be reconnected the same day as disconnection if the outstanding bill and related charges are paid in full by close of business of the district office. If payment is not made prior to the close of business of the district office, the consumer’s water will not be reconnected until the next regular business day. No water will be reconnected after normal operating hours or on weekends.

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(h) A charge of one hundred fifty dollars shall be added to each account in which a meter is turned off and locked for nonpayment if the consumer or other party cuts the lock and turns the meter back on without prior approval of the department. The meter will be removed from the ground and the water service capped off. Water service shall not be reconnected until the consumer has paid the past due water charges, water disconnection charge, and the meter disconnection charge.

(i) An account remains disconnected or shut-off it will continue to accrue monthly base rate charges as well as late fees.

(j) An account that has been delinquent without response or payment for over six will be notified by certified mail that they are subject to collections and the commission may elect to take whatever legal action is deemed necessary to collect unpaid water bills and protect the assets of the commission. If no response is received by the department within two weeks of the date of the certified letter the account will be sent for collection.

(k) Each consumer about to vacate any premises supplied with water by the department shall give notice of their intention to vacate, specifying the date service should be discontinued. Otherwise, the consumer shall be responsible for all water service furnished to such premises until the Department has received a notice of discontinuance. The consumer and/or applicant shall be responsible for all charges resulting from non-notification. Before buildings are demolished, the department should be notified so the water service can be closed.

(l) The department shall provide written notice to the consumer fifteen days prior to discontinuing water service for any of the following reasons:

(1) Non-payment of bills. If the consumer fails to pay any fees due the department has the right to discontinues service as set forth in these rules.

(2) Noncompliance with rules and regulations. If
the consumer fails to comply with any of the departments rules and regulations, the department has the right to discontinue service.

(3) Unauthorized use of water. If a consumer or other person uses water without the authorization of the department, the department has the right to discontinue service.

(4) Wasteful use of water. If it is determined by the department that the consumer or other users are negligent or wasteful with water or are not putting the water to beneficial use the department may discontinue service.

(5) Service detrimental to others. The department may refuse to furnish water and may discontinue the service to any premises, where the demands are beyond the usage allotted to the consumer or results in inadequate service to others.

§10-4-82 Restoration of water service. (a) Water service shall not be resumed until all of the consumer's delinquent accounts, including all fees and reinstallation charges (which shall include the cost of labor, materials, transportation, holiday pay, overtime pay, and all other incidental charges) for reinstalling the meter and turning on the water, have been paid or until the consumer has entered into and signed an approved payment plan.

(b) The department may enter into a payment agreement with a consumer to facilitate the payment of delinquent water charges. Such agreements shall not exceed the term of five years, current charges must continue to be paid when due, and the agreement must be signed by the Department and the consumer. Breach of such an agreement by the consumer shall result in further collection efforts or disconnection.
§10-4-83 Meter test and adjustment of bill.  (a) All meters are tested prior to installation. Any consumer who has a reasonable doubt of the accuracy of the meter serving his premises may request a test of the meter. The consumer, if requested, shall be notified as to the time of the test and may witness the test if desired. No charge shall be made for meter tests unless such tests are requested more often than once every twelve months.

(b) If, as the result of the test, the meter is found to register more than five percent fast under conditions of normal operation, the department shall refund to the consumer the overcharge based on past consumption, for a period not exceeding six months, unless it can be proven that the error was due to some cause, the date of which can be determined and established. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

(c) The consumer has sole control of the water delivered beyond the department’s meter and the department is not responsible for the maintenance and repairs to pipes and fixtures beyond the meter.

(d) If the meter fails to register due to any cause except the non-use of water, an average bill may be rendered. Such average bill will be subject to equitable adjustment taking into account all factors before, during, and after the period of said bill.

§10-4-84 Unscheduled meter replacement. If a consumer requests a meter replacement prior to the scheduled routine change, the consumer will be billed for the service call plus the current cost of the meter. As is the case with all new meters, upon installation the meter becomes the property of the department.
§10-4-85 Leak adjustment. (a) When a consumer experiences a leak on within their water system/line, the consumer may request the department provide a leak adjustment to the water bill provided a leak adjustment has not been granted to the consumer within the twelve month period prior to request (only one leak adjustment per year shall be granted any single account) and the leak was reported to the Department and repaired within 30 days of detection. An adjustment shall be calculated for the latest single billing cycle which reflects the leak.

(b) If the consumer demonstrates that the leak is repaired within thirty days of department notice thereof, the consumer's account is credited as follows:

(1) The amount determined to have leaked is calculated as the total metered usage less use from the same period one year prior equals leaked water; and
(2) The revised water will be for the total metered usage less the estimated leaked water.

(c) No additional refunds will be considered or given.

(d) If there is not an existing valve on the consumer side of the meter, there shall be no credit processed on the account until a valve is installed.

(e) Department personnel will be dispatched to inspect the consumer’s meter to verify the leak has been repaired.

(f) Dripping faucets, leaking toilets or outdoor spigots that have been left running do not constitute a leak. This subsection only covers underground piping on the consumer’s side of the meter that has been compromised.

(g) If the consumer has extenuating circumstance a written appeal from this section may be made to the commission.
§10-4-86 Water charge adjustment. Errors in billing or collection shall be corrected in a timely manner by the Department. Resulting credits on accounts or refunds shall be made as expeditiously as possible. Disputed billings or other collection transactions shall be heard by the chairman or designee. Any appeals concerning utility rates or services, or interpretation or enforcement of these Rules are to be heard by the chairman. Any applicant aggrieved by the chairman’s decision may appeal to the commission by filing with the commission a written request for review no later than ten days after receiving the chairman’s decision.

§10-4-87 Insufficient funds fee. The department shall charge the consumer an insufficient funds fee (NSF) on all bank items/checks returned by the consumer's bank unpaid. The amount shall be equal to the amount charged by the financial institution but no less than fifteen dollars. The amount shall be applied to the consumer's account. On accounts where non-payable bank items/checks are submitted more than four times in one calendar year the department may require payment on the account to be made by cash, by certified or cashier's check or by money order, and may require a deposit to be held.

§10-4-88 Meter turn on/turn off fee. (a) The department shall charge a turn on/turn off fee equal to one hour of labor and overheads to those consumers requesting disconnection or reconnection of a water meter when not related to an account delinquency. The department shall apply such charges to the consumer’s account.

(b) Upon request and payment of a turn off fee the department shall turn off the water at the meter during regular business hours. Upon request and

Item C-3; Exhibit A
payment of a turn on fee, the department shall turn on the water at the meter during regular business hours.

§10-4-89 Connect/disconnect administration fee.
(a) The department shall levy a charge where a change in service status requires administrative action and/or a special meter reading by department personnel.
(b) In the event that a change in account status requires a special water meter reading by the department a fee equal to one hour of labor and overheads will be levied.
(c) In the event that a change in account status does not require a special water meter reading by the department the standard change of owner fee will be charged.

§10-4-90 Consumer’s sale of water. Unless specifically agreed upon by the department, the consumer shall not sell any water received or purchased from the department.

§10-4-91 Compensation. Employees of the Department are strictly forbidden to demand or accept personal compensation for services rendered.
§10-4-2 [General Plan—] Consistency with Plans. The department shall [develop and maintain a general plan providing] be guided by the plans, policies, and strategies developed pursuant to subchapter 4 of this chapter for the development and use of land needed for the purposes of the act. [The general plan shall be based upon sociological, financial and economic considerations, among others. A public hearing shall be held before a general plan is adopted or amended.] [Eff 7/30/81; am and comp 10/26/98; am and comp ] (Auth: HHC Act §222) (Imp: HHC Act, all)

SUBCHAPTER 4

PLANNING SYSTEM

§10-4-51 Purpose. The purpose of the planning system is to further the objectives of the act by systematically coordinating the management of Hawaiian home lands and programs in a manner that is comprehensive, consistent, and collaborative. [Eff and comp ] (Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-52 Definitions. As used in this subchapter, unless context clearly provides otherwise:
“Beneficiary consultation” means the department’s outreach to lessees, applicants, and native Hawaiians as defined by the act, and other interested persons as part of the department’s or commission’s decision-making process.
“Implementing action” means those actions that implement the plans and the overall planning strategy of the department, including but not limited to,
budgeting, rulemaking, adoption of procedures, and land dispositions.

"Plans" mean the general plan, island plans, program plans, development plans, regional plans, and special area plans. [Eff and comp ]
(Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-53 General framework. The planning system shall consist of a three-tier hierarchy of plans. Tier 1 is the top tier consisting of the general plan and shall establish overall policy. Tier 2 and Tier 3 are the lower tiers and shall be guided by the general plan. Tier 2 and Tier 3 focus with increasing specificity on programs or geographic areas. The planning system shall also include implementation mechanisms that link with the plans, as well as evaluation mechanisms to refine the plans and implementing actions. [Eff and comp ]
(Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-54 Adoption and amendment procedures. (a) Adoption. All plans in each of the three tiers shall be adopted by a majority vote of the commission. Any comprehensive update or interim amendment requires a majority vote of the commission to be effective. Beneficiary consultation shall be required as part of any comprehensive update or interim amendment.

(b) Comprehensive update. Comprehensive updates to plans provide an opportunity to refine or refocus based on changes in conditions, new trends, emerging issues, or past performance. Unless otherwise specified, an adopted comprehensive update shall supersede and void the entire previous plan.

(1) Tier 1. The general plan in tier 1 shall be updated at least every twenty years. The department at its discretion may initiate the update sooner than the twenty years but
no later than three years before the twenty-year lapse of the general plan;

(2) Tiers 2 and 3. The plans in tiers 2 and 3 shall be reviewed every eight years and updated at the discretion of the department if an update is justified.

(c) Interim amendments. Between comprehensive updates, any plan may be amended upon beneficiary consultation appropriate to the plan as set forth in section 10-4-60, and a majority vote by the commission. Initiation of the amendment may be as follows:

(1) The chairman may propose, in writing, interim amendments to any of the plans by first notifying the commission and then initiating beneficiary consultation appropriate to the plan as set forth in section 10-4-60;

(2) Upon adoption of tier 2 plans, the commission may concurrently amend the general plan, when appropriate, with applicable polices or maps supported by the tier 2 plan and without additional beneficial consultation already conducted for the tier 2 plan;

(3) A beneficiary or member of the public may submit an application form requesting the chairman to initiate interim amendments to any plan. The application form shall include information prescribed by the department. Upon receipt of a completed application form, the department shall have ninety days to respond to the application. Should the department initiate an amendment, the department shall prepare a report of its recommendation and initiate beneficiary consultation appropriate to the plan as set forth in section 10-4-60.

(d) Consistency and conflicts.

(1) Where conflicts exist among plans, the higher tier shall prevail over the lower tier.
[2] Implementation actions set forth in section 10-4-58 shall be consistent with applicable plans. A commission member, beneficiary, or interested member of the public, may request the commission review a proposed or past action by the department for consistency. The request must detail the disputed action and describe why the petitioner believes disputed action is inconsistent with a particular plan. The commission may direct the chairman to prepare a response to the request.

[3] Upon declaration of an emergency by the governor or mayor, the department may proceed with an action that is inconsistent with a plan, provided that the chairman has notified the commission. The chairman shall propose an amendment to the relevant plan or plans at the earliest practicable time to restore consistency.

(d) Repository. The department shall make available to the public through its website all current adopted plans as may be amended.

[Eff and comp ] (Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-55 General plan (tier 1). Based on the act, the general plan shall establish statewide polices that guide land management and programs. At a minimum, the general plan shall:

(1) Establish a uniform system of land use designations that all island plans shall use;

(2) Incorporate the most recent land use maps from adopted island plans;

(3) Establish the relationship between land use designations and the applicable types of land dispositions;

(4) Establish criteria to identify suitable lands for homesteading;

Item C-3; Exhibit B
(5) Establish criteria to determine available lands not required for homesteading within the planning period;
(6) Establish criteria to identify lands for revenue generation;
(7) Establish criteria to identify lands for community use and policies to govern how the community could manage such lands for community building;
(8) Establish level of service standards for infrastructure and community facilities, or specify a program plan or methodology to develop such standards; and
(9) Specify indicators to measure progress and evaluate effectiveness in meeting policy goals. [Eff and comp ]

(Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-56 Island and program plans (tier 2). (a) Island plans. Island plans shall be prepared for islands where there are over one hundred acres of Hawaiian home lands. If the landholdings are less than one hundred acres, the department may initiate a tier 3 plan. At a minimum, island plans shall:

(1) Apply the criteria from the general plan to identify suitable homestead lands, including areas for new development, infill, and redevelopment;
(2) Apply criteria to determine available lands not required for homesteading, including areas for revenue generation, community use, and other non-homesteading uses designated in the general plan;
(3) Prioritize the development or redevelopment of designated homestead lands based on defined criteria;
(4) Identify infrastructure requirements; and
(5) Determine the relationship to county zoning
and infrastructure standards and implications for enforcement and maintenance.

(b) Program plans. Program plans are statewide plans that inform or carry out general plan policies and priorities for specific functional areas, such as housing, native Hawaiian development, and water resources. Program plans may be specified in the general plan or initiated by the chairman. To initiate a program plan, the chairman shall propose the subject matter and scope of the plan to the commission, and upon a majority vote in favor, proceed with the preparation of the plan. [Eff and comp ] (Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-57 Development, regional, and special area plans (tier 3). (a) Development plans. Development plans provide more detail for specific projects identified in island plans for purposes of establishing feasibility, budget, and schedule. To assess feasibility, the development plan shall consider a diversity of housing types and prices appropriate for the target wait list, estimate development costs, and estimate the costs to be respectively borne by the department and the prospective lessees or licensees as the case may be. The budget presented in the adopted development plan shall be the basis for CIP budget requests. The chairman may select the projects identified in the island plan that require a development plan, and proceed with the preparation of the development plan upon notice to the commission.

(b) Regional plans. Regional plans build a sense of community and capacity, stimulate partnerships for development and improvements, facilitate beneficiary participation in issues and areas of concern, and identify priority projects within existing and planned homestead areas. The plan may focus on a particular homestead community or
several homestead communities in the region. At a minimum, the regional plan shall document current conditions and trends and identify a prioritized list of projects important to the community and the department. The chairman may initiate a regional plan by proposing the scope of the plan to the commission, which require a majority vote of the commission to proceed with the preparation of the plan.

(c) Special area plans. Where an island plan designates special districts, the chairman may initiate a special area plan by proposing, in writing, the scope of the plan to the commission, which require a majority vote of the commission to proceed with the preparation of the plan. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-58 Implementation. (a) Budgets, rules, procedures, land dispositions and other implementing actions shall be guided by the plans. The chairman shall develop a rational overall strategy to prioritize and allocate resources and present this strategy to the commission in the first year of the chairman’s term, which the chairman may amend and present to the commission as needed from time to time. At a minimum, the overall strategy shall: link budgets to policies, programs, and plans; establish homestead and revenue-generation development priorities; establish disposition strategies for unencumbered lands; and prioritize regional plan projects.

(b) Fiscal implementation. The department shall maintain a multi-year capital improvement program to be updated annually and approved by a majority vote of the commission. The funded projects shall be reasonably consistent with the plans and overall strategy. The initial fiscal year of the budget shall be a committed budget. The projected amounts for future years shall be for information only. The intent of the multi-year projection is to identify the funding needs for future phases of a project.
budget shall identify existing and potential funding sources that would be considered. The operational budget shall be reasonably consistent with the plans and overall strategy.

(c) Legal implementation. Legal implementation mechanisms include, without limitation, legislative amendments to the act; adoption, amendment, or repeal of administrative rules; and adoption of internal procedures. The chairman may pursue any of these mechanisms guided by the plans and overall strategy, with final approval by a majority vote of the commission.

(d) Land dispositions. The land dispositions issued by the department and approved by a majority vote of the commission shall be guided by the general plan, island plans, overall strategy, and any other applicable plan or policy adopted by the commission.

§10-4-59 Evaluation. The purpose of an evaluation system is to improve the planning system and implementation effectiveness. The chairman shall present an annual evaluation report to the commission, which may be combined with the report required under section 222 of the act. The general plan shall specify evaluation indicators, and the department shall collect and analyze pertinent data in the evaluation report. The chairman may include other measures of performance and effectiveness. The annual evaluation report shall include recommendations for improvements as applicable. The chairman shall bring to the attention of the commission development plans that are completed or outdated, and a majority vote of the commission shall void or update such plans.

Item C-3; Exhibit B
§10-4-60 Beneficiary Consultation. (a) Meaningful and timely consultation with beneficiaries promotes trust, partnership, and civic engagement. The type of consultation shall be appropriate to the potential impact of the decision or action.

(b) Types of consultation. The type of consultation is determined by the type of plan or implementing action:

(1) Comprehensive. Comprehensive consultation is statewide. Notice shall be provided to all existing homesteaders, all waiting lists applicants, and other native Hawaiians who have registered with the department. The notice shall describe the proposed action and the date, time, and place of a public meeting to be held on each island. Comprehensive consultation shall apply to the preparation and amendment of Tier 1 plans, preparation and amendment of program plans, and promulgation of administrative rules.

(2) Place-based. Place-based consultation is geographically specific. Notice shall be provided to existing homesteaders, waiting lists applicants, and other native Hawaiians who have registered with the department and who are associated with a geographic area impacted by the proposed action. The chairman shall determine the appropriate scope of the notice. The notice shall describe the proposed action and the date, time, and place of a public meeting to be held within the geographic area. Place-based consultation shall apply to the preparation and amendment of island plans, preparation and amendment of tier 3 plans, and proposed projects that require an environmental assessment or environmental impact statement.

(3) Ad hoc. Ad hoc consultation consists of the formation of an advisory body to provide input to the department for the preparation
and amendment of any plan or implementing action. The chairman may select the advisory body, subject to consultation and ratification by the commission, for the preparation or amendment of any plans. Such ad hoc consultation for the preparation and amendment of plans shall supplement and not replace comprehensive or targeted consultation. The chairman may select an ad hoc body for an implementing action and provide a report to the commission.

(c) Consultation methods. The department shall use its best effort to employ diverse and creative notification and participation methods that reach the intended audience in the most effective yet efficient manner.” [Eff and comp ] (Auth: HHC Act §222) (Imp: HHC Act, all)
DHHL Planning System

- **Strategic Program Plans**
  - Statewide, 3-6 year timeframe

- **Island Plans**
  - Regional, 20-year timeframe

- **Regional Plans**
  - Developed Areas, 2-4 year timeframe

- **Development Plans**
  - Undeveloped Areas, 10-year timeframe

- **Funding**
  - CIP, Operating Budget
  - 2-5 year timeframes

- **Legislation**
  - Administrative Rules
  - Amendment Process

- **Land Use**
  - Designations, Reviews
  - Amendment Process
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission
From: Dean T. Oshiro, Acting HSD Administrator
SUBJECT: Homestead Services Division Status Reports

RECOMMENDED MOTION/ACTION
NONE

DISCUSSION
The following reports are for information only:

Exhibit A: Homestead Lease & Application Totals and Monthly Activity Reports
Exhibit B: Delinquency Report
Exhibit C: DHHL Guarantee for FHA Construction Loans

ITEM NO. D-1
April 17, 2017

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through March 31, 2017

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<th>As of 3/31/17</th>
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The number of Converted Undivided Interest Lessees represents an increase of 396 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

|                  | As of 2/28/17 | Rescinded/ | As of 3/31/17 |
|------------------|---------------|Surrendered/|---------------|
|                  |               | Cancelled  |               |
| Undivided        | 932           | 0          | 1              | 931           |

Balance as of 2/28/2017

Awarded 1,434
Relocated to UNDV 7
Rescinded 107
Surrendered 5
Cancelled 2
Converted 396

Balance to Convert 931
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### Homestead Area and Islandwide Applications Waiting List Monthly Report for the Month Ending March 31, 2017

#### Area Waiting List

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<td>81</td>
<td>4,182</td>
<td>20</td>
<td>609</td>
<td>3</td>
<td>46</td>
<td>2</td>
<td>54</td>
<td>3</td>
<td>64</td>
<td>12</td>
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<tr>
<td>KAUAI</td>
<td>103</td>
<td>7,309</td>
<td>20</td>
<td>1,506</td>
<td>6</td>
<td>624</td>
<td>3</td>
<td>29</td>
<td>2</td>
<td>47</td>
<td>9</td>
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<tr>
<td>MAUI</td>
<td>77</td>
<td>7,075</td>
<td>16</td>
<td>1,505</td>
<td>5</td>
<td>376</td>
<td>1</td>
<td>95</td>
<td>3</td>
<td>197</td>
<td>7</td>
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<tr>
<td>TOTAL DIRECT</td>
<td>935</td>
<td>67,005</td>
<td>229</td>
<td>17,381</td>
<td>34</td>
<td>2,377</td>
<td>17</td>
<td>869</td>
<td>33</td>
<td>2,588</td>
<td>145</td>
</tr>
<tr>
<td>Advances (including RPT)</td>
<td>254</td>
<td>8,186</td>
<td>254</td>
<td>8,186</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>254</td>
<td>8,186</td>
<td>100%</td>
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<tr>
<td>DHHL LOANS &amp; Advances</td>
<td>1,189</td>
<td>75,192</td>
<td>483</td>
<td>25,567</td>
<td>34</td>
<td>2,377</td>
<td>17</td>
<td>869</td>
<td>287</td>
<td>10,775</td>
<td>145</td>
</tr>
</tbody>
</table>

### Loan Guarantees as of June 30, 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
<th>Amt</th>
<th>% of Totals 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA</td>
<td>1</td>
<td>112</td>
<td>0.0%</td>
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<tr>
<td>USDA-RD</td>
<td>321</td>
<td>43,178</td>
<td>17.1%</td>
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<tr>
<td>Habitat for Humanity</td>
<td>70</td>
<td>3,272</td>
<td>24.3%</td>
</tr>
<tr>
<td>Maui County</td>
<td>5</td>
<td>74</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nanakuli NHS</td>
<td>1</td>
<td>7</td>
<td>100.0%</td>
</tr>
<tr>
<td>City &amp; County</td>
<td>24</td>
<td>367</td>
<td>41.7%</td>
</tr>
<tr>
<td>FHA Interim</td>
<td>10</td>
<td>1,275</td>
<td>0.0%</td>
</tr>
<tr>
<td>OHA</td>
<td>88</td>
<td>987</td>
<td>5.7%</td>
</tr>
<tr>
<td>TOTAL GUARANTEE</td>
<td>520</td>
<td>49,273</td>
<td>16.9%</td>
</tr>
<tr>
<td>PMI Loans</td>
<td>253</td>
<td>44,894</td>
<td>13.0%</td>
</tr>
<tr>
<td>HUD REASSIGNED for Recovery</td>
<td>138</td>
<td>18,572</td>
<td>84.8%</td>
</tr>
<tr>
<td>FHA Insured Loans</td>
<td>2,610</td>
<td>421,315</td>
<td>92.5%</td>
</tr>
<tr>
<td>TOTAL INS. LOANS</td>
<td>3,201</td>
<td>484,781</td>
<td>8.9%</td>
</tr>
<tr>
<td>OVERALL TOTALS(Exc Adv/RP)</td>
<td>4,666</td>
<td>601,060</td>
<td>15.4%</td>
</tr>
<tr>
<td>ADJUSTED TOTALS</td>
<td>4,910</td>
<td>609,246</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

Note: HUD 184A loan program has 397 loans, with a total outstanding principal balance of $59,846,986.26 as of June 30, 2016. 11 loans, totaling $5,020,610.90, are delinquent.
WEST HAWAII
Direct Loans
Delinquency Ratio Report

Fiscal Year '16 - '17

- X Overall  → West Hawaii
April 17, 2017

SUBJECT: DHHL Guarantees for FHA Construction Loans

DISCUSSION: The Department issues guarantees to FHA lenders during the construction period of a home, as FHA does not insure the loan until the home is completed. The loan term for these loans do not exceed fifteen (15) months from the date of loan signing. The following FHA Interim Construction loans were issued guarantees:

*Note: FHA loans are insured by the U.S. Department of Housing and Urban Development (HUD) and do not impact the State’s guaranty ceiling.

<table>
<thead>
<tr>
<th>LEASE NO.</th>
<th>AREA</th>
<th>LESSEE</th>
<th>Loan Amount</th>
<th>Date Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>7118</td>
<td>Kawaihe</td>
<td>Kaneao, Tani M.U.W.</td>
<td>$184,000</td>
<td>2/27/17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>No.</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY Ending 6/30/16</td>
<td>6</td>
<td>$1,093,282</td>
</tr>
<tr>
<td>Previous Months</td>
<td>6</td>
<td>$1,865,759</td>
</tr>
<tr>
<td>This Month</td>
<td>1</td>
<td>184,000</td>
</tr>
<tr>
<td>FY ’16–’17 to date</td>
<td>7</td>
<td>$2,049,759</td>
</tr>
</tbody>
</table>
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
       Homestead Services Division

SUBJECT: Approval of Consent to Mortgage

RECOMMENDED MOTION/ACTION

To approve the following consents to mortgages for Federal Housing Administration (FHA) insured loans, Department of Veterans Affairs (VA) loans, United States Department of Agriculture, Rural Development (USDA, RD) guaranteed loans, United States Housing and Urban Development (HUD 184A) guaranteed loans and Conventional (CON) loans insured by private mortgage insurers.

DISCUSSION

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>LESSEE</th>
<th>LENDER</th>
<th>LOAN AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAHU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nanakuli</td>
<td>WAGNER-RAMAILA,</td>
<td>HomeStreet</td>
<td>$ 148,434</td>
</tr>
<tr>
<td>Lease No. 1824</td>
<td>Aulani L. (Cash Out Refi)FHA</td>
<td>Bank</td>
<td></td>
</tr>
<tr>
<td>TMK: 1-8-9-004:088</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaupea</td>
<td>APO, Frederick(Purchase)</td>
<td>HomeStreet</td>
<td>$ 525,876</td>
</tr>
<tr>
<td>Lease No. 12117</td>
<td></td>
<td>Bank</td>
<td></td>
</tr>
<tr>
<td>TMK: 1-9-1-140:029</td>
<td></td>
<td>FHA</td>
<td></td>
</tr>
<tr>
<td>Waimanalo</td>
<td>KANE, Aaron K. (Cash Out Refi)FHA</td>
<td>HomeStreet</td>
<td>$ 290,640</td>
</tr>
<tr>
<td>Lease No. 5982</td>
<td></td>
<td>Bank</td>
<td></td>
</tr>
<tr>
<td>TMK: 1-4-1-017:007</td>
<td></td>
<td>FHA</td>
<td></td>
</tr>
<tr>
<td>Maluohai</td>
<td>KAHAKUI, Andie P. (Cash Out Refi)FHA</td>
<td>HomeStreet</td>
<td>$ 206,562</td>
</tr>
<tr>
<td>Lease No. 9724</td>
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<td>Bank</td>
<td></td>
</tr>
<tr>
<td>TMK: 1-9-1-119:015</td>
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<td>FHA</td>
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ITEM NO. D-2
<table>
<thead>
<tr>
<th>Location</th>
<th>Lease No.</th>
<th>TMK:</th>
<th>Buyer</th>
<th>Seller</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAHU</td>
<td>Kaupea</td>
<td>11948</td>
<td>LONO, Michael K.</td>
<td>Mann Mortgage LLC</td>
<td>$323,000</td>
</tr>
<tr>
<td></td>
<td>TMK: 1-9-1-139:035</td>
<td></td>
<td>(Cash Out Refi)FHA</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Kaupea</td>
<td>11422</td>
<td>BASUG, Terrence H.</td>
<td>Mann Mortgage LLC</td>
<td>$228,000</td>
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<tr>
<td></td>
<td>TMK: 1-9-1-139:136</td>
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<td>(Purchase)FHA</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Leialii</td>
<td>11490</td>
<td>FLORES, Carolyn P.</td>
<td>Golden Empire</td>
<td>$248,000</td>
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<tr>
<td></td>
<td>TMK: 2-4-5-036:009</td>
<td></td>
<td>(Cash Out Refi)FHA</td>
<td>Mortgage Inc.</td>
<td></td>
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<tr>
<td></td>
<td>Kanehili</td>
<td>11624</td>
<td>WINCHESTER, Eugene E. K.</td>
<td>Siwell Inc., dba Capital Mortgage Services of Texas</td>
<td>$533,000</td>
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<tr>
<td></td>
<td>TMK: 1-9-1-153:174</td>
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<tr>
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<td>Nanakuli</td>
<td>3659</td>
<td>KAIKALA, David K. K.</td>
<td>HomeStreet Bank</td>
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<tr>
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<td>TMK: 1-8-9-002:009</td>
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<td>(Purchase)HUD 184A</td>
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<tr>
<td></td>
<td>Nanakuli</td>
<td>7353</td>
<td>VIERRA, Lurline L.</td>
<td>HomeStreet Bank</td>
<td>$133,120</td>
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<td></td>
<td>TMK: 1-8-9-016:065</td>
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<tr>
<td></td>
<td>Princess Kahanu Estates</td>
<td>8467</td>
<td>ADAMS, Rickie A. E.</td>
<td>Guild Mortgage Co.</td>
<td>$288,000</td>
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<td></td>
<td>TMK: 1-8-7-042:094</td>
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<td>(Purchase)FHA</td>
<td></td>
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<tr>
<td></td>
<td>Kaupea</td>
<td>11432</td>
<td>GOODWIN, Ginger L. K.</td>
<td>Bank of Hawaii</td>
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<td>TMK: 1-9-1-139:105</td>
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<td>(Rate/Term Refi)HUD 184A</td>
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 ITEM NO. D-2
<table>
<thead>
<tr>
<th>Location</th>
<th>Lease No.</th>
<th>Name, Relationship</th>
<th>Address</th>
<th>Bank</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>OAHU</td>
<td>5337</td>
<td>ROBLES, Reuben P.</td>
<td>ROBLES,</td>
<td>Bank of Hawaii</td>
<td>$303,000</td>
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<td></td>
<td>8597</td>
<td>SPENCER, Samuel P.</td>
<td>SPENCER,</td>
<td>Bank of Hawaii</td>
<td>$185,840</td>
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<td></td>
<td>12809</td>
<td>MIGUEL, Margaret</td>
<td>MIGUEL,</td>
<td>HomeStreet Bank</td>
<td>$69,000</td>
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<td>12796</td>
<td>DECASTA, Henry, Jr.</td>
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<td>$80,000</td>
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<td>12797</td>
<td>YUEN-CARVALHO, Tania A. K.</td>
<td>YUEN-CARVALHO,</td>
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<td>$80,000</td>
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<td></td>
<td>8321</td>
<td>AIWOHLI, Thelma L. H. H.</td>
<td>AIWOHLI,</td>
<td>High Techlend Inc.</td>
<td>$274,000</td>
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<tr>
<td></td>
<td>5205</td>
<td>DUNCAN, Herbert D., Sr.</td>
<td>DUNCAN,</td>
<td>HomeStreet Bank</td>
<td>$259,500</td>
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<td></td>
<td>3103</td>
<td>HAWELU, John A., Jr.</td>
<td>HAWELU,</td>
<td>Siwell Inc., dba Capital Mortgage Services of Texas</td>
<td>$195,000</td>
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</table>

ITEM NO. D-2
<table>
<thead>
<tr>
<th>Area</th>
<th>Address</th>
<th>Lease No.</th>
<th>TMK</th>
<th>Lender</th>
<th>Loan Amount</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>OAHU</td>
<td>Princess Kahanu Estates</td>
<td>8449</td>
<td>1-8-7-042:076</td>
<td>HO, Gariann B. K. (Cash Out Refi) FHA</td>
<td>$284,000</td>
<td>Siwell Inc., dba Capital Mortgage Services of Texas</td>
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<tr>
<td>MAUI</td>
<td>Leialii</td>
<td>11510</td>
<td>2-4-5-036:096</td>
<td>HAINA, Anela N. (Cash Out Refi) FHA</td>
<td>$234,000</td>
<td>Golden Empire Mortgage Inc.</td>
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<tr>
<td></td>
<td>Waiehu 2</td>
<td>9455</td>
<td>2-3-2-022:017</td>
<td>KUPAU, Leonard (Purchase USDA, RD)</td>
<td>$229,000</td>
<td>Mason McDuffie Mortgage Corp.</td>
</tr>
<tr>
<td></td>
<td>Waiehu 4</td>
<td>12222</td>
<td>2-3-2-025:027</td>
<td>KAINA, John D., Jr. (Cash Out Refi) FHA</td>
<td>$343,000</td>
<td>Golden Empire Mortgage Inc.</td>
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<tr>
<td></td>
<td>Waiohuli</td>
<td>7657</td>
<td>2-2-2-027:134</td>
<td>RAPOZO, Charles M. (Cash Out Refi) FHA</td>
<td>$358,000</td>
<td>Golden Empire Mortgage Inc.</td>
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<tr>
<td></td>
<td>Waiehu 3</td>
<td>9950</td>
<td>2-3-2-024:099</td>
<td>TORRICER, Clement T., Jr. &amp; TORRICER, Sylvia (Rate/Term Refi) FHA</td>
<td>$275,277</td>
<td>HomeStreet Bank</td>
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<tr>
<td></td>
<td>Waiehu 3</td>
<td>9937</td>
<td>2-3-2-024:083</td>
<td>VIERRA, Christopher (1 Step Construction) FHA</td>
<td>$328,838</td>
<td>HomeStreet Bank</td>
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</table>
MAUI
Waiehu 4
Lease No. 12203
TMK: 2-3-2-025:033
KALAMA,
Rodney K. (Rate/Term Refi) FHA
Mann Mortgage LLC $ 230,000

KAUAI
Anahola
Lease No. 6569
TMK: 4-4-8-018:018
DUARTE,
Damien L. (Cash Out Refi) FHA
Siwell Inc., dba Capital Mortgage Services of Texas $ 440,000

HAWAII
Kaniohale
Lease No. 9387
TMK: 3-7-4-023:074
KUAILANI,
Kacy N. (Cash Out Refi) FHA
Golden Empire Mortgage Inc. $ 227,000

Keaukaha
Lease No. 10013
TMK: 3-2-1-023:049
MCKEAGUE,
Darryl A. (Cash Out Refi) FHA
HomeStreet Bank $ 119,370

Kaniohale
Lease No. 9269
TMK: 3-7-4-022:056
WEZA,
Keola (Cash Out Refi) HUD 184A
HomeStreet Bank $ 193,162

Panaewa
Lease No. 5272
TMK: 3-2-2-061:076
DINKEL,
Erryn K. (Cash Out Refi) FHA
HomeStreet Bank $ 207,703

Panaewa
Lease No. 3898B
TMK: 3-2-2-061:077
CROWLEY,
Lovette E. (Cash Out Refi) HUD 184A
Bank of Hawaii $ 474,952

Keaukaha
Lease No. 12814
TMK: 3-2-1-020:101
KAEHUAEBE,
Julia K. (Purchase) FHA
Mason McDuffie Mortgage Corp. $ 190,000

ITEM NO. D-2

-5-
<table>
<thead>
<tr>
<th>RECAP</th>
<th>FHA</th>
<th>VA</th>
<th>USDA-RD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO. AMOUNT</td>
<td>NO. AMOUNT</td>
<td>NO. AMOUNT</td>
</tr>
<tr>
<td>FY Ending 6/30/16</td>
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<td>12 $3,377,277</td>
</tr>
<tr>
<td>Prior Months</td>
<td>208 $49,358,828</td>
<td>7 $2,531,043</td>
<td>7 $1,224,000</td>
</tr>
<tr>
<td>This Month</td>
<td>29 $7,394,390</td>
<td>0 0</td>
<td>1 $229,000</td>
</tr>
<tr>
<td>Total FY '16-'17</td>
<td>237 $56,753,218</td>
<td>7 $2,531,043</td>
<td>8 $1,453,000</td>
</tr>
<tr>
<td>HUD 184A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY Ending 6/30/16</td>
<td>86 $21,900,651</td>
<td></td>
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</tr>
<tr>
<td>Prior Months</td>
<td>79 $19,122,678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This Month</td>
<td>6 $1,479,541</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FY '16-'17</td>
<td>85 $20,602,219</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator

Homestead Services Division

SUBJECT: Approval of Refinance of Loans

RECOMMENDED MOTION/ACTION

To approve the refinancing of loans from the Hawaiian Home General Loan Fund.

DISCUSSION

There are lessees who are seriously delinquent on their loans, but have been making consistent payments for twelve (12) months or more. These lessees have been trying to pay an additional amount above and beyond the required payment in an effort to reduce their delinquency amount. However, because the delinquency amount is large, it would take years for that amount to be paid in full.

HSD’s recommendation for approval is based on actual payment history, at minimum, over the preceding twelve (12) months. If a lessee has demonstrated a conscientious effort to reduce the delinquency amount by making consistent monthly payments for twelve months, HSD will recommend that the lessee’s loan balance be refinanced. Loan refinancing will provide a deserving lessee a new start in establishing a credit standing.

The following lessee(s) has met the aforementioned criteria and is recommended for loan refinancing:

ITEM NO. D-3
<table>
<thead>
<tr>
<th>LESSEE</th>
<th>LEASE NO. &amp; AREA</th>
<th>REFINANCING LOAN TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryder-Anderson, Tiare R.</td>
<td>9224, Kaniohale</td>
<td>NTE $14,300, 6.3% interest per annum, payment NTE $139 monthly, repayable over 10 years.</td>
</tr>
</tbody>
</table>

Loan Purpose: Refinance contract of loan no. 17780. Original loan amount of $23,237 at 3% per annum, $140 monthly payable over 18 years. A Contested Case Hearing was held for this account on March 25, 2014.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
Homestead Services Division

SUBJECT: Approval of Streamline Refinance of Loans

RECOMMENDED MOTION/ACTION

To approve the refinancing of loans from the Hawaiian Home General Loan Fund.

DISCUSSION

The following lessees have met the "Streamline/Interest rate reduction loan" criteria, which was approved by the Hawaiian Homes Commission at its August 19, 2013 meeting. This criteria includes twelve (12) consecutive monthly payments, borrower’s current interest rate is higher than the current DHHL interest rate, current with their Homeowners Insurance, Real Property Tax, Lease Rent, county sewer/refuse fees, and does not have any advances made by DHHL on the borrowers behalf.

HSD’s recommendation for approval is based on actual payment history, over the past twelve (12) months and the review of the above-mentioned criteria. Streamline/Interest Rate Loan refinancing will provide lessees a chance to simply reduce their interest rate and payments without DHHL having to credit and/or income qualify the borrower.

The following lessee(s) has met the aforementioned criteria and is recommended for Streamline/Interest rate reduction loan refinance program:
<table>
<thead>
<tr>
<th>LESSEE</th>
<th>LEASE NO. &amp; AREA</th>
<th>REFINANCING LOAN TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galdeira, Donna P.</td>
<td>8741, Kurtistown</td>
<td>NTE $79,000 @4.5% interest per annum, NTE $401 monthly, repayable over 30 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loan Purpose: Refinance of loan nos. 15327 and 15328. Original loan amounts of $82,000 and $11,650 at 6.25% per annum, $505 and $72 monthly, respectively, both repayable over 30 years. A Contested Case Hearing was held for this account on 2/25/16.</td>
</tr>
<tr>
<td>Kawewehi, Antoinette</td>
<td>11704, Kanehili</td>
<td>NTE $180,000 @4.5% interest per annum, NTE $925 monthly, repayable over 30 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loan Purpose: Refinance of loan no. 18760. Original loan amount of $209,445 at 4.625% per annum, $1,242 monthly, repayable over 30 years. No Contested Case Hearing was held for this account.</td>
</tr>
<tr>
<td>Makasobe, Henry</td>
<td>9983, Nanakuli</td>
<td>NTE $218,000 @4.5% interest per annum, NTE $1,105 monthly, repayable over 30 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loan Purpose: Refinance of loan no. 18741. Original loan amount of $216,423 at 5.25% per annum, $1,332 monthly, repayable over 30 years. A Contested Case Hearing was held on 9/25/12 for this account.</td>
</tr>
<tr>
<td>LESSEE</td>
<td>LEASE NO. &amp; AREA</td>
<td>REFINANCING LOAN TERMS</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Kelson, Ashferd</td>
<td>1089A, Keaukaha</td>
<td>NTE $133,900 @4.5% interest per annum, NTE $1,025 monthly, repayable over 15 years.</td>
</tr>
</tbody>
</table>

Loan Purpose: Refinance of loan no. 18304. Original loan amount of $140,648 at 6% per annum, $844 monthly, repayable over 30 years. No Contested Case Hearing was held for this account.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
        Homestead Services Division

SUBJECT: Approval to Schedule Loan Delinquency Contested Case Hearings

RECOMMENDED MOTION/ACTION

To authorize the scheduling of the following loan delinquency contested case hearings as shown below.

DISCUSSION

The department has been working to resolve the problem of loan delinquencies. The past due delinquent loan status with lessees continues to be a problem for the department; therefore, we recommend that contested case hearings be scheduled:

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Lease No.</th>
<th>Area</th>
<th>Loan No.</th>
<th>Monthly Payment</th>
<th>Amount at 3/17</th>
<th>Balance At 3/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decoito, Gladys</td>
<td>8282</td>
<td>Waiakea</td>
<td>17427</td>
<td>$437</td>
<td>$12,232</td>
<td>$67,118</td>
</tr>
<tr>
<td>Kalahiki-Miyasato, Amelia M.</td>
<td>10205</td>
<td>Piihonua</td>
<td>18315</td>
<td>$1,347</td>
<td>$35,210</td>
<td>$238,664</td>
</tr>
<tr>
<td>Kuamoo, Debra</td>
<td>1078</td>
<td>Keaukaha</td>
<td>18014</td>
<td>$494</td>
<td>$10,492</td>
<td>$108,666</td>
</tr>
<tr>
<td>Poai, George</td>
<td>1082</td>
<td>Keaukaha</td>
<td>12094</td>
<td>$206</td>
<td>$22,480</td>
<td>$30,987</td>
</tr>
<tr>
<td>Oahu</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waiamau, Dorothy</td>
<td>8742</td>
<td>Nanakuli</td>
<td>18415</td>
<td>$199</td>
<td>$1,462</td>
<td>$26,830</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18416</td>
<td>$304</td>
<td>$3,913</td>
<td>$32,850</td>
</tr>
<tr>
<td>Robins, Harry B.K., Jr.</td>
<td>4647</td>
<td>Kaupea</td>
<td>TBD - ASB</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Buyback</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ITEM NO. D-5
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Keola, Simeon &amp;</td>
<td>4495</td>
<td>Nanakuli</td>
<td>17571</td>
<td>$498</td>
<td>$11,052</td>
<td>$64,480</td>
</tr>
<tr>
<td>Keola, William</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator

FROM: Ross K. Kapeliela, Application Officer
Homestead Services Division

SUBJECT: Approval of Homestead Application Transfers/Cancellations

RECOMMENDED MOTION/ACTION

To approve the transfers and cancellations of applications from the Application Waiting Lists for reasons described below:

DISCUSSION

1. Requests of Applicants to Transfer

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

KEAWE, Louisa P. 09/20/2010 HAWAI'I  AGR 01/20/2017

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

CHO, George 11/16/2005 HAWAI'I  RES 01/20/2016

KEAWE, Louisa P. 09/20/2010 HAWAI'I  RES 01/20/2017

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

KALAMA-DUTRO, Gwendolyn L. 05/30/2007 KAUAI  RES 01/09/2017

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

KALAMA-DUTRO, Gwendolyn L. 06/16/1987 KAUAI  AGR 01/09/2017

PAHIO, Elaine K. 03/20/1997 OAHU  AGR 10/17/2016

ITEM NO. D-6
<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
<th>County</th>
<th>Category</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>HO, Stephen I.L.</td>
<td>03/31/2005</td>
<td>OAHU</td>
<td>RES</td>
<td>03/29/2016</td>
</tr>
<tr>
<td>PAHIO, Elaine K.</td>
<td>04/21/1997</td>
<td>OAHU</td>
<td>RES</td>
<td>10/17/2016</td>
</tr>
<tr>
<td>YOSHIMITSU, Frances L.</td>
<td>11/21/1991</td>
<td>OAHU</td>
<td>RES</td>
<td>01/20/2016</td>
</tr>
<tr>
<td>SPENCER, Arnold P.</td>
<td>04/17/1985</td>
<td>OAHU</td>
<td>RES</td>
<td>01/19/2016</td>
</tr>
</tbody>
</table>

2. Deceased Applicants

NONE FOR SUBMITTAL

3. Awards of Leases

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
</table>
MAUI ISLANDWIDE AGRICULTURAL LEASE LIST


MAUI ISLANDWIDE RESIDENTIAL LEASE LIST


HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST


KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST


MOLOKAI ISLANDWIDE RESIDENTIAL LEASE LIST


4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

KIPI, Nathan Succeeded to 05/27/2008 Oahu Islandwide Agricultural application of father, Jonathan K. Kipi. Remove application dated 03/23/2015.

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL

<table>
<thead>
<tr>
<th>Last Month's Transaction Total</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Month's Cumulative FY 2015-2016 Transaction Total</td>
<td>176</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfers from Island to Island</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deceased</td>
<td>0</td>
</tr>
</tbody>
</table>

Cancellations:

- Awards of Leases: 13
- NHQ: 0
- Voluntary Cancellations: 0
- Successorship: 2
- Additional Acreage: 0
- HHC Adjustments: 0

<table>
<thead>
<tr>
<th>This Month's Transaction Total</th>
<th>27</th>
</tr>
</thead>
</table>

| This Month's Cumulative FY 2016-2017 Transaction Total | 203 |
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator

FROM: Ross K. Kapeliela, Applications Officer
Homestead Services Division

SUBJECT: Commission Designation of Successors to Application Rights - Public Notice 2015

RECOMMENDED MOTION/ACTION

To designate the following individuals as successors to the application rights of deceased applicants who have no qualified successors of record.

DISCUSSION

The following qualified applicants passed away on or after October 26, 1998, without naming qualified successors. Pursuant to 10-3-8(c) of the Hawaii Administrative Rules, a public notice listing the names of deceased applicants and calling for possible successors to their application rights was published in the Honolulu Star-Advertiser, The Maui News, Hawaii Tribune Herald, West Hawaii Today, and The Garden Island on the last two consecutive Sundays of November for the year the department received notification. Requests to succeed to the decedents’ application rights were submitted within the required 180 days following the last date of publication. The prospective successors below are deemed by the department to have met the requirements of successorship; accordingly, HSD recommends approval of the following designees:

1. Deceased Applicant:
   Raymond M. Ahana
   Date of death: June 5, 2015
   Successor to application rights: Yolanda M. Ahana
   Relationship to decedent: Spouse
   Island: Maui Islandwide
   Type: Agricultural
   Date of Application: January 7, 1987
   Date of Public Notice: November, 2015

ITEM NO. D-7
2a. Deceased Applicant:
   Date of death: September 9, 2010
   Successor to application rights: Nathan Kipi
   Relationship to decedent: Child
   Island: Oahu Islandwide
   Type: Agricultural
   Date of Application: May 27, 2008
   Date of Public Notice: November, 2015

2b. Island:
   Type: Residential
   Date of Application: May 27, 2008
   Date of Public Notice: November, 2015

| Previous Cumulative Total for Current FY | 31 |
| Current Month's Total                  | 3  |
| Fiscal Year Total: July 2016-June 2017 | 34 |
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Approval of Designation of Successors to Leasehold
Interest and Designation of Persons to Receive the Net
Proceeds

RECOMMENDED MOTION/ACTION

To approve the designation of successor to the
leasehold interest and person to receive the net proceeds,
pursuant to Section 209, Hawaiian Homes Commission Act, 1920,
as amended. This designation was previously approved by the
Chairman.

*See attached list of Lessee.

Leasehold Interest:
Ratified for April 2017 17
Previous FY 2016 - 2017 70
FY 2016 - 2017 Total to Date 87
Ratified for FY '15 - '16 90

Net Proceeds
Ratified for April 2017 0
Previous FY 2016 - 2017 0
FY 2016 - 2017 Total to Date 0
Ratified for FY '15 - '16 2

ITEM NO. D-8
LIST OF LESSEES WHO DESIGNED SUCCESSORS TO THEIR LEASEHOLD INTEREST FOR MONTH OF APRIL 2017

Deceased Lessee

1. Albert L. Akiona, Sr.
Lot No.: 12
Area: Kewalo, Oahu
Lease No. 609

Designated Successor

PRIMARY:
Omit Minnie K. Akiona,
Wife, due to lack of
genealogy documents to
determine eligibility for
successorship

ALTERNATE:
Lucy K. A. Finnegan,
Daughter

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

2. John Rawlins B. Apiki
Lot No.: 104
Area: Waianae, Oahu
Lease No. 8938

PRIMARY:
Tasha Ann L. Apiki, Sister

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

3. Ronald K. Auld, Sr.
Lot No.: 6
Area: Panaewa, Hawaii
Lease No. 6875

PRIMARY:
Lyle Auld, Son

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

-1-
ITEM NO. D-8
Exhibit A
<table>
<thead>
<tr>
<th>Deceased Lessee</th>
<th>Designated Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Don E. Kaapuni</td>
<td>PRIMARY: Isaac M. K. Albino, Son</td>
</tr>
<tr>
<td>Lot No.: 33</td>
<td>ALTERNATE: N/A</td>
</tr>
<tr>
<td>Area: Kalamaula, Molokai</td>
<td>DESIGNEE TO RECEIVE NET PROCEEDS: N/A</td>
</tr>
<tr>
<td>Lease No. 5873</td>
<td></td>
</tr>
<tr>
<td>5. Eugene P. Kahai</td>
<td>PRIMARY: Donna Lou I Kahai, Wife</td>
</tr>
<tr>
<td>Lot No.: 232B</td>
<td>ALTERNATE: N/A</td>
</tr>
<tr>
<td>Area: Nanakuli, Oahu</td>
<td>DESIGNEE TO RECEIVE NET PROCEEDS: N/A</td>
</tr>
<tr>
<td>Lease No. 3613</td>
<td></td>
</tr>
<tr>
<td>6. Peter Aka Kahanaoi</td>
<td>PRIMARY: Paul Kahanaoi, Son</td>
</tr>
<tr>
<td>Lot No.: 4442</td>
<td>ALTERNATE: Joint Tenants</td>
</tr>
<tr>
<td>Area: Waianae, Oahu</td>
<td>Karen Cabrinha, Daughter, Steven Kahanaoi, Son</td>
</tr>
<tr>
<td>Lease No. 95</td>
<td>DESIGNEE TO RECEIVE NET PROCEEDS: N/A</td>
</tr>
<tr>
<td>7. Edward R. K. Kahihikolo</td>
<td>PRIMARY: Joint Tenants</td>
</tr>
<tr>
<td>Lot No.: 3943</td>
<td>Annette Kahihikolo, Wife</td>
</tr>
<tr>
<td>Area: Waimanalo, Oahu</td>
<td>Michelle Williams, Daughter</td>
</tr>
<tr>
<td>Lease No. 62</td>
<td>Edsol Kahihikolo, Son</td>
</tr>
<tr>
<td></td>
<td>Lisa Kahihikolo, Daughter</td>
</tr>
<tr>
<td></td>
<td>ALTERNATE: N/A</td>
</tr>
<tr>
<td></td>
<td>DESIGNEE TO RECEIVE NET PROCEEDS: N/A</td>
</tr>
</tbody>
</table>

ITEM NO. D-8
Exhibit A
Deceased Lessee

8. Eleanor K. Kaliko
Lot No.: 128B1
Area: Nanakuli, Oahu
Lease No. 1779

Designated Successor

PRIMARY:
Gwendolyn K.K. Hepa,
Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

9. Valerie K. Kauhi
Lot No.: 226A
Area: Keaukaha, Hawaii
Lease No. 2732

PRIMARY:
Adelaide A. Kauhi, Mother

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

10. Eldon G. K. Keaunui
Lot No.: 41B
Area: Papakolea, Oahu
Lease No. 870

PRIMARY:
Brenda-Lyn Keaunui-
Rattley, Niece

ALTERNATE:
Omit Colbey K. Keaunui,
Nephew, due to lack of
genealogy documents to
determine eligibility for
successorship

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A
Deceased Lessee

11. Ira C. Kekaulualua
Lot No.: 52
Area: Makuu, Hawaii
Lease No. 6996

Designated Successor

PRIMARY:
Barbara, K. Kekaulualua,
Wife

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

12. Ira C. Kekaulualua
Lot No.: 18
Area: Waiakea, Hawaii
Lease No. 6831

PRIMARY:
Rowena H. Roan, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

13. Leora O. Mahoe
Lot No.: 113-A
Area: Keaukaha, Hawaii
Lease No. 1408

PRIMARY:
John N. Mahoe, Husband

ALTERNATE: Tenants In
Common
Cramer L.H. Mahoe, Son
John N. Mahoe, Jr., Son

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

14. Walter F. Miller
Lot No.: 31
Area: Waiakea, Hawaii
Lease No. 11187

PRIMARY:
Norrie Judd, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A
15. Patrick K. Nakoa, Jr.
Lot No.: 44
Area: Waimanalo, Oahu
Lease No. 8213

Deceased Lessee

16. Nora U. Stant
Lot No.: 6A
Area: Waimanalo, Oahu
Lease No. 3767

Designated Successor

17. Alice P. Tavares
Lot No.: 165B-1
Area: Keaukaha, Hawaii
Lease No. 6340

Designated Successor

PRIMARY:
Lyanna Nakoa, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

PRIMARY:
Noralei A. Stant, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

PRIMARY:
Viane K. Tavares, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Approval of Assignment of Leasehold Interest

RECOMMENDED MOTION/ACTION

To approve the assignment of the leasehold interest, pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended, and subject to any applicable terms and conditions of the assignment, including but not limited to the approval of a loan.

DISCUSSION

Twenty seven (27) assignments of lease.

<table>
<thead>
<tr>
<th>LESSEE</th>
<th>TRANSFEREE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Gilmore K. Awong</td>
<td>Name: Logan K. K. Awong</td>
</tr>
<tr>
<td>Res. Lease No.: 1687</td>
<td>Relationship: Son</td>
</tr>
<tr>
<td>Lease Date: 11/29/1946</td>
<td>Loan Assump: No</td>
</tr>
<tr>
<td>Lot No.: 177B</td>
<td>Applicant: No</td>
</tr>
<tr>
<td>Area/Island: Nanakuli, Oahu</td>
<td></td>
</tr>
<tr>
<td>Property Sold: Yes</td>
<td></td>
</tr>
<tr>
<td>Amount: $203,645.00</td>
<td></td>
</tr>
<tr>
<td>Improvements: 5 bedroom, 2-1/2 bath dwelling</td>
<td></td>
</tr>
<tr>
<td>Reason for Transfer: &quot;Giving it to my son, Logan.&quot; Special Conditions: Transferee to obtain funds to pay purchase price.</td>
<td></td>
</tr>
</tbody>
</table>

ITEM NO. D-9
2. Name: Cynthia K. Blair  
   Res. Lease No.: 6010  
   Lease Date: 4/26/1990  
   Lot No.: 22  
   Area/Island: Kekaha, Kauai  
   Property Sold: No  
   Amount: N/A  
   Improvements: 2 bedroom, 2-1/2 bath dwelling  
   Reason for Transfer: "To give my daughter a home."

3. Name: Lucy Ann K. Finnegan  
   Res. Lease No.: 1994  
   Lease Date: 9/29/1948  
   Lot No.: 48  
   Area/Island: Kewalo, Oahu  
   Property Sold: Yes  
   Amount: $340,000.00  
   Improvements: 4 bedroom, 2 bath dwelling  
   Reason for Transfer: "Selling lease to receive another leasehold." Successorship to father's lease. Special Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

4. Name: James K. Kincaid  
   Res. Lease No.: 1994  
   Lease Date: 9/29/1948  
   Lot No.: 48  
   Area/Island: Kewalo, Oahu  
   Property Sold: Yes  
   Amount: $340,000.00  
   Improvements: 4 bedroom, 2 bath dwelling  
   Reason for Transfer: "Provide home for family." Special condition: Transferee to obtain funds to pay purchase price.
5. Name: Kinani Fitzgerald  
   Res. Lease No.: 9787  
   Lease Date: 8/15/2001  
   Lot No.: 13687  
   Area/Island: Maluohai, Oahu  
   Property Sold: Yes  
   Amount: $425,000.00  
   Improvements: 4 bedroom, 2-1/2 dwelling  
   
   Reason for Transfer: "Moving to the mainland with family." 
   Special conditions: Transferee to obtain funds to pay purchase price.

6. Name: Kalae C. Frantz  
   Agr. Lease No.: 115  
   Lease Date: 10/27/1924  
   Lot No.: 65A  
   Area/Island: Hoolehua, Molokai  
   Property Sold: Yes  
   Amount: $160,000.00  
   Improvements: 2 bedroom, 1 bath dwelling  
   
   Reason for Transfer: "Unable to maintain homestead property at this time due to personal reasons." Special Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

7. Name: Jade N. DePonte  
   Agr. Lease No.: 115  
   Lease Date: 10/27/1924  
   Lot No.: 65A  
   Area/Island: Hoolehua, Molokai  
   Property Sold: Yes  
   Amount: $160,000.00  
   Improvements: 2 bedroom, 1 bath dwelling  
   
   Reason for Transfer: "Transfer to son who is less than fifty percent Hawaiian." Special Condition: Transferee to obtain funds to pay purchase price.
8. Name: Jeanette Hanawahine  
   Name: Michael K. Hanawahine  
   Res. Lease No.: 1758  
   Relationship: Brother  
   Lease Date: 8/30/1946  
   Loan Assump: No  
   Lot No.: 87  
   Applicant: No  
   Area/Island: Waimanalo, Oahu  
   Property Sold: No  
   Amount: N/A  
   Improvements: 3 bedroom, 2 bath dwelling  
   Reason for Transfer: "Giving it to my brother." 

9. Name: Earl Helekahi, Sr.  
   Name: Laverne L. Arellano  
   Res. Lease No.: 2024  
   Relationship: None  
   Lease Date: 10/21/1948  
   Loan Assump: No  
   Lot No.: 71  
   Applicant: No  
   Area/Island: Kewalo, Oahu  
   Property Sold: Yes  
   Amount: $108,865.00  
   Improvements: 4 bedroom, 2 bath dwelling  
   Reason for Transfer: "Daughter taking over responsibilities of homestead." Special Conditions: Transferee to obtain funds to pay the purchase price. 

10. Name: Herbert Kaanehe  
    Name: Jared David K. Laa  
    Res. Lease No.: 5556  
    Relationship: None  
    Lease Date: 6/3/1985  
    Loan Assump: No  
    Lot No.: 21  
    Applicant: Yes, Oahu IW Res.,  
    Area/Island: Lualualei, Oahu  
    Property Sold: Yes  
    Amount: $320,000.00  
    Improvements: 3 bedroom, 2 bath dwelling  
    Reason for Transfer: "Due to health reasons, I am unable to live in my home safely. I do not have any family that I can pass the home down to at the present moment. Therefore, I am transferring the home to Jared David Laa." Special Conditions: Transferee to obtain funds to pay the purchase price.
<table>
<thead>
<tr>
<th>LESSEE</th>
<th>TRANSFEREE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11.</strong> Name: Nahuihui A. Makalii</td>
<td>Name: Kalaionamoku L. K. Mossman</td>
</tr>
<tr>
<td>Kanahele-Mossman</td>
<td>Mossman</td>
</tr>
<tr>
<td>Agr. Lease No.: 4185-A</td>
<td>Relationship: Son</td>
</tr>
<tr>
<td>Lease Date: 5/8/1975</td>
<td>Loan Assump: No</td>
</tr>
<tr>
<td>Lot No.: 63B</td>
<td>Applicant: Yes, Oahu IW Agr.</td>
</tr>
<tr>
<td>Area/Island: Panaewa, Hawaii</td>
<td>9/9/2010</td>
</tr>
<tr>
<td>Property Sold: Yes</td>
<td></td>
</tr>
<tr>
<td>Amount: $224,208.00</td>
<td></td>
</tr>
<tr>
<td>Improvements: 4 bedroom, 2 bath dwelling</td>
<td></td>
</tr>
</tbody>
</table>
| Reason for Transfer: "I'm giving this lot to my son."
| Special Conditions: Transferee to obtain funds to pay the purchase price. |

| Res. Lease No.: 753         | Relationship: Lessee & Husband |
| Lease Date: 2/21/1941        | Loan Assump: No               |
| Lot No.: 67                 | Applicant: No                |
| Area/Island: Nanakuli, Oahu |                     |
| Property Sold: No           |                     |
| Amount: N/A                 |                     |
| Improvements: 3 bedroom, 1 bath dwelling |               |
| Reason for Transfer: "Add husband to lease." |

| **13.** Name: Jamie-Lynn P. J. Murray | Name: Richard K. Jury |
| Res. Lease No.: 8559           | Relationship: Uncle    |
| Lease Date: 12/1/1994          | Loan Assump: No        |
| Lot No.: 269                  | Applicant: Yes, Oahu IW Res. |
| Area/Island: PKE, Oahu        | 01/24/2007             |
| Property Sold: Yes            |                     |
| Amount: $300,000.00           |                     |
| Improvements: 3 bedroom, 2 bath dwelling |               |
| Reason for Transfer: "Moving to Michigan. Previous vacation, grandfather sick, applied for jobs, both Jamie and husband hired." Special Conditions: Transferee to obtain funds to pay the purchase price. |
14. Name: Denise U. Paaaoa
   Res. Lease No.: 5985
   Lease Date: 1/28/1987
   Lot No.: 104A
   Area/Island: Waimanalo, Oahu
   Property Sold: No
   Amount: N/A
   Improvements: 4 bedroom, 3 bath dwelling

   Reason for Transfer: "To my daughter/family."

15. Name: Peter Pua
   Agr. Lease No.: 6257
   Lease Date: 11/1/1985
   Lot No.: 77B
   Area/Island: Panaewa, Hawaii
   Property Sold: No
   Amount: N/A
   Improvements: 1 bedroom, 1 bath dwelling

   Reason for Transfer: "I want my son to have this place to
   farm and raise his family."

   Res. Lease No.: 4476
   Lease Date: 2/6/1978
   Lot No.: 143
   Area/Island: Waianae, Oahu
   Property Sold: Yes
   Amount: $200,000.00
   Improvements: 3 bedroom, 2 bath dwelling

   Reason for Transfer: "To help family and helping nephew to
   have his own home." Special condition: Transferee to
   obtain funds to pay purchase price.
17. Name: Geraldine N. Silva  
Res. Lease No.: 5944  
Lease Date: 8/26/1993  
Lot No.: 17  
Area/Island: Waiehu Kou, Maui  
Property Sold: Yes  
Amount: $405,000.00  
Improvements: 4 bedroom, 2 bath dwelling  
Reason for Transfer: "Selling of home." Special Conditions: Transferee to obtain funds to pay purchase price.

18. Name: Jon J. Wong  
Res. Lease No.: 12117  
Lease Date: 11/13/2007  
Lot No.: 16972  
Area/Island: Kaupea, Oahu  
Property Sold: Yes  
Amount: $525,000.00  
Improvements: 3 bedroom, 3 bath dwelling  
Reason for Transfer: "I'm downsizing and looking to purchase something smaller, on the outside market." Special Conditions: Transferee to obtain funds to pay the purchase price.

19. Name: John D. Halualani, III  
Agr. Lease No.: 6269  
Lease Date: 11/1/1985  
Lot No.: 160C  
Area/Island: Panaewa, Hawaii  
Property Sold: No  
Amount: N/A  
Improvements: None  
Reason for Transfer: "I want this property to stay in my ohana." See simultaneous transfer below.
20. Name: Georjann L. Nakashima
   Agr. Lease No.: 6269
   Lease Date: 11/1/1985
   Lot No.: 160C
   Area/Island: Panaewa, Hawaii
   Property Sold: No
   Amount: N/A
   Improvements: None

   Name: Kawena L. S. Kawelu
   Relationship: Granddaughter
   Loan Assump: No
   Applicant: No

   Reason for Transfer: "I want this property to stay in my ohana."

21. Name: Shannon M. Kino
   Res. Lease No.: 5770
   Lease Date: 8/1/1985
   Lot No.: 12
   Area/Island: Hoolehua, Molokai
   Property Sold: No
   Amount: N/A
   Improvements: None

   Name: Edgar S. Okada
   Relationship: None
   Loan Assump: No
   Applicant: Yes, Molokai IW Res., 11/14/2013

   Reason for Transfer: "In January, 2016, finances to build were diverted to purchase a foreclosure in Maunaloa. We request transfer to Okada's who are ready (anxious) to build."

22. Name: Beverly N. Pauole-Moore
   Agr. Lease No.: 115-A-2
   Lease Date: 10/27/1924
   Lot No.: 65B4
   Area/Island: Hoolehua, Molokai
   Property Sold: No
   Amount: N/A
   Improvements: None

   Name: Melinda I. M. Talon
   Relationship: Sister
   Loan Assump: No
   Applicant: No

   Reason for Transfer: "Subsistence farming - livestock & crops."
23. Name: Jason K. Pizarro  
   Agr. Lease No.: 5378  
   Lease Date: 10/21/1982  
   Lot No.: 155 A&B  
   Area/Island: Panaewa, Hawaii  
   Property Sold: No  
   Amount: N/A  
   Improvements: None  
   Reason for Transfer: "I will permanently remain on Oahu. Mr. Oili has been a productive farmer in Panaewa and I know with this additional land he will make very good use of it."

24. Name: Deborah L. Coleman  
   Res. Lease No.: 12447  
   Lease Date: 12/6/2008  
   Lot No.: UNDV128  
   Area/Island: Kapolei, Oahu  
   Property Sold: No  
   Amount: N/A  
   Improvements: None  
   Reason for Transfer: "I, Deborah Coleman, would like to gift my lease to my biological sister Mary Pearson. I would love for this lease to be a place for my sister and her family to call home."

25. Name: Belle N. Kaiwi  
   Res. Lease No.: 11059  
   Lease Date: 5/13/2006  
   Lot No.: UNDV058  
   Area/Island: Anahola, Kauai  
   Property Sold: No  
   Amount: N/A  
   Improvements: None  
   Reason for Transfer: "To give my grandsons a home, a stable environment, a place they can call home as they have no place right now but living with relatives."
Lessee

26. Name: Rose K. Keaweamahi-Hoovler
    Res. Lease No.: 11096
    Lease Date: 5/13/2006
    Lot No.: UNDV095
    Area/Island: Anahola, Kauai
    Property Sold: No
    Amount: N/A
    Improvements: None

    Reason for Transfer: "Transfer to my sister, LaRhonda K. Manibog."

Transferee

27. Name: Leilani Yu
    Res. Lease No.: 12408
    Lease Date: 12/6/2008
    Lot No.: UNDV089
    Area/Island: Kapolei, Oahu
    Property Sold: No
    Amount: N/A
    Improvements: None

    Reason for Transfer: "To help younger sibling."

Assignments for the Month of April '17

Previous FY '16 - '17 balance 158
FY '16 - '17 total to date 185

Assignments for FY '15 - '16 262
STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Approval of Amendment of Leasehold Interest

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Sixteen (16) amendments of lease.

1. Lessee: Albert L. Akiona, Sr.
   Res. Lease No.: 609
   Lot No., Area, Island: 12, Kewalo, Oahu
   Amendment: To amend the lease title and
   lessor's name, to incorporate the
   currently used terms, covenants and
   conditions in the lease, to update
   the property description and to
   extend the lease term to an
   aggregate term of 199 years.

2. Lessee: Nicole A. I. Dudoit
   Res. Lease No.: 10117
   Lot No., Area, Island: 56, Waiohuli, Maui
   Amendment: To amend the lease to release the
   10 year retention period
   established for the NAHASDA subsidy
   and to release the 5 year retention
   period established for the
   Affordable Housing Program.
3. **Lessee:** Lucy Ann K. Finnegan  
   Res. Lease No.: 1994  
   Lot No., Area, Island: 48, Kewalo, Oahu  
   Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, to update the property description and to extend the lease term to an aggregate term of 199 years.

4. **Lessee:** Kalae Corney Frantz  
   Agr. Lease No.: 115  
   Lot No., Area, Island: 65-A, Hoolehua, Molokai  
   Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants, and conditions in the lease, and to extend the lease term to an aggregate term of 199 years.

5. **Lessee:** Earl Helekahei, Sr.  
   Res. Lease No.: 2024  
   Lot No., Area, Island: 71, Kewalo, Oahu  
   Amendment: To amend the lease title and lessor's name and to update the property description.

6. **Lessee:** Stanley K. Kaahanui, Jr.  
   Agr. Lease No.: 2082A  
   Lot No., Area, Island: 187, Hoolehua, Molokai  
   Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms and conditions in the lease, and to extend the lease term to an aggregate term of 199 years.

7. **Lessee:** Don E. Kaapuni  
   Res. Lease No.: 5873  
   Lot No., Area, Island: 33, Kalamaula, Molokai  
   Amendment: To amend the property description due to final subdivision approval.
8. Lessee: Eugene P. Kahai
   Res. Lease No.: 3613
   Lot No., Area, Island: 232B, Nanakuli, Oahu
   Amendment: To amend the lease title and
               lessor's name, to incorporate the
               currently used terms, covenants,
               and conditions in the lease, to
               extend the lease term to an
               aggregate term of 199 years and to
               remove the reservation of life
               interest.

9. Lessee: Cedric A. Kailikini
   Res. Lease No.: 1586
   Lot No., Area, Island: 15, Waiakea, Hawaii
   Amendment: To amend the lease to extend the
               lease term to an aggregate term of
               199 years.

10. Lessee: Eleanor K. Kaliko
    Res. Lease No.: 1779
    Lot No., Area, Island: 128B1, Nanakuli, Oahu
    Amendment: To amend the lease title and
               lessor's name, to incorporate the
               currently used terms, covenants,
               and conditions in the lease and to
               extend the lease term to an
               aggregate term of 199 years.

11. Lessee: Nahuihui A Makalii Kanahele-Mossman
    Agr. Lease No.: 4185A
    Lot No., Area, Island: 63B, Panaewa, Hawaii
    Amendment: To amend the lease to incorporate
                the currently used terms,
                covenants, and conditions in the
                lease.

12. Lessee: Valerie K. Kauhi
    Res. Lease No.: 2732
    Lot No., Area, Island: 226A, Keaukaha, Hawaii
    Amendment: To amend the lease title and
               lessor's name, and to incorporate
               the currently used terms,
               covenants, and conditions in the
               lease.
13. Lessee: 
Res. Lease No.: 
Lot No., Area, Island: 
Amendment: 
George Keaweamahi, III
6554
8, Anahola, Kauai
To amend the tenancy to tenant by severalty due to the death of a joint tenant lessee.

14. Lessee: 
Res. Lease No.: 
Lot No., Area, Island: 
Amendment: 
Leora O. Mahoe
1408
113-A, Keaukaha, Hawaii
To amend the lease title and lessor's name, to incorporate the currently used terms, covenants, and conditions in the lease, and to extend the lease term to an aggregate term of 199 years.

15. Lessee: 
Res. Lease No.: 
Lot No., Area, Island: 
Amendment: 
Nelson K. Puaa
5845
9, Kalamaula, Molokai
To amend the commencement date and property description due to final subdivision approval.

16. Lessee: 
Res. Lease No.: 
Lot No., Area, Island: 
Amendment: 
Nora U. Stant
3767
6A, Waimanalo, Oahu
To amend the lease to incorporate the currently used terms, covenants, and conditions in the lease.

Amendments for the Month of April'17 16
Previous FY '16 - '17 balance 149
FY '16 - '17 total to date 165
Amendments for FY '15 - '16 152
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

November 21, 2016

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Request to Schedule Contested Case Hearing -
Lease Violations - Pauline B. Castillo and John B.
Castillo, Residence Lease 3013, Lot 195, Kewalo, Oahu

RECOMMENDED MOTION/ACTION

To approve the scheduling of contested case hearings for the
following lessees listed below:

DISCUSSION

The following lessees have violated the terms and conditions
of the homestead lease, therefore, we recommend that a contested
case hearing be scheduled.

Lessee: Pauline B. Castillo and
John B. Castillo
Lease No.: 3013
Lot No./Area/Island: 195, Kewalo, Oahu
Lease Violation: Unauthorized construction of a concrete
foundation and garage which extends
beyond the property boundary.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
Homestead Services Division

THRU: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Cancellation of Lease - RAVILAND K. AI
Agricultural Lease No. 10177, Lot No. 162-A, Panaewa, Hawaii

RECOMMENDED MOTION/ACTION

To approve the cancellation of Lease No. 10177, Lot No. 162-A, Panaewa, Hawaii, pursuant to the Hawaiian Homes Commission Act of 1920, as amended, as there is no qualified successor to the Lease interest.

DISCUSSION

On May 27, 2011, Raviland K. Ai (Decedent), received Department of Hawaiian Home Lands Agricultural Lot lease No. 10177, Lot No. 162-A, Panaewa, Hawaii (Lease), and did not designate a successor to his lease.

On May 6, 2016, a death certificate was received notifying the Department that the Decedent passed away on December 11, 2012.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Garden Isle, the Hawaii Tribune Herald, the West Hawaii Today, and The Maui News on August 7, 17, 21, and 31, 2016, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department did not receive a successorship claim to the Lease.
Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), "the land subject to the lease shall resume its status as unleased Hawaiian homelands and the Department is authorized to lease to another qualified native Hawaiian as provided in the Act."

There are no improvements on the lot.

There is no outstanding debt attached to the lease and there is a $92.00 lease rent credit balance. The is no outstanding real property tax as the 7 year real property tax exemption is still in effect.

The Department is requesting the approval of its recommendation.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Commission Designation of Successor
ADAM KAIWI, SR.
Residential Lease No. 8187, Lot No. 52, Waimanalo, Oahu

RECOMMENDED MOTION/ACTION

1. To approve the designation of Wayne Kaiwi (Wayne) and Adam Kaiwi, Jr. (Adam, Jr.), as successors to Residential Lease No. 8187, Lot No. 52, for the remaining term of the lease, subject to payment to the Department within 90 days from the date of execution of the lease for the appraised value of $142,000; and

2. To approve the payment of net proceeds, in the amount of the appraised value of the improvements less any outstanding debts attached to the Lease, to the widow, Sarah Kaiwi, subject to Adam, Jr. and Wayne’s execution of the Transfer Through Successorship Lease document.

DISCUSSION

On February 15, 1993, Adam Kaiwi, Sr. (Decedent) was awarded Department of Hawaiian Home Lands Residential Lease No. 8187, Lot No. 52, situate in Waimanalo, Oahu.

On March 25, 2015, the Decedent passed away without a designated successor, but named his wife Sarah Kaiwi as the receiver of net proceeds.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, the Hawaiian Tribune Herald, the West Hawaii Today, The Maui News,
and The Garden Island newspapers on February 7, 17, 21, and March 31, 2016, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department received two (2) successorship claims from the Decedent’s sons, Adam, Jr. and Wayne. They have both been determined to be of at least 75% Hawaiian ancestry and are eligible for successorship to the lease.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the Department may select from only the following qualified relatives in priority order:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

Existing improvements consist of a three-bedroom, two-bath single family dwelling built in 1993. An appraisal was done by Valley Isle Appraisal Company on March 3, 2017, valuing the permitted structures at $142,000.

There is an outstanding mortgage loan with the original amount of $108,990.00. The lease rent has a credit balance of $74.00 and real property taxes are paid current.

The net proceeds will be paid to Sarah upon the completion of the successorship of the lease to Adam, Jr. and Wayne, less any debts attached to the lease. The two successors will be required to pay the appraised value within 90 days from the execution date of the lease.

The Department requests approval of its recommendation.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division

SUBJECT: Commission Designation of Successor
JOSEPHINE K. KAILIKINI
Residential Lease No. 1586, Lot No. 15, Waikeha, Hawaii

RECOMMENDED MOTION/ACTION

1. To approve the designation of Michael-Dustin K. Kailikini (Michael), as successor to Residential Lease No. 1586, Lot No. 15, for the remaining term of the lease, subject to payment of Real Property Tax Advance No. 80342, within 90 days from the date of execution of the lease.

DISCUSSION

On September 15, 2010, Josephine K. Kailikini (Decedent) received Department of Hawaiian Home Lands Residential Lease No. 1586, Lot No. 15, situate in Waikeha, Hawaii, by way of successorship with her brother Cedric A. Kailikini, as tenants in common.

On September 9, 2013, the Decedent passed away without a designated successor.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, the Hawaiian Tribune Herald, the West Hawaii Today, The Maui News, and The Garden Island newspapers on August 7, 17, 21, and 31, 2016, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.
The Department received one (1) successorship claim from the Decedent's son, Michael. Michael has been determined to be of at least 25% Hawaiian ancestry and is eligible for successorship to the lease.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the Department may select from only the following qualified relatives in priority order:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

Existing improvements consist of a three-bedroom, one and a half-bath single family dwelling built in 1967.

There is an outstanding Real Property Tax Advance as of March 16, 2017, in the amount of $3,619.53. The lease rent and real property taxes are paid current.

The Department requests approval of its recommendation.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
          Homestead Services Division

FROM: James DuPont, West Hawaii District Office Supervisor

SUBJECT: Request to Schedule Contested Case Hearing - For Successorship to James P. Akiona, Sr. Lease by Harold Akiona and Sherilyn K. Wahinekapu, Pastoral Lease No. 9043, Lot Nos. 1-5 and Pastoral Lease No. 10155, Lot No. 1, Honokaia, Hawaii

RECOMMENDED MOTION/ACTION

Approve the requests of Harold Akiona and Sherilyn Wahinekapu (children of deceased lessee, James P. Akiona, Sr.) to schedule a Contested Case Hearing for successorship rights to their late father’s pastoral leases.

DISCUSSION

I. Brief Background

In 1991, DHHL leased a 100-acre pastoral lot to James P. Akiona, Sr. (“Akiona Sr.”) under Lease No. 9043. In 2006, as a result of a settlement agreement in the Aged Hawaiians v. Hawaiian Homes Commission, et al. lawsuit, Akiona Sr. surrendered his interest in Pu’ukapu for an undivided interest lot of 100-acres in Honoka‘ia.

The Department thereafter formally subdivided Honoka‘ia. As a result, Lease No. 9043 was amended to reflect five (5) twenty (20) acre parcels. Akiona Sr. was also subsequently awarded an additional 200 acres under Lease No. 10155.

II. Summary of Dispute.
The issue is which Designation of Successor (DS) form controls the transfer of Akiona Sr.’s interests under Lease Nos. 9043 and 10155. Two of Akiona Sr.’s children, Harold Akiona and Sherilyn Wahinekapu, have petitioned the Department for a Contested Case Hearing (CCH) in order to settle the dispute regarding the Department’s designation of Akiona Sr.’s oldest son, James P. Akiona, Jr. (“Akiona Jr.”), as Akiona Sr.’s successor.

A. Akiona Sr.’s DS Forms

In 2007 and 2008, Akiona Sr. submitted a number of lease transfer requests and DS forms to various children and grandchildren, but ultimately rescinded all of them on January 28, 2009. On January 29, 2009, he then submitted new DS forms designating Akiona Jr. as successor to all of the lots under Lease Nos. 9043 and 10155.

B. Harold Akiona’s DS Forms

In 2008, Akiona Sr. signed a Power of Attorney (POA) rescinding all previous POAs and naming his son, Harold Akiona, as his agent under the POA. The POA generally authorized Harold to manage Akiona Sr.’s real property interests. In 2010, Harold submitted a DS form naming himself as Akiona Sr.’s successor. This was rejected due to the apparent self-interest conflict of Harold naming himself to be the successor. Harold thereafter submitted several transfer requests (rather than DS forms) as Akiona Sr’s “attorney-in-fact”. Some of the transfer requests were rejected because they were to persons who were not Akiona Sr.’s children, in contravention of the POA. Other transfer requests were denied by Commission action because the proposed transfers would impermissibly fracture Lease Nos. 9043 and 10155.

On February 17, 2012, instead of a transfer request Harold Akiona signed a set of DS forms designating his sister, Neddie DeJesus, as successor to all of the lots under Lease Nos. 9043 and 10155.

Two days later, on February 19, 2012, Akiona, Sr. died.

C. The Department’s Position

ITEM NO. D-15
Under Hawai'i law, a POA must expressly permit an agent to designate successors. Although the POA broadly authorized Harold Akiona to manage Akiona Sr.'s real property interests, it did not grant to him the specific, expressed authorization to name or change Akiona Sr.'s designated successor(s). Accordingly, the Department has recognized Akiona Jr. as Akiona Sr.'s successor, according to Akiona Sr.'s January 29, 2009 DS forms.

D. Harold Akiona's Petition Request

Harold Akiona submitted a request to contest the ratification of Akiona Jr. as successor to Akiona Sr.'s pastoral leases. See, Exhibit "A". He maintains that his POA was valid and that his initial action - i.e., the 2010 DS form designating himself as Akiona Sr.'s successor - is valid because the POA allows transfers to Akiona Sr.'s children, including the Harold as agent. This interpretation of the POA would make him the successor to Akiona Sr.'s pastoral leases. Alternatively, he asks that the pastoral leases be processed to his sister Neddie DeJesus.

E. Sherilyn Wahinekapu's Petition Request

Sherilyn Wahinekapu submitted a Petition for Contested Case Hearing, dated November 7, 2016. See, Exhibit "B". She agrees, however, with the Commission's approval of Akiona Jr. as successor to Akiona Sr.'s pastoral leases.

RECOMMENDATION:

Homestead Services Division (HSD) requests the approval of this action item as submitted so that both parties have the opportunity to present their respective cases regarding Akiona Sr.'s successorship. Because the parties reside on the island of Hawai'i, the Commission may hold the Contested Case Hearing during its May 2017 meeting.
US POSTAL CERTIFIED RETURN RECEIPT

November 1, 2016

Hawaiian Homes Commission
P.O. Box 1879
Honolulu, Hawaii 96805
Attn: Commission Secretary Leah Burrows-Nuuanu

For: Chairman, Jobie Masagatani

From: Harold Akiona, Son of deceased, James P. Aikona Sr.

Subject: Contested Statement in response to hearing dated October 18, 216; Ratification of Designation of Successor for Leasehold interest, James P. Akiona, Sr. (Decedent)

Pastoral Lease: No. 9043, lot Nos. 1 to 5, Honokaia, Hawaii and Lease No. 10155, Lot No.1, Honokaia, Hawaii.

Dear Chairman,

As instructed during the October 18, 2016 Commission hearing, I am submitting my statement due to your office no later than November 8, 2016 to contest the ratification report prepared and presented by Mr. Jim Du Pont, West Hawaii District Office Supervisor, Homestead Services Division. This statement presented to the Chairman and Members of the Hawaiian Homes Commission lead to the Chairman’s decision to approve the designation of James P. Akiona, Jr (brother) as successor to subject pastoral lease. I am humbly requesting that you grant reconsideration to your decision based on the following grounds of opposition of Mr. Du Pont’s Report and the course of events that occurred during the period of my appointment as Agent for my Father’s Durable Power of Attorney (DPA).

At this hearing, testimony was heard from Sherilynn Adams (sister), challenging the witness’ signatures of my Father’s DPA executed back in 2008. Also in Mr. Du Pont’s statement he reports that the “Department was informed that the Decedent was no longer of sound mind...”. I assure you Chairman, my Father was indeed of sound mind as it was demonstrated by his understanding of the complexity of such a document that he sought legal guidance with developing this DPA from Native Hawaiian Legal Corporation. In addition, my Father signed this document in the presence of a Notary. If there were any obvious signs of my Father’s mental state of awareness of this document he was signing, I am certain the Notary would have expressed concerns at that time. As for the witness’, there is no known legal statute limiting the selection for witness signatures. In addition, and far most important, my Father followed the instructions provided by his legal counsel in doing so (Exhibit B). As you will read, the instructions did not stipulate “no relatives”. Lastly on this point of the validity of this DPA, please take into consideration, the individual making such testimony has an underlining vested interest in

ITEM NO. D-15
EXHIBIT A
discrediting this DPA (2008) as this same document also included the Revocation of Power of Attorney dated on or about October 25, 2005 that appointed Sherilyn J.K. Adams as the Agent (Exhibit A, item #7).

As an Agent of this DPA dated June 10, 2008, it is my Father’s every intent to include me in the category of his children, as the “Agent” which he specifically articulated under item 2(b) of the DPA. In this stipulation he additionally addresses the inclusion of the power to transfer any interest he may have in a Hawaiian homestead leasehold. However, it was Mr. Du Pont’s mistaken translation of my Father’s instructions and intentions of this item within the DPA that was the bases for the rejection of the New Lessee Transfer Request submitted, requesting myself, Harold G.K. Akiona as the New Lessee with a new DS assigned. Mr. Du Pont sited it “potentially raised a Conflict of Interest” (COI). At the time of the request submission, there were no known conflict and no further decisions and/or explanation was provided by Mr. Du Pont to myself and/or my Father of this “potential” (hypothetical) conflict raised.

As the result of the very first New Lessee transfer submitted and rejected under this DPA, this lead to the spiral of numerous requests submissions all of which was denied/rejected over the period of two (2) year. One of which was for New Lessee transfer to Grandson, T.J. M. Akiona. Mr. Du Pont advise this request was not valid because he is a grandchild and not a child of my Father as stipulated in the DPA (Exhibit A item 2(b)). Mr. Du Pont’s translation is valid and agreed with. However, since he acknowledged and accepted this instruction within the DPA, my objection is expressed for the disregard of the additional wording of the same instructions, “...to my children, including Agent”.

Over the course of this two (2) year period, I relied on Mr. Du Pont as the subject matter expect of Hawaiian homestead leasehold required forms/process and followed his instructions. Since my request was viewed as a potential COI and denied, the last attempt to assign a New Lessee was filed requesting Neddie R.K. Akiona DeJesus (sister) as the New Lessee. Unfortunately, my Father passed before Mr. Du Pont could complete the administrative process.

This matter was further delayed due to issues brought about by some of the family members as stated in Mr. Du Pont’s report to the Chairman and Commission Members. Although I was never made aware by Mr. Du Pont of these alleged family members issues, based on the testimony made by Sherilynn Adams (sister) at the October 18, 2016 hearing, I am making the assumption this is one of the family members with issues and her issue is the validity of the DPA. As for testimony made by James Akiona Jr. (brother), it was not made clear to me from his testimony what are his specific issue(s). Should my assumption be incorrect, please provide the written statement of each family members issues as referenced in Mr. Du Pont’s report.

Lastly, I would like to address my understanding of New Lessee transfer and Designation of Successor (DS). Under a New Lessee transfer, all previous DS appointment(s) made by the former Lessee becomes null and void. The former Lessee would not be entitled to a vested interest to legally make a DS for the property he/her no longer holds in lease title. Once the New Lessee transfer is approved, this new Lessee will then make its own selection of the DS.

Based on my understanding of a New Lessee transfer and DS, all requests submitted through Mr. Du Pont during the period of 2008 through 2012 was with this intention. From the initial request back in 2010, a New Lessee was the objective and at a certain point over the course of the two years trying to accomplish this transfer, I was instructed by Mr. Du Pont to also include a DS request form.
I am respectfully requesting your re-consideration under your authority as Chairman on the matter of the incorrect translation of the DPA and overturn the decision to reject this transfer based on Mr. Du Pont's determination of a potential COI. Upon the Chairman's reconsideration, I request that my initial New Lessee request submitted in 2008 be reinstated for approval. Upon confirmation of this request approval, I shall assign my own selection for the DS and all previous DS under previous Lessee (James P. Akiona Sr.) shall be void.

However, if the Chairman is steadfast of the incorrect translation of the DPA by Mr. Du Pont and my initial request cannot be reinstated, I ask for the consideration of the Commission to finalize the process for New Lessee, Neddie R.K. Akiona DeJesus pending since February 17, 2012. Upon confirmation of this request approval, Neddie R.K. Akiona shall assign her own selection for the DS and all previous DS under previous Lessee (James P. Akiona Sr.) shall be void.

Lastly, I would like to request consideration to have the upcoming hearing regarding this matter changed from the Keaukaha, Office to the West Hawaii District area due to challenge with work schedules.

Please acknowledge receipt of this contested statement either by mail or e-mail. Also should you need further clarification of any portion of this statement, please contact me immediately. Otherwise, I will await your instructions for the next course of actions regarding my contested position.

Regards,

[Signature]

Harold G.K. Akiona

Mail Written Response to:
Harold Akiona
P.O. Box 2232
Kamuela, Hawaii 96743
e-mail: lava808kona@yahoo.com

encl.

Exhibit A: DPA

Exhibit B: DPA Legal Instruction Page
Dear Chair Masagatani:

This letter/petition is respectfully submitted by our 'ohana and for purpose of this petition, known as the *Heirs of James Piwai Akiona Sr.* (Sherilyn K. Wahinekapu (daughter), James P. Akiona Jr. (son), Luanalei K. Keakealani and Erika P. Kaawa (granddaughters), et al).

During the recent scheduled meeting of the Hawaiian Home Lands Commission in Hilo, a recommendation by the Chair was made to present a 'petition for a contested case hearing' regarding the Power of Attorney given Harold K. Akiona by our father James P. Akiona Sr.

Sherilyn K. Wahinekapu and James P. Akiona Jr. are designated joint Successor Trustees pursuant to the Nyna M. Akiona Trust Agreement and Successor Trustee's Deed, each dated August 22, 2010 and November 17, 1994 (see attached).

*Heirs of James Piwai Akiona Sr.* in accordance with §10-5-31 of the Department’s Rules, respectfully submits this petition for a contested case hearing and hereby states to the best of our knowledge, the information and our beliefs are true as follows:

**Power of Attorney of Harold K. Akiona/James P. Akiona Sr., discrepancies are:**

1) Power of Attorney was compiled by Native Hawaiian Legal Corp., Paralegal. This creates a conflict of interest because Alan Murakami has advised and represented Sherilyn K. Adams a.k.a. Sherilyn K. Wahinekapu in cases concerning DHHL before this POA.

2) Signatures of witnesses are 'Josephine Nyna Akiona' (our mother) and 'Chelsea deJesus' (daughter of Neddie deJesus). The Department denied the first Designation of Successor form because witnesses were blood-related. Our belief is the same policy should be considered with this POA.

**Conflict of interest involving Alan Murakami, attorney Native Hawaiian Legal Corp.:**

1) As stated previously, Alan Murakami advised represented Sherilyn K. Wahinekapu in cases concerning DHHL.

2) On Tuesday, October 17, 2016 at DHHL East Hawaii Office, location of recent HHC meeting, he questioned me to whether I supported TJ Akiona in the matter of the ranch.
No record of authorization given to TJ Akiona to represent Lease No. 9043, lot No. 1 to 5, and Lease No. 10155, lot No. 1, Honokaia:

1) TJ did not receive approval from the Department to sub-lease the ranch to Kala Wilson in exchange for monies collected.
2) The Department does not have any written authorization on file from my father James P. Akiona Sr., allowing TJ to operate or make decisions concerning the ranch.

In conclusion, *Heirs of James Piawai Akiona Sr.* agrees with the decision by the HHC regarding the approval and acceptance of designating James P. Akiona Jr. as Successor per its legal review by the State of Hawaii Attorney General and the HHC’s policies and procedures.

Sincerely,

Sherilyn K. Wahinekapu

enclosures: Successor Trustee’s Deed, dated 8/22/2010
First Amendment to the Nyna M. Akiona Trust Agreement, dated 11/17/1994
First Codicil to Last Will and Testament of Nyna M. Akiona, dated 4/20/2011
List of alleged Violators
Alleged Violators

Harold K. Akiona
P. O. Box 2232
Kamuela, HI 96743 (please refer to current information on file at DHHL)

TJ Akiona
c/o 74-229 IIloa St.
Kailua-Kona, HI 96740 (please refer to current information on file at DHHL)

Alan Murakami
1164 Bishop Street Suite 1205
Honolulu, Hawaii 96813
STATE OF HAWAII  

DEPARTMENT OF HAWAIIAN HOME LANDS  

April 17, 2017  

TO: Chairman and Members, Hawaiian Homes Commission  

THROUGH: Dean Oshiro, Acting Administrator  
Homestead Services Division  

FROM: Mona L. Kapaku, Homestead District Operations Manager  
Homestead Services Division  

SUBJECT: Commission Designation of Successor  
ALEXANDER H.K.P. LEAMOHALA  
Lease No. 9121, Lot No. 101, Kahikinui, Maui  

RECOMMENDED MOTION/ACTION  

To approve the designation of Jessica Kailani Ross (Jessica) and Patrick Kamaheiwia Ross (Patrick), successors to Pastoral Lease No. 9121, Lot No. 101, Kahikinui, Maui for the remaining term of the lease, subject to the completion of Jessica's transfer of her interest in Residential Lease No. 11475, Lot No. 27, Leialii, Maui, within 120 days from the execution of the lease.  

DISCUSSION  


On December 7, 2006, Alexander Kalani Ross legally changed his name to Alexander Home Kalani Paahana Leamohala (Decedent).  

On December 21, 2015, the Decedent passed away without having designated a successor.
In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, the Hawaii Tribune Herald, the West Hawaii Today, The Maui News, and The Garden Island newspapers on August 7, 17, 21, and 31, 2016, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department received two successorship claims from the Decedent's sister, Jessica and brother, Patrick. They have been determined to be at least 37.50% Hawaiian ancestry and are eligible for successorship.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the Department may select from only the following qualified relatives in priority order:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

In order for Jessica to succeed, she must transfer her interest in Residential Lease No. 11475, Lot No. 27, Leialii, Maui. In accordance with the Kahikinui Kuleana Pastoral Program, the requirement is to occupy and reside on the homestead lot.

There are no improvements to the lot.

As of April 17, 2017, there is no loan, no property taxes due, and the lease rent account reports a credit balance of $80.00.

The Department requests approval of its recommendation.
STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

April 20, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Norman L. Sakamoto, Acting LDD Administrator

FROM: Atina M. Y. Soh, Homestead Housing Specialist
       Housing Project Branch

SUBJECT: Approval of Various Lease Awards (see exhibit)

RECOMMENDED MOTION/ACTION

Approve the awards of Department of Hawaiian Home Lands
Residence Lot Leases to the applicants listed below for 99
years, subject to the purchase of the existing improvements
on the lot by way of a loan or cash.

DISCUSSION

Hawaii Community College Home 2017, Keaukaha, Hilo, Hawaii

<table>
<thead>
<tr>
<th>NAME</th>
<th>APPL DATE</th>
<th>LOT NO</th>
<th>TAX MAP KEY</th>
<th>LEASE NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaehuaea, Julia K</td>
<td>02/27/78</td>
<td>108B-1</td>
<td>3-2-1-020:101</td>
<td>12814</td>
</tr>
</tbody>
</table>

With the execution of the foregoing lease, 1 single family home
award has been completed.

Hoolimalima - Kapolei Village 6 Residential Lots, Kapolei, Oahu

<table>
<thead>
<tr>
<th>NAME</th>
<th>APPL DATE</th>
<th>LOT NO</th>
<th>TAX MAP KEY</th>
<th>LEASE NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decosta, Henry Jr.</td>
<td>10/16/86</td>
<td>13793</td>
<td>1-9-1-119:110</td>
<td>12796</td>
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<tr>
<td>Yuen-Carvalho, Tania A. K.</td>
<td>01/22/04</td>
<td>13787</td>
<td>1-9-1-111:104</td>
<td>12797</td>
</tr>
</tbody>
</table>

With the execution of the foregoing leases, 57 single family home
awards have been completed.

ITEM NO. E-1
STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
April 20, 2017  

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Norman L. Sakamoto, Acting LDD Administrator  

FROM: Atina M. Y. Soh, Homestead Housing Specialist  
Housing Project Branch  

SUBJECT: Correction to Previous Approval of Rescission of Homestead Lease Award and Reinstatement of Application – Ella M. K. McComber  

RECOMMENDED MOTION/ACTION  
For information only.  

DISCUSSION  
The rescission of lease award and reinstatement of the residential application of Ella M. K. McComber was previously approved at the HHC meeting on February 21, 2017(EXHIBIT A), however, there was a typographical error on the Residential Application Date. The previous submittal incorrectly stated the Application Date was 02/10/02 however correct Application Date should have been 01/10/02. The information on should have been listed as follows:  

<table>
<thead>
<tr>
<th>NAME</th>
<th>LEASE INFORMATION</th>
<th>APPLICATION INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>McComber, Ella M. K.</td>
<td>Lease No. 10873</td>
<td>Hawaii IW Res</td>
</tr>
<tr>
<td></td>
<td>Commencement Date: 12/03/05</td>
<td>Area Code: 393</td>
</tr>
<tr>
<td></td>
<td>Area: Laiopua</td>
<td>App Date: 01/10/02</td>
</tr>
</tbody>
</table>

ITEM NO. E-2
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

February 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Norman L. Sakamoto, Acting LDD Administrator

FROM: Atina M. Y. Soh, Homestead Housing Specialist
       Housing Project Branch

SUBJECT: Rescission of Homestead Lease Award and Reinstatement of Application - Laiopua, Undivided Interest - Ella M. K. McComber

RECOMMENDED MOTION/ACTION

1. To approve the rescission of one (1) Residential Lease, Laiopua Undivided Interest Program, which commenced on December 3, 2005.

2. To reinstate one (1) residential lease application to the appropriate Residential Lease Waiting list according to the original date of application.

DISCUSSION

On October 29, 2005, at the Laiopua Undivided Interest Selection Meeting, DHHL Hawaii residential applicants executed the selection agreements and the lease awards were approved on December 3, 2005.

The following lessee has decided to rescind her lease at this time because of financial or personal reasons. The department has received her written request to rescind her lease and return to the Application list according to her original date of application.

<table>
<thead>
<tr>
<th>NAME</th>
<th>LEASE INFORMATION</th>
<th>APPLICATION INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>McComber, Ella M. K.</td>
<td>Lease No. 10873</td>
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<td></td>
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<td>Area Code: 393</td>
</tr>
<tr>
<td></td>
<td>Area: Laiopua</td>
<td>App Date: 02/10/02</td>
</tr>
</tbody>
</table>

As a matter of information, since 2009, the Hawaiian Homes Commission has approved the rescission of 32 leases in the Laiopua Undivided Interest Program.

ITEM NO. E-1

EXHIBIT A

ITEM NO. E-2
G-ITEMS
PLANNING OFFICE
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
       Land Management Division

Subject: Annual Renewal of Right of Entry Permit(s), Moloka‘i Island

RECOMMENDED MOTION/ACTION: That the Hawaiian Homes Commission (HHC) approves the following actions while developing a process to making short-term agricultural and pastoral land dispositions available to beneficiaries:

A) Renew all Moloka‘i Island Right of Entry Permit(s) as listed on Exhibit “A” and identified by approximate location on the Moloka‘i Island Map Exhibit “A-1” that are in compliance and issued temporary approvals, as of July 1, 2016, granted by the Hawaiian Homes Commission at its June 2016 meeting under Agenda Item No. F-3 attached hereto as Exhibit “B”.

B) The annual renewal period, shall be on a month-to-month basis, for up to twelve (12) months, but no longer than April 30, 2018 or at the next scheduled HHC meeting on Moloka‘i island whichever occurs sooner.

C) Authorize the Chairman to negotiate and set forth other terms and conditions that may be deemed to be appropriate and necessary.

DISCUSSION

At its regularly scheduled monthly meeting held on June 20-21, 2016, the HHC amended the recommended motion as presented by LMD under its Agenda Item No. F-3, (See Exhibit “B”) for section A. specifically to read as follows:

A. Extend all, except ROE No. 455, Right of Entry Permits listed on Exhibit “A” that are in compliance and issued by July 1, 2016, on a month-to-month basis, until the next scheduled HHC meeting on the island where the ROE is located.

The meeting minutes indicate that the HHC approved the amended motion, however, the meeting minutes have yet to be formally approved by the HHC. Therefore this submittal represents annual renewals for all Moloka‘i Island ROE permit(s) only, which shall effectively expire on April 30, 2018 or at the next scheduled HHC meeting on Moloka‘i island whichever occurs sooner. As a means of maintaining a process by which PERMITEE’S can be assured that their permits have been renewed, notification letters will be transmitted accordingly.

ITEM NO. F-1
April 2017

For information purposes Exhibit “A” references all Right of Entry Permits on Moloka‘i Island by order of commencement date, land use, then by acreage. While Right of Entry Permits generate additional revenue to the Trust, its primary purpose provides DHHL the ability to efficiently manage its lands through the issuance of these short-term dispositions which are typically not needed for longer-term dispositions (such as homesteading or general leases) over a 20-year time period or as dictated by DHHL’s respective island plans. DHHL’s total Moloka‘i Island land inventory covers approximately 25,900.0 acres\(^1\) or 13% of DHHL’s statewide inventory. The short-term disposition(s) cover approximately 9,980.0 acres or 39% of its inventory.

Right of Entry Permits help in having presence on DHHL lands thereby reducing costs for land management activity functions (i.e. signage, landscaping, fencing, removing trash and derelict vehicles, and prevents trespassing on unencumbered lands) that DHHL would bear if the lands were to sit vacant. Permittees are required to assume responsibility for the land, post insurance, indemnify the department, and manage and maintain the land.

Until improvements to the Revocable Permit Program can be implemented, this process will be used for Annual Renewals of these month-to-month ROE Permit dispositions.

The table below reflects the revenue generated from ROE permit(s) on Moloka‘i Island, which is approximately 1.0% ($15,831) of the ROE total revenues ($2,826,910) that DHHL receives statewide. Moloka‘i Island holds 8 of the 145 ROE permits Statewide which are used for various purposes outside of industrial/commercial use. Land Management Division (LMD) proposes an average increased rent of 4% to permittees whose land use is designated for commercial/industrial purposes.

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>Total</th>
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<tbody>
<tr>
<td>Agriculture</td>
<td>$2,353</td>
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<tr>
<td>Caretaker/Landscape</td>
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<td>Commercial</td>
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<td>Community</td>
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<td>Industrial</td>
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<td>Office</td>
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<tr>
<td>Pastoral</td>
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<td>Preservation</td>
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<td>Recreation</td>
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<tr>
<td>Stabling</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15,831</td>
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<th>FY 2017</th>
<th>Total</th>
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<td>Commercial</td>
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<td>Pastoral</td>
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<tr>
<td>Stabling</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15,831</td>
</tr>
</tbody>
</table>

According to research done by Colliers International, (See Exhibit “C”) “the Oahu Industrial market hit a historic low vacancy rate of 1.65% at year end 2015...rental rates are expected to rise at a rapid pace...” In light of this research, LMD is recommending a 4% increase in rental rates. (In June 2015 the HHC approved a 3% increase for the current FY 2016).

For FY 2017, renewals for the 8 Right of Entry Permits located on Moloka‘i Island total annual rent revenue of $15,831 as referenced in the table above. Rental fees for agricultural and pastoral use permits vary and are typically established at less than fair market rates (discounted) but not less than $240/annum.

\(^1\) DHHL Moloka‘i Island Plan, June 2005
due to various site issues such as, insufficient/no infrastructure, no legal access, substandard lot size or irregular shape, etc.

AUTHORITY / LEGAL REFERENCE:

§171-55, Hawaii Revised Statutes, as amended, a “permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the commission may allow the permit to continue on a month-to-month basis for additional one year periods.”

RECOMMENDATION:

Land Management Division respectfully requests approval of the motion as stated.
<table>
<thead>
<tr>
<th>TYPE</th>
<th>ISLAND</th>
<th>ACRE</th>
<th>NO.</th>
<th>USE</th>
<th>PERMITTEE/ADDRESS</th>
<th>LOCATION</th>
<th>TMK</th>
<th>Date Started</th>
<th>Current Fees, All Right of Entry Permits</th>
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</thead>
<tbody>
<tr>
<td>ROE</td>
<td>MOLOKAI</td>
<td>30.000</td>
<td>499</td>
<td>Agricultural</td>
<td>Monsanto Hawaii, P. O. Box 40, Kaunakakai, Hawaii 96748</td>
<td>Palaau</td>
<td>(2) 5-2-011:033</td>
<td>8/1/1984</td>
<td>$2,352</td>
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<tr>
<td>ROE</td>
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<td>35.000</td>
<td>501</td>
<td>Agricultural</td>
<td>Harry K. Purdy, III and Marlena K. Purdy, P. O. Box 84, Hoolua, Hawaii 96729</td>
<td>Hoolua</td>
<td>(2) 5-2-007:079 and 080</td>
<td>4/1/2000</td>
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<td>Patricio Jr. &amp; Cora Sanchez dba Kalamaula Motors, P. O. Box 694, Kaunakakai, Hawaii 96748</td>
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| TOTALS | 8   | 9980 |     |         |                 |          |                       |             | $15,831                                   |

Denotes Beneficiary

Exhibit "A"

Item No. F-1
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

June 20-21, 2016

To: Chairman and Members, Hawaiian Homes Commission

Through: Peter "Kahona" Albinio, Jr., Acting Administrator
Land Management Division

From: Kalei Young, Land Management Branch Manager
Land Management Division

Subject: Annual Renewal of Right of Entry Permits, Statewide

APPLICANTS:
VARIOUS

RECOMMENDED MOTION/ACTION: That the Hawaiian Homes Commission (HHC) approves the following actions:

A. Extend all Right of Entry Permits listed on Exhibit "A" that are in compliance and issued by July 1, 2016, on a month-to-month basis, for up to twelve (12) months, but no longer than June 30, 2017.

B. Authorize the Chairman to negotiate and set forth other terms and conditions that may be deemed to be appropriate and necessary.

LOCATION:
VARIOUS

AREA:
VARIOUS

ITEM NO. F-3

EXHIBIT "B"
ITEM NO. F-1
DISCUSSION

The Department of Hawaiian Home Lands (DHHL) is authorized under Chapter 171-55, Hawaii Revised Statutes, as amended, to issue month to month use of Hawaiian home lands. The month to month use enables DHHL to:

1. Obtain additional income and encourage the use of lands that are not immediately required for native Hawaiian homesteading, general leasing, or other purposes for long term duration;

2. Ensure the continued maintenance of the lands at minimal cost to the department and limit its liability. An overgrowth of vegetation and weeds make the lands vulnerable to fires and rodents which may prove very costly for DHHL to cure;

3. Deter squatters and trespassers from illegally occupying the lands;

4. Prevent illegal dumping of junk's, derelict automobiles and appliances; and

5. Preserve the long-term options for future development of the site until resources become available or priorities change.

These are short-term agreements that allow the use of unenumerated Hawaiian home lands by entities/individuals for various purposes such as general agriculture, pastoral, commercial and industrial uses. ROEs can be terminated by either PERMITOR or PERMITEE without cause, by a 30-day written notice.

For information purposes, final approval of LMD’s proposed Revocable Permit Program as approved by the Hawaiian Homes Commission at its regular monthly meeting on December 15, 2014 is pending statewide beneficiary consultation.

The table below reflects almost 90% of the ROE revenue is generated from 58 of the 148 ROE permits. These permittees fall under industrial and commercial ($2,499,897) land use purposes. Land Management Division (LMD) proposes an average increase of 4% to 58 of these permittees, total increase of $102,128.

According to research done by Colliers International, (See Exhibit “B”) “...the Oahu Industrial market hit a historic low vacancy rate of 1.63% at yearend 2015...rental rates are expected to rise at a rapid pace...” In light of this research, LMD is recommending a 4% increase in rental rates. (In June 2015 the HHC approved a %3 increase for the current FY 2016).

For FY 2017, a recommendation is being made to the Commission to approve the renewals for the 148 Right of Entry Permits as stated in Exhibit “A” totaling $2,929,038 in annual rents.
Planning Area:

Various

Land Use Designation:

General Agriculture, Pastoral, Commercial, Industrial

Character of Use:

General Agriculture, Pastoral, Commercial, Industrial Use Purposes

Consistency with DHHL Plans, Policies and Programs

DHHL General Plan (2002)

The recommended disposition is consistent with the following General Plan goals and objectives:

Economic Development

Goals:

- Generate significant revenue to provide greater financial support towards fulfilling the Trust's mission.

Objectives:

- Generate $30 million in land revenues annually (adjusted for inflation) by 2014.
Program Plans

Water Policy Plan (2014)
While the ROE’s does not specify activities that would implement DHHL’s Water Policy Plan, it is anticipated that renovations facilitated by approving the renewal of said ROE’s its will include water conservation measures to make its respective water use more efficient if necessary.

Ho’omaluhia Energy Policy (2009)

While the ROE’s does not specify activities that would implement DHHL’s Energy Policy, it is anticipated that renovations facilitated by approving the renewal of said ROE’s will include energy conservation measures to make its uses more efficient in the use of energy if necessary.

AUTHORITY / LEGAL REFERENCE:

§171-55, Hawaii Revised Statutes, as amended, a “permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the commission may allow the permit to continue on a month-to-month basis for additional one year periods.”

RECOMMENDATION:

Land Management Division respectfully requests approval of the motion as stated
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ITEM NO. F-3
Market Summary

Mike Yamana  Director of Research | Hawaii

> The Oahu industrial market posted a new historic low vacancy rate of a minuscule 1.65% at year-end 2015. The 197,854 square feet of fourth quarter occupancy growth resulted in a year-end net absorption of 173,186 square feet.

> With healthy economic conditions, industrial businesses (e.g., wholesale distributors, construction firms, suppliers, etc.) are thriving, but are severely hampered by the lack of available properties for expansion to meet company growth.

> At year-end 2015, industrial space listings fell to its lowest level in nine years, registering 163 versus 199 from a year ago. For listings under 4,000 square feet in size, the number of listings fell a whopping 64.5% over the past five years.

> Functionally obsolete vacant warehouse properties that may suffer from significant deferred maintenance are beginning to reappear as options on space searches. It appears that the proverbial "bottom of the barrel" is all that is left for prospective tenants to consider.

> Industrial land values throughout Oahu have risen over the past few years. Urban industrial zoned land (I-2) land is valued above $100 per square foot.

> Rental rates are expected to continue to rise at a rapid pace until new supply is provided. With limited land available for warehouse development in urban Honolulu and no speculative developments over the near term horizon, it appears that tenants will continue to be faced with difficult market conditions.

Industrial Net Absorption vs. Vacancy Rate

<table>
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<tr>
<th>Year</th>
<th>Vacancy Rate</th>
<th>Net Absorption</th>
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<tbody>
<tr>
<td>2015</td>
<td>11%</td>
<td>173,186 SF</td>
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<tr>
<td>2014</td>
<td>14%</td>
<td>123,300 SF</td>
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<tr>
<td>2013</td>
<td>22%</td>
<td>90,500 SF</td>
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<tr>
<td>2012</td>
<td>30%</td>
<td>65,000 SF</td>
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<tr>
<td>2011</td>
<td>35%</td>
<td>45,000 SF</td>
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Summary Statistics

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<tr>
<th>Year</th>
<th>Vacancy Rate</th>
<th>Net Absorption</th>
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<tbody>
<tr>
<td>2015</td>
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</tr>
<tr>
<td>2011</td>
<td>35%</td>
<td>45,000 SF</td>
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Private Building Permits (October YTD)

Number of Available Listings by Size Categories

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STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division

M. Kaleo Manuel, Acting Program Manager
Planning Office

From: Kaipo Duncan, Land Agent
Land Management Division

Bob Freitas, Planner
Planning Office

Subject: Approval to Issue a License Agreement, Kekaha Hawaiian
Homestead Association, Puʻu ʻOpaʻe, Kekaha, Island of
Kauaʻi, TMK No.: (4)1-2-002:023 (por.)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant its approval
to the issuance of a License Agreement to Kekaha Hawaiian
Homestead Association, a Hawaii non-profit organization,
hereinafter referred to as LICENSEE, for the purpose of
management and maintenance of the Puʻu ʻOpaʻe Farm and Irrigation
Project (POFIP), comprised of approximately 231 acres at TMK
No.: (4) 1-2-002:023 (por.), Puʻu ʻOpaʻe, Kekaha, Kauaʻi and
further shown in the attached Exhibit "A".

Approval of the License is subject to the following
conditions:

1. The initial term shall be ten (10) years, commencing upon
   execution of the License Agreement. The License may be
   extended by the Chairman of the Hawaiian Homes
   Commission (HHC) for additional five (5) year terms, up to
   a total of twenty five (25) years provided that LICENSEE
   has satisfactorily fulfilled the purposes for which the
   License was issued;
LICENSEE must submit a written request for the renewal of the License at least six (6) months prior to expiration. The renewal is subject to the Chairman’s approval based on staff’s review of LICENSEE’S progress, performance and compliance with the terms and conditions of the license;

2. The fee for the term of the License shall be gratis for the first five-year period and shall be adjusted bi-annually based on its performance and the fair market rent;

3. The type of use for which this License is issued is for agricultural and pastoral purposes only;

4. The 231 acres issued to the LICENSEE shall not consist of the Pu’u ‘Ōpae reservoir, roads, and ditches;

5. Processing and documentation fee of $175.00 for this non-profit organization shall be waived;

6. LICENSEE shall operate the POFIP in accordance with all necessary governmental approvals and permits and all such approvals and permits shall be at the sole expense of the LICENSEE;

7. LICENSEE shall, at its own expense, effect, maintain and keep in force throughout the life of this license, a comprehensive public liability insurance policy, with limits of not less than $1,000,000.00 for each occurrence, including property damage, personal injury and advertising injury; $100,000.00 for fire damages to the Premises for any one fire; $10,000.00 in medical expenses for any one person, and an aggregate limit of $2,000,000.00 per policy year;

8. LICENSEE shall pay all charges for utility services (i.e. gas and electricity) should the need arise;

9. LICENSEE shall be responsible for the security of the premises and all of LICENSEE’S personal property thereon;

10. LICENSEE shall inform LICENSOR immediately if it loses its federal tax-exempt status or if any revenue generated from activities on the premises is deemed subject to taxation.

11. As part of LICENSOR’S regular review of LICENSEE activities, and in exchange for gratis base rent, LICENSEE shall submit an Annual Progress Report to LICENSOR each
year on the anniversary date of lease commencement. The Annual Progress Report shall document the LICENSEE'S activities of the previous year and shall include, but not be limited to the following:

a. Pre-construction and construction progress report that provides a description of pre-construction and construction milestones completed in the respective year of the Annual Progress Report. LICENSEE shall also provide LICENSOR with an anticipated schedule of completion of pre-construction and construction milestones for the following year.

b. Upon completion of the improvements to the POFIP, a narrative program report that describes LICENSEE'S progress on achieving its charitable purposes as articulated in its Internal Revenue Services (IRS) 1023 application form shall be included in the Annual Progress Report. LICENSEE shall work with LICENSOR to identify specific reporting requirements and applicable metrics to monitor progress towards achieving the LICENSEE'S charitable purposes. Minimum reporting requirements shall include number of beneficiaries served and a description of how LICENSEE has been serving beneficiaries of the Hawaiian Homes Commission Act of 1921, as amended.

c. A financial report that includes standard annual financial statements and the LICENSEE'S IRS 990 Form for the preceding fiscal year, as well as a budget for the following year, shall be included in the Annual Progress Report.

d. Letters from the boards of homestead community associations, other community nonprofits, and any other community-based organizations, including any future HHCA beneficiary-based community organization within the service area of the POFIP. Letters shall include information on whether or not the LICENSEE has satisfactorily provided programs and services to community members and beneficiaries in the respective year of the Annual Progress Report. Note: The Kekaha, Kaua'i Region is defined as the region that is specified in the 2011 DHHL West Kaua'i Regional Plan.

12. The License Agreement document shall be subject to other standard terms and conditions of similar documents issued by the Department of Hawaiian Home Lands (DHHL) and will be subject to the review and approval of the Department of the Attorney General, State of Hawaii; and
13. Upon approval of the Hawaiian Homes Commission (HHC), the Chairman shall be authorized to issue the license agreement and to set forth any additional terms and conditions deemed prudent and necessary.

BACKGROUND

At its meeting on January 14, 2013, the Hawaiian Homes Commission (HHC) granted its approval for the issuance of a month to month Right of Entry Permit (ROE 460) to the Kekaha Hawaiian Homestead Association (KHHA) to conduct research on the Puʻu ʻŌpae Farm and Irrigation Project (POFIP). KHHA has completed the Project Master Plan for the Puʻu ʻŌpae Farm and Irrigation Project.

The Kekaha Hawaiian Homestead Association (KHHA) was incorporated in the State of Hawaii on February 3, 2004 and filed Amended and Restated Articles of Incorporation on June 4, 2012. On October 22, 2012 it received its Internal Revenue Letter stating that it is a public charity under section 501(c) (3) of the Internal Revenue Service (IRS) Code.

DISCUSSION

The Kekaha Hawaiian Homestead Association (KHHA) is requesting a license agreement for the management of 231 acres of land located at Puʻu ʻŌpae to provide agricultural, socioeconomic and entrepreneurial opportunities that will benefit native Hawaiians, the homestead community and the community at large as described in their Project Master Plan for the Puʻu ʻŌpae Farm and Irrigation Project (POFIP).

See attached Exhibit B Land Use Request form from KHHA and a letter (See Exhibit C) from the KHHA Puʻu ʻŌpae Farm Committee Chair Kawai Warren. The accompanying Exhibit D more thoroughly explains the POFIP project description.

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

DHHL General Plan (2002)

The proposed project is consistent with the following General Plan goals and objectives:

Land Use Planning

Goal: Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.
Develop livable, sustainable communities that provide space for or access to the amenities that serve the daily needs of its residents.

Objective: Provide space for and designate a mixture of appropriate land uses, economic opportunities and community services in a native Hawaiian-friendly environment.

Agricultural and Pastoral Uses

Goal: Conserve the most productive agriculture lands for intensive agriculture and pastoral use.

Objective: Assist existing and future lessees in acquiring technical, marketing and financial assistance to increase productivity, economic efficiency and markets for their products.

Kaua’i Island Plan (2004)

The project is consistent with the 2004 Kaua’i Island Plan.

DHHL’s Kaua’i Island Plan identified Pu’u ʻŌpae as a Special District area. The land surrounding the reservoir area suggested that it could be used as a Pu’uhonua; or a retreat and place of refuge for beneficiaries island-wide. The area can also be a passive recreation area where individuals and community groups can hike to take advantage of the serenity and scenic views. While the island plan presents a high level view of potential uses DHHL’s regional plans provide a more detailed analysis of potential projects for the community.

West Kaua’i Regional Plan (2011)

The project is a West Kaua’i Regional Plan Priority Project.

DHHL’s West Kaua’i Regional Plan adopted by the HHC in 2011 identified the Development of an Agricultural and Water Plan to improve and continue to use the West Kaua’i Water system. The first phase of the three part plan called for the restoration of Pu’u ʻŌpae as a special place that required proper planning to benefit the whole community. It recognized that the reservoir should be maintained and the irrigation system rehabilitated for use by agricultural users and possible future agricultural lessees. The Regional Plan recognized that many areas have good soil for agriculture. It also recognized its conservation value to native ecosystem restoration and support for traditional cultural practices.

Program Plans

The project is consistent with the following Program Plans.
Water Policy Plan (2014)

The project will meet the goals of the plan by communicating with beneficiaries regarding water related activities in the region; advocating for beneficiaries rights to water before various agencies; and the Pu‘u ‘Ōpae Farm and Irrigation Project Plan will contribute its findings to the Water Assets Inventory; the project will also support watershed protection and restoration of DHHL water in the area.

This license agreement will not conflict with DHHL’s Water Policy Plan, it is anticipated that the Pu‘u ‘Ōpae Farm and Irrigation Project will be served with a basic irrigation system. Under KHHA’s management the lands will begin an era in which the people of Kekaha and their future generations will have ready access to healthy, affordable food along with opportunities for healthier lifestyles and satisfying livelihoods instilled with Hawaiian values and connection to the land. The initial work at the site will involve water restoration activities which are consistent with DHHL’s Water plan and insures sufficient water for agricultural production as anticipated in the Pu‘u ‘Ōpae Farm and Irrigation Project Master Plan.


The project is consistent with the Hoʻomaluhia Energy Policy objective of Malama aina, Respect and protect the native home lands.

It is anticipated that the Puʻu ‘Ōpae Farm and Irrigation Project will include measures to insure the efficient use of energy at the site and result in the protection, restoration and preservation of DHHL’s forest and agriculture lands in the Kekaha area. The project incorporates the preservation of values, traditions, and culture of Native Hawaiians that restores balance, harmony, and sustainability of the lands at Puʻu ‘Ōpae.

Evaluation of Organizational Capacity and Readiness

Planning and implementation of community development and economic development projects involves three elements: Organizational Capacity; Project Planning and Development; and a broad base of community support and network of resources.

1. Organizational capacity - Having good management; sound financial and administrative systems; board and staff capabilities, skills and experience; and organizational ability to manage outside technical assistance and training resources.
2. Project Planning and development - project feasibility, market study, initial capital, operating expenses, cash flow projection, management and facility operations planning, and community benefits.

3. Community support and network of resources - broad base of HHCA beneficiary support, community support, public and private sectors, funders, etc. to support the proposed project.

The Kekaha Hawaiian Homestead Association demonstrated their capacity by providing their governing documents and other supporting evidence during the due diligence review phase and as evidenced in their Project Master Plan for the Pu‘u ‘Ōpae Farm and Irrigation Project. Detailed information regarding the capacity and readiness can be found in Exhibit B.

Community Information Meeting and Consultation

1. A Beneficiary Consultation / community information meeting was held on Tuesday, January 17, 2017 from 6:00 p.m. to 8:00 p.m. at the Kekaha Elementary School Cafeteria, located at 8140 Kekaha Road, Kekaha, HI 96752.

2. A total of 35 written comments were received at the meeting and four comments were delivered via email. All comments received expressed support for the project. There were no opposing comments.

3. The Hawaiian Homes Commission accepted the Beneficiary Consultation Report for the Kekaha Hawaiian Homestead Association’s Pu‘u ‘Ōpae Farm and Irrigation Project, Kekaha, Kaua‘i, TMK (4) 1-2-002:023 at its March 20-21, 2017 meeting.

HRS Chapter 343 Compliance

In accordance with the Department of Hawaiian Home Lands Comprehensive Exemption List approved by the Environmental Council on June 30, 2015, the planned activities proposed by KHHA can be exempted under the following classes:

**Exemption Class #1:** Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.

**Exemption Class #2:** Replacement or reconstruction of existing structures and facilities where the
new structure will be located generally on the same site and will have substantially the same purpose, capacity, density, height and dimensions as the structure replaced.

Exemption Class #3: Construction and location of single, new, small facilities or structures and the alteration and modification of the same.

Exemption Class #4: Minor alteration in the conditions of land, water, or vegetation.

Exemption Class #5: Basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Exemption Class #6: Construction or placement of minor structures accessory to existing facilities.

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<td>Mend Fences</td>
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<td>Repair irrigation clean fallen trees</td>
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<td>Construct moveable raised platform and storage area</td>
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<td>Environmental Assessment analysis</td>
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<td>Test canoe crop plantings</td>
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<td>Baseline testing soil remediation</td>
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<tr>
<td>Fence additional areas for grass control</td>
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<tr>
<td>Orchard testing</td>
<td>Class #4</td>
</tr>
<tr>
<td>Water potability testing</td>
<td>Class #5</td>
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</table>

The Planning Office anticipates that all of the activities and temporary improvements proposed by KHHA will be eligible for exemption from the preparation of an Environmental Assessment under Exemption Classes 1, 2, 3, 4, 5, and 6.

AUTHORITY

§ 207(c)(1)(A) of the Hawaiian Homes Commission Act, 1920, as amended, authorizes the department to grant licenses for the use of Hawaiian Home Lands for public purposes.
§ 10-4-21(d) and (e) provide the waiver of processing fees for licenses that benefit native Hawaiians.

RECOMMENDATION

Land Management Division (LMD) recommends approval of the requested motion/action as stated.
REQUEST FORM FOR NON-HOMESTEADING LAND USE PURPOSES

PART I: APPLICANT INFORMATION

Name: N/A

Address: ____________________________________________

Phone No.: ___________________ Cell: ___________________ email: ___________________

If Corporation/Organization/Company/LLC/Non-Profit:

Name: Kekaha Hawaiian Homestead Association

Address: PO Box 1292 Kekaha Hi 96752

Phone No.: 808-639-2731 Cell: ___________________ email: Kawaiwarrenkhha@gmail.com

☐ Requesting Organization is a 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

☐ Requesting Organization is For Profit - Individual or Business

☐ Individual ☐ Sole Proprietorship ☐ Partnership
☐ Corporation ☐ Limited Liability Corporation ☐ Other

Is an Individual HHCA Beneficiary or is Owned by an HHCA Beneficiary ☐ Yes ☐ No

☐ Requesting Organization is a Government Agency

☐ Federal ☐ State ☐ County

Officers and/or Principal Representatives: See attachment

Mission of Organization: See attachment

Date Incorporated: 2004 State of Incorporation: Hawaii

Federal Tax ID#: 45-3456967 State Tax ID#: W77037836-01

PART 2: NON-HOMESTEADING LAND USE REQUEST

Describe proposed non-homesteading land use envisioned under this request as submitted See attachment

*Please attach additional information if necessary

Land Request Form No.

ITEM NO. F-2

EXHIBIT "B"
Land Area requested:  Acreage/Sq.Ft.  231 Acres  Term: 25 year renewable
Island: Kaua’i  Tax Map Key No.: 1-2-02:23

Indicate Character of Use:
☐ Agricultural  ☐ Commercial  ☐ Church  ☐ Other
☐ Pastoral  ☐ Industrial  ☐ Community Facility

Does applicant have any existing land disposition issued by Hawaiian home lands for non-homesteading use purposes?  ☐ Yes ☐ No
If yes, under what type of use and disposition:

Describe how proposed land use request will have direct or significant indirect benefit to the Trust and/or its Beneficiaries (Applicants & Lessees):  See attachment

The following authorized representative submits this request for use of Hawaiian home lands under non-homesteading purposes and acknowledges that:
1. This is an application process that will be subject to further review, evaluation and consideration by DHHL and may require additional information to be submitted;
2. This request does not constitute any form of DHHL approval to this non-homesteading land use request as submitted;
3. In the best interest of the trust, DHHL reserves the right to exercise its prudent authority pursuant to and in accordance with the Hawaiian Homes Commission Act (Section III, Section 204(a)(2), Section 220.5, Section 207(c), Hawaii Revised Statutes, Chapter 171, as amended and the Hawaii Administrative Rules, Title 10;
4. Once the application is deemed complete, the non-homesteading land use request will be posted for a 30 day review period on the DHHL website for beneficiary and public comment;
5. Additional Island or Regional Specific Beneficiary Consultation will be required per the DHHL Beneficiary Consultation Policy;
6. All input/comments received will be provided to the Hawaiian Homes Commission if/when approval for disposition is considered by the HHC;
7. Associated non-refundable processing and documentation fees shall be assessed for each respective disposition request as follows:  Revocable Permit - $100.00  License - $200.00  General Lease – Cost  Documentation (all)...$75.00

Kekaha Hawaiian Homestead Association
Print Individual or Organization Name

Harold Vidinha
Authorized Representative Name & Title

9/28/2016
Date

Signature

Land Request Form No.

ITEM NO.  F-2

EXHIBIT “B”
Attachment 1
Kekaha Hawaiian Homestead Association
Request form for Non-Homesteading land Use

Part 1: Applicant Information

Officers and/or Principal Representative:

Harold Vidinha (President/Board), Gilroy Yorkman (Vice President/Board), Romayne Lani Matsuyoshi (Secretary/Board), Lyle Bargamento (Treasurer/Board), Van Kawai Warren (Board/Chair Pu’u Opa’e Committee), Lorna Poe (Board/Chair Outreach Committee), James Nakaa’iki III (Board), Richard Kanahele (Board), Ambrose Kanahele (Board), Kalani Kapuniai (Board)

Mission of Organization: KHHA develops community and educational projects that serve native Hawaiian beneficiaries, wait list applicants, and successors living within the West community and west Kauai’s residents who are directly impacted by land and water uses of west Kaua’i homelands. We provide our constituencies and the greater community with programs aimed at enhancing life opportunities and quality of life, guide by the Hawaiian principles of pono interaction and malama honua.

Part 2: Non-Homesteading Land Use Request.

Describe proposed non-homesteading land use envisioned under this request as submitted:

KHHA requests a Right of Entry to roll over to a 25 year renewable license for 231 acres of mauka home lands in the Moku of Mana. The license will allow KHHA to move forward with further assessment and development of those lands as a next step in the realization of the” Pu’u Opa’e Farm and Irrigation Plan”). These 231 acres will serve as the pu’uuvai (heart) and initial area for implementing sustainable and integrated agricultural, pastoral, and forestry practices. The requested land will eventually be the site for a training and meeting center with structures to house propagation, processing, and other equipment, and will allow KHHA to begin environmental assessment of the overall project area with consultants. There are seven developmental sections that are built-out in phases. Each phase provides educational and hands-on training to beneficiaries and the community at large. In the early stages of the Farm and Irrigation Plan a simple platform structure to protect against weather and a toolshed for equipment will be built. As discussed with DHHL staff and KHHA leadership in 2013, Natural Resource Conservation Services (NRCS) and other highly skilled consultants are willing to assist in the planning and implementation of the Pu’u Opa’e Farm and Irrigation Plan. KHHA must obtain proof of control of land from DHHL in order for NRCS and others to provide expertise and services to KHHA. KHHA current Right of Entry does not meet NRCS and other support providers “control of land” requirements. Therefore, KHHA’s land use request is for a 25-year renewable license. During this period, all work such as, cultural surveys, conservation plans, environmental assessments, refurbished irrigation system, soil remediation plan, development of Pu’u Opa’e educational center, DHHL awarding of ¾ acre homesteading lots, and implementation of a Co-operative Agriculture park for beneficiaries will be addressed.

ITEM NO. F-2

EXHIBIT “B”
Attachment 1
Kekaha Hawaiian Homestead Association
Request form for Non-Homesteading land Use

Awarding of this license would provide assurance to KHHA beneficiaries, its supporters and expert consultants that their valuable expertise, time and resources invested now, and often pro bono, will likely lead to a permanent Land Use Right with their assistance. (See attached summary of expert consultation)

Describe how proposed land use request will have a direct or significant indirect to the trust and/or its Beneficiaries (applicants & Lessees)

KHHA’s Ho’omaukaukau and surveying activities over the past two years under its Right of Entry have enable KHHA to conduct a comprehensive study of our mauka home lands and the laws applicable to Hawaiian claims to water, particularly under the Public Trust doctrine. KHHA has made considerable progress in understanding the environmental and structural condition of the westkaua’i home lands. From our past two years of work (and the resulting production and submission of a KHHA Farm and Irrigation Master Planning document) we have provided the a model project that brings DHHL step closer to rehabilitating the ‘āina and fulfilling its mission as described in the Hawaiian Homes Commission Act, 1920 as amended. This Land Use Request for a 25-year renewable license will demonstrate to our west side community that the Trust is pro-actively taking steps with beneficiaries, successors and wait list to improve the mauka home lands for sustainable uses of land and water, to feed our people and encourage healthier lifestyles. The Pu’u Opae Farm and Irrigation Plan brings life back to our mauka lands and health to our people. This will be accomplished through combining Malama Kou Kino practices (Taking care of your health) and Malama Honua practices (Taking care of water and land.) A focal point of this plan is the creation of a Community Educational Center where training of future Native Hawaiian farmers and agriculture leaders will take place.
Experts Consulted

The following is a partial list of the many experts that have been consulted in the creation of this Pu’u Opae Project Plan.

In the Environmental Assessment phase, KHHA will assemble charrettes of experts in the following areas and will include these, among many other experts, on Kaua’i, other Hawaiian islands, the mainland and internationally.

Specific experts that have helped in the development of this plan or expressed willingness to contribute:

- CTAHR and UH specialists: Professors Hector Valenzuela, Kapua Sproat and several UH colleagues advised on water issues and sustainable ag principles
- NRCS conservation, soil and integrated ag and agroforestry experts: Assisted in preliminary consultations on soil conservation and agricultural methods to address erosion control, fencing and irrigation planning and potential resource support
- Louisa Wooten Chair, Hawaii Organic Farmers Association/Inspector and Certifier, US National Organic Program/Owner Kaua’i Kunana Farms along with leading members of the Hawaii Organic Farmers Association
- Chris Kobayashi, Taro Farmer, and John A’ana, both leaders in the Hawaii Taro Security and Purity Task Force (A legislatively mandated organization that assists the state in creating legislation to protect the future of taro growing in Hawaii while also considering economic development, bio-security and bio-prospecting, cultural, land, and water issues.)
- Lo’i and sustainable ag farmers on Maui (including Na Wai Eha and Kula), Oahu and Big Island
- Ma’o Farms and several other farming operations both in Hawaii and nationally
- Jason Hines and Dawn Huff, Engineers and planning insight
- Juan Wilson, Architect (Cooper Union, New York) and Kaua’i resident
- Owen Moe, Former Kekaha Sugar staff, ditch and historical knowledge
- Eban Manini, Leaseholder, Pu’u Opae homelands (for cultural references and topographical knowledge)
- UH law professors, instructors, and law journal authors provided articles and citations to water draw figures as per case law

ITEM NO. F-2

EXHIBIT "B"
ohana, the Naka’ahiki ohana, Shawn Chun, Kanahele, Jim A’ana, among many others, including kapuna, who have contributed historical and topographical and cultural information to this plan

- Department of Land and Natural Resources field staff
- Lyle Bargamento, Irrigation specialist
- Kupuna from several islandwide ohana
- Ohana from mokus islandwide
- Waimanalo Homestead and other homestead leaders
- Pacific American Foundation and other curricula experts
- Hokulea crewmembers
- Kamehameha educators
- Blue Planet Foundation
- Cooperative specialists, internationally based
- Culture specialists islandwide
Education Supporters to be Included in Pu‘u Opae Build-Out

- CTAHR
- National Tropical Botanic Gardens
- Pacific Americas Foundation
- Waipa Foundation
- UH Extension Service
- Taro Purity Task Force
- Hawaii Organic Farmers Association
- Stanford University
- UC Berkeley and other UC schools
- Food Policy Councils
- Leeward and Kaua‘i Community Colleges
- Hawaii State Department of Agriculture
- University of Hawaii
- Kamehameha Schools Extension Education
- Waimea High School
- Waimea Canyon Middle School
- Kekaha Elementary School
Kaleo Manuel  
Department of Hawaiian Home Lands  
Land Management Division  
Hale Kalanianaʻole  
91-5420 Kapolei Parkway  
Kapolei, Hawaii 96707

March 26, 2017

Aloha Kaleo,

I attach updated excerpts from our project master plan submitted to DHHL in 2014 regarding the first 231 acres of the Puʻu Opaʻe plan. I hope this will help your staff draft the Puʻu Opaʻe contract. As time is short we are hoping to review a draft contract as soon as possible before the upcoming April HHC meeting.

In addition to our 25 year license agreement, our Land Use Request included an extension of our current Right of Entry to the remaining agriculture area (1,220 acres) for extended surveying, access considerations, continuity planning of the area’s overall irrigation system, environmental assessment planning, road surveying and maintenance, and extended fence repair, all provided as assistance to DHHL as it explores future uses for this area. As I understand, this extension of the current Right of Entry to the remaining 1,220 acres at Puʻu Opaʻe should be included in the Puʻu Opaʻe contract. We do acknowledge that this extension would continue to be a non-exclusive Right of Entry.

Mahalo for all your support,

Kawai Warren  
Kekaha Hawaiian Homestead association  
Chair Puʻu Opaʻe Farm Committee

EXHIBIT “C”
The following work on the 231 acres of our first phase of the Pu‘u Opae project does not disturb or impact the land at a level that requires permitting:

- Existing fencing will be surveyed, repaired and replaced as needed. As these activities will not introduce any significant new materials or disturbances to the land, no permitting is required.
- A simple raised platform to serve as a basic meeting venue will be constructed to provide shelter from rain, and will have minimal if any impact on the land. The footprint of this structure will be such that permitting will not be required. [A preliminary architectural illustration of such a structure is included in the appendix.]
- A small toolshed to store and protect small equipment will also be built. This will have a similar construction to the raised platform described above, but will be securable and enclosed. The footprint of this structure will be such that permitting will not be required.

Wastewater and Drainage
Rain waters from Pu‘u Opae drain through the valleys of Kaawaloa, Niu and Wailau. There will be minimal visitor traffic in Phase 1 of the Pu‘u Opae project and wastewater issues will not be relevant during that time. Portable toilets will be placed near training areas or work sites when larger groups visit the site for work days and trainings, though there will only be a few such occasions in these early stages.

Once a renewable license granted, an Environmental Assessment analysis will begin. KHHA will also work with DHHL to determine the aspects of the project requiring permitting.
The following are the detailed steps to implement the first section of 231 acres of the Pu‘u Opae Plan.

1. Repair existing catch basin to enable collection of water.
2. Road repair and maintenance – Repair the road (eliminate ruts) to accommodate sporadic 4WD traffic. In our first two years road work will be minimal, allowing for the transport of consultants and small work teams.
3. Mend Fences with coordinated work teams.
4. Repair irrigation pipes and clean ditches of fallen trees and excess sediment.
5. Construct simple raised platform and storage area, both moveable.
6. Sustainable Ag 101 workshops coordinated with workdays and work phases. In the first years several sessions will take place makai of the Pu‘u Opae lands.
7. Environmental Assessment analysis begins with NRCS and others consultants, for the 1,440 acres project footprint.
8. Irrigation and land/water surveying throughout 1,400 acre footprint.
9. Establish moveable mauka test nursery
10. Test areas of canoe crop plantings begins. Starts with a modest planting of 3-5 test acres. Ongoing planting as new acreage is fenced and soils minimally amended and as irrigation pipes are repaired.
11. Orchard test plantings begin within small circumscribed area.
12. Baseline testing for soil remediation. Pastoral acres readied with assistance of NRCS.
13. Fence additional acres and incorporate pastoral practices for general soil remediation and grass control.
14. Exploration of water treatment approaches and water potability testing for possible future ag housing needs.

EXHIBIT “C”

ITEM NO. F-2
Description of Activities for Extended Non-Exclusive Right of Entry Activities, 1220 acres at Pu‘u Opace.

Pu‘u Opace Project: A Possible Seven-Section Build-Out Approach

While Phase 1 focuses on the activities for the first 231 acres (Section 1 of the Pu‘u Opace plan), it is important to contextualize that work within the larger 1,441 acre project. The seven sections of the Pu‘u Opace Plan are illustrated in the Master Plan map. To assist DHHL in making effective investments of time and resources as it explores future land uses at Pu‘u Opace, KHHA requests an extension of its current non-exclusive Right of Entry for the remaining 1,200 acres.
EXHIBIT D

APRIL 7, 2017

PROJECT DESCRIPTION

Kekaha Hawaiian Homestead Association (KHHA) proposed Pu‘u ʻŌpae Farm and Irrigation Project

The Kekaha Hawaiian Homestead Association proposes to implement the first phase of their project which is identified in the Project Master Plan for the Pu‘u ʻŌpae Farm and Irrigation Project located at Kekaha, Hawaii, Island of Kaua‘i.

The work on the 231 acres will not disturb or impact the land at a level that requires permitting. Existing fencing will be surveyed, repaired and replaced as needed. A temporary simple raised platform with a roof will serve as a meeting venue to provide shelter from rain. A small tool shed to protect the farm equipment will also be constructed.

The agricultural activities will include: repairs to existing water catchment basin, road repairs to remove ruts, mending fences, repair of irrigation pipes, cleaning ditches, conducting sustainable Agriculture workshops along with work days, establishment of test nurseries, orchard plantings, soil remediation activities and water treatment approaches.

Rationale for Recommendation

DHHL staff recommends approval of the issuance of a license agreement to the Kekaha Hawaiian Homestead Association for the purpose of conducting agricultural projects identified in the Master Plan for the Pu‘u ʻŌpae Farm and Irrigation Project.

KHHA is a homestead community based nonprofit organization. KHHA’s purposes are to provide the community with education in agriculture, water, food safety, and technology by restoring the Pu‘u ʻŌpae lands to productive use.

DHHL’s mission states that it partners with others toward developing self-sufficient and healthy communities. KHHA is involved with securing support from the Natural Resources Conservation Services (NRCS) to implement the Master Plan for the Pu‘u ʻŌpae Farm and Irrigation Project by providing a place for native Hawaiians, farmers and the larger community to come together to develop their farming skills.

Organizational Capacity

The Kekaha Hawaiian Homestead Association (KHHA) was incorporated in the State of Hawaii on February 3, 2004 and filed Amended and
Restated Articles of Incorporation on June 4, 2012. On October 22, 2012 it received its Internal Revenue Letter stating that it is a public charity under section 501(c) (3) of the Internal Revenue Service Code.

DHHL developed processing criteria, procedures, and a list of required documentation that is necessary to conduct a thorough due diligence review of all land use requests that are received by DHHL. The list is based on the Hawaiian Home Commission’s discussion and approval of the Waimea Homestead Association’s Waimea Nui Pilot Project. The due diligence review by staff will be dependent on the applicant providing the following documentation which includes but is not limited to: 1) Organizational Documents, 2) Business and Project Plans, and 3) Evidence of Community Support.

Check list of organizational documents to support capacity:

- **Narrative describing the following:**
  - Who is the organization - vision, mission, purpose;
  - How your organization benefits the Hawaiian Home Lands Trust and its beneficiaries;
  - How and why your organization was created;
  - Your organization’s relationship with, connection to, and representation of beneficiaries, as defined by the Hawaiian Homes Commission Act (HHCA), as amended;
  - Qualifications and experience in planning & implementing the proposed project or a similar project;
  - Relationship between your organization and the beneficiary organization(s). Documentation for this may include, but not be limited to:
    1) Board resolution that your organization is owned and controlled by HHCA beneficiaries;
    2) Beneficiary organization(s) is the sole member of your organization;
    3) Beneficiary organization(s) appoints individuals to serve on the board of your organization;
    4) Primary purpose of your organization is to further the mission of the beneficiary organization(s);
    5) Your organization and the beneficiary organization(s) adopted a joint board resolution that your organization is serving as the project development arm of the beneficiary organization(s)
- Articles of Incorporation, with certification stamp from the Department of Commerce and Consumer Affairs (DCCA)
- Bylaws, dated and signed
- Current list of board members, include positions/title & term expiration date. Also identify if each board member is a beneficiary or not.
- If you are a member-based organization, provide a current list of members and identify if each member is a beneficiary or not.
• Any other material describing the organization’s vision, mission and purpose
• Any other documents – organization brochure, newsletter, reports
• Certificate of Good Standing from DCCA
• State of Hawaii General Excise Tax Number (GET)
• Federal Employer Identification Number (FEIN)

If IRS 501c3 tax exempt status is required for the proposed land disposition, then please include the following items
• Full copy of your organization’s IRS 501(c)(3) tax exemption application (IRS Form 1023 & any attachments)
• IRS 501(c)(3) determination letter

Proposal project plan and business plan
• Narrative describing the need/problem/opportunity you are trying to address
• Narrative describing how the proposed use or project for the property will benefit the Trust and HHCA beneficiaries
• Narrative describing operational activities of the plan
• Is the proposed use or project consistent with DHHL Island Plan & Regional Plan? Other governmental plans – County General Plan, County Community Development Plan (CDP), EDA CEDS strategy, HUD consolidated plan, etc.
• Narrative describing how HHCA beneficiaries and/or the at-large community were involved in the planning of the proposed project
• Most recent financial statement, treasurer’s report, or IRS Form 990
• Pro Forma
• Expense & Income Budget – start up/initial costs, operating budget, reserve fund, projected income
• Project timeline/schedule

Community support
• Evidence of support from the surrounding homestead communities and HHCA beneficiaries
  Examples include, but are not limited to: list of meeting dates, # attended, sign-in sheets, meeting minutes, support letters or board resolutions from each homestead association, surveys, petitions

• Evidence of support from the broader, at-large community
  Examples include, but are not limited to: list of meeting dates, # attended, sign-in sheets, meeting minutes, support letters or board resolutions from partner organizations/individuals, community nonprofits, County Mayor, County Council.
KHHA has provided sufficient evidence meet the criteria listed above which is on file with the department and based on all of the materials provided has the capacity to implement and manage the proposed project.

**Project Planning and Development**

The Master Plan for the Pu‘u ʻōpae Farm and Irrigation Project was created in 2014 and has been discussed with the Hawaiian Homes Commission this license will enable KHHA to implement the first phase of the plan and secure the necessary assistance to provide agricultural training to the beneficiaries on the Island of Kaua‘i.

**Community Support and network of resources**

The Beneficiary Consultation Report was accepted by the HHC at its March 20-21, 2017 meeting. There was overwhelming support for the project from the Kekaha community. KHHA is working with various Agricultural agencies at the State (UH/Cooperative Service and at the Federal level (USDA/NRCS) to secure funding assistance to support the implementation of the Master Plan for the Pu‘u ʻōpae Farm and Irrigation Project.

DHHL staff supports the recommendation to issue a license agreement to the Kekaha Hawaiian Homestead Association.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

From: Peter "Kahana" Albinio Jr., Acting Administrator
      Land Management Division

Subject: Amendment to General Lease No. 281, Nanakuli Hawaiian Homestead Community Association (NHHCA), Nanakuli, Island of Oahu

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant its approval to the following:

1. To approve a Fourth Amendment to General Lease No. 281, issued to Nanakuli Hawaiian Homestead Community Association (NHHCA), to use a parcel of Hawaiian home lands at Nanakuli, identified by Tax Map Key No. (1) 8-9-002:001 for its mixed-use development project subject to the following conditions:

   a) Article Three, Section 1 of General Lease No. 281 be amended to reflect that the commencement date of the Annual Base Rent as previously amended and referenced under Paragraph 4. Annual Base Rent the Third Amendment of General Lease No. 281, yet to be drafted, as approved by the Hawaiian Homes Commission at its December 19-20, 2016, regular monthly meeting under Agenda Item No. F-2, more specifically Condition No. 1. (b) (See Exhibit "A") shall NOW be the date at the end of a maximum thirty (30) month period of which eighteen (18) months shall cover the Construction period (May 1, 2017 – October 31, 2018) and twelve (12) months shall cover a Rent Stabilization period (November 1, 2018 – October 31, 2019) as required under the April 3, 2017 Discussion Term Sheet issued by American Savings Bank. Based on the attached Nanakuli Development Schedule - Revised 3-7-17 (See Exhibit "B") the Annual Base Rent commencement date shall now be November 1, 2019.

2. All other terms and conditions under General Lease No. 281 shall remain in full force and effect with a 4th Amendment to General Lease No. 281 documenting the amendment as described and referenced above; and

3. The Chairman of the Hawaiian Homes Commission is authorized to set forth any additional terms and conditions which shall ensure and promote the purposes of the demised premises.
DISCUSSION

Being a 501(c)(3) nonprofit organization representing the Nanakuli homesteaders, with no tangible assets, other than a 65-year lease from DHHL, it has been nearly impossible for the Nanakuli Hawaiian Homestead Community Association to obtain financing to build their Nanakuli Village Commercial/Medical Village Center. After many attempts with various commercial lenders and government entities, only American Savings Bank (“ASB”) has offered to provide the needed $10.7 million loan to construct the various onsite improvements. The proposed loan is subject to many conditions as outlined in the attached term sheet. The relevant provision is that DHHL rent will not commence until after 12 months of tenant rent stabilization. This allows NHHCA to accumulate about $887,427 which will be used to reduce the accrued loan amount. At the end of that period, DHHL will start to receive lease rent and NHHCA can start to use the net proceeds for its homesteading programs. Without this “equity” contribution, among other conditions, the bank will not make the loan. NHHCA respectfully requests the assistance and approval of their request by the HHC.

Background Information

See “Background Information” in Item No. F-2 dated December 19-20, 2016 previously presented to the HHC (Exhibit “A”) where the HHC approved the revised Condominium Property Regime Map creating a separate Unit or pad for Waianae Comprehensive Health Center’s satellite clinic and an extension on the start date for the DHHL lease rent to when the first tenant opened for business or February 1, 2018, whichever occurred first.

Current Status

NHHCA has started the approximately $2.8 million in offsite improvements for the Nanakuli Village Center. T. Iida Contracting, Ltd. submitted the low bid and was chosen as the general contractor. Fortunately, NHHCA was able to recently obtain an additional $500,000 in CDBG funding from the City to make up the budget shortage and to combine with the rest of its CDBG, State GIA and Kamehameha Schools funding. The Farrington Highway improvements include construction of the signalized intersection, relocation of the signalized pedestrian crosswalk, installation of the stacking and acceleration lanes on Farrington Highway, installation of a drainage system, and construction of new sidewalks and a bus stop. HECO has already relocated its utility lines. Hawaiian Telcom has started the installation of its utility poles and relocation of its utility lines. Oceanic Cable will start the relocation of its cable lines when Hawaiian Telcom’s work is completed.

The onsite improvements will include the 7,200 square foot inline tenant, Fresenius and Starbuck’s building shells, building pads for Waianae Comprehensive Health Center’s satellite clinic, Longs, and Wendy’s. Landscaping and construction of the main driveways, overhead lighting and parking lots will also be done. A Community Activity Center along with spaces for kiosks and a Performance Mound will also be built. See Exhibit “C”.

RECOMMENDATION

Land Management Division respectfully requests Hawaiian Homes Commission approval of the motion/action as stated.
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
December 19-20, 2016

To: Chairman and Members, Hawaiian Homes Commission.

From: Peter K. Albinio Jr., Acting Administrator
Land Management Division

Subject: Approval to Amend General Lease No. 281, Nanakuli Hawaiian Homestead Community Association (NHHCA), Nanakuli, Island of Oahu

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission grant its approval to the following:

1. To approve a Third Amendment to General Lease No. 281, issued to Nanakuli Hawaiian Homestead Community Association (NHHCA), to use a parcel of Hawaiian home lands at Nanakuli, identified by Tax Map Key No. (1) 8-9-002:001 (See Exhibit “A”), for its mixed-use development project subject to the following conditions:

   a) Article One, Section I of the General Lease No. 281 be amended to reflect the revised description of the Premises, which NOW contains the Condominium Units designated as Unit Nos. 3, 4 and 5 together with the undivided interest in the common elements appurtenant thereto as further described by Second Amendment to Declaration of Condominium Property Regime for Nanakuli Village Center and Amendment of Condominium Map No. 5087, dated April 4, 2016, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. Doc A – 60260823; (See Exhibit “B”);

   b) Article Three, Section I of General Lease No. 281 be amended to reflect that the commencement date of the Annual Base Rent as previously amended and referenced under Paragraph 4. Annual Base Rent, of Second Amendment of General Lease No. 281, dated January 11, 2016, unrecorded, (See Exhibit “C”) shall NOW be the date the first tenant opens for business or February 1, 2018, whichever occurs first;

2. All other terms and conditions under General Lease No. 281 shall remain in full force and effect with a 3rd Amendment to General Lease No. 281 documenting the amendments as described and referenced above; and

3. The Chairman of the Hawaiian Homes Commission is authorized to set forth any additional terms and conditions which shall ensure and promote the purposes of the demised premises.

ITEM NO. F-2

EXHIBIT "A"
Item No. F3/F5
DISCUSSION

Mr. Kali Watson, Nanakuli Village Center Project Director for the Nanakuli Hawaiian Homestead Community Association, has requested Commission’s approval to revise the property description in General Lease No. 281 for the Nanakuli Village Center to accurately reflect all the Condominium Property Regime units designated as Units Nos. 3, 4 and 5. Additionally, it has taken longer than anticipated to design, develop and obtain financing for this very complex and expansive village center. At this point there is no rental income being generated. Therefore an extension on the commencement date of the lease rent payable to the Department ($110,000.00/annum), has also been requested.

Background Information

License Agreement No. 597

At the December 17, 2002 regular monthly meeting, the Hawaiian Homes Commission (HHC) approved the issuance of a license agreement to the Nanakuli Hawaiian Homestead Community Association (NHHCA) to use a 11.96-acre parcel of Hawaiian home lands in Nanakuli for a multi-phase, multi-use community center and commercial project. License Agreement No. 597 (LA 597) was issued February 27, 2004 with an effective date of December 1, 2004. The license was for a term of 30 years and the proposed development plans include a commercial center, kupuna housing and community center with the intent to provide economic opportunities, community services, educational and cultural enhancement and social synergy for the health and welfare of the overall Nanakuli community, of which our beneficiaries represent a large majority.

At its meeting of April 25, 2006, the Hawaiian Homes Commission accepted the Final Environmental Assessment and Findings of No Significant Impact of this proposed project.

The original concept of the “The Nanakuli Village Center” consisted primarily of three components: 1) the Nanakuli Commercial Center, 2) the Agnes K. Cope Hawaiian Cultural Center and the International Surfing Hall of Fame, and 3) Hale Makana O Nanakuli Rental Housing, which is an affordable rental housing development.

General Lease No. 281

Mr. Kali Watson, project manager for this project, requested that the current LA 597 be cancelled and that NHHCA be granted a long-term general lease. The request is primarily due to their needs to finance both the commercial portion of the development by way of a conventional mortgage process and the ability to sublease the commercial spaces to individual tenants, and the affordable rental housing component with financing from various governmental agencies that require a longer-term commitment.

General Lease No. 281 was executed on October 8, 2008 with an effective date retroactive back to January 1, 2008 for a term of 65 years, ending December 31, 2073. The rent provision of General Lease No. 281 states in part that for “Lease years 1 through 25: Net operating income derived from the commercial center shall be committed by NHHCA to fund and support the building and development of the Agnes K Cope Hawaiian Cultural Center. Any excess of net operating income shall be subject to the agreed upon rent structure of 20% due and payable to DHHL.”

During the term of the lease, it was expected that NHHCA would make significant progress toward completion of its planned multi-phase, multi-use cultural center, commercial project, and affordable rentals. Progress was to be measured against milestones set at five (5)-year intervals over the first fifteen (15) years of the lease term. Failure to meet any milestone or an otherwise negative evaluation of
LESSEE'S project would be grounds for early termination of the General Lease. The milestones that were supposed to have been met for Years one (1) through five (5) (2008-2012) were:

1) Complete HRS Chapter 343 compliance
2) Grub, clear and maintain entire Premises
3) Highway ingress/egress completed with State Department of Transportation approval
4) Backbone infrastructure-access roads, water meter, water lines, waste water system, drainage completed for Phase I component
5) Complete site work for Phase I construction (commercial project or other development component of equal or greater magnitude)
6) Commence and complete perimeter site improvements (signage, landscaping along Farrington Highway frontage and security/construction fencing)

Memorandum of Understanding between NHHCA/KS/DHHL

The Kamehameha Schools has been in communication with NHHCA to bring the Ka Pua Initiatives to the leeward coast and is interested in developing a KS educational facility on CPR Unit No. 2 of the Nanakuli Village Center. The proposed site is where NHHCA originally had plans for its Agnes K. Cope Hawaiian Cultural Center. KS is prepared to proceed with the Agnes Cope Learning Center but is awaiting the issuance of its General Lease.

At the February 21, 2012 regular monthly meeting, the Hawaiian Homes Commission approved the execution of a Memorandum of Understanding between NHHCA, Kamehameha Schools, and the Department of Hawaiian Home Lands on the commitment to work cooperatively to pursue the development of a KS educational facility on a portion of the Nanakuli Village Center.

Kamehameha Schools and NHHCA have completed their negotiations for the Joint Development Agreement and anticipate signing the agreement by the end of this month. KS will be contributing $650,000 to the offsite construction costs, along with $300,000 which will be used to pay off the delinquent real property taxes for NVC and several outstanding consultant bills.

Declaration of Condominium Property Regime

At the request of NHHCA, the Department of Hawaiian Home Lands filed a Declaration of Condominium Property Regime (CPR) with the State to create a four (4)-unit condo on this 11.96-acre parcel. The intent of filing for a CPR is to enable NHHCA to finance each component of its planned development without impacting the rest of the project.

The affordable rental housing component of the project requires a 65-year ground lease from the time the project is put into service, as a condition to receiving State low-income housing tax credits. As a result, Unit 1 was withdrawn from General Lease No. 281 immediately and the affordable housing developer Hawaiian Community Development Board received two new leases for Unit 1: (a) a short-term ground lease to HCDB to cover the construction period; and (b) a 65-year lease to NHHCA during the operation of the project, to be effective upon completion of the project or on date certain to coincide with project completion.

NHHCA maintained its leasehold interest on the remaining three (3) units under the CPR, but has since given up Unit 2 which was withdrawn from the leased premises and a new general lease is to be issued to Kamehameha Schools for the development of the Agnes Cope Learning Center.
Additionally, to assist Waianae Coast Comprehensive Center in its development of their satellite clinic, a fifth unit or CPR Unit No. 5 was created, which is part of the basis for the 3rd Amendment to General Lease No. 281. This has allowed them to obtain federal funding. Like NHHCA, they are also pursuing New Market Tax Credits.

Current Status

NHHCA has government funding and has gone out to bid for the *offsite* improvements for the Nanakuli Village Center. This includes construction of the signalized intersection, relocation of the signalized pedestrian crosswalk, installation of the stacking and acceleration lanes on Farrington Highway, relocation of HECO and Hawaiian Telcom utility lines, installation of a drainage system, and construction of new sidewalks and a bus stop. A selection of a general contractor will take place of December 21, 2016.

Bids are being taken for the construction of the *onsite* improvements, which include the 7,200 square foot inline tenant building, building pads for Waianae Comp., Longs, Popeye’s, and Wendy’s. Construction of the Fresenius and StarBucks buildings, main driveways, overhead lighting and parking lots will also be done. Bank financing for these improvements is pending, but approval is anticipated with the approval of this HHC action item. Use of New Market Tax Credits is also anticipated with the recent $55 million allocation to American Savings Bank’s Punalu’u ‘O Puʻuhonua.

The backbone sewer and water lines have already been completed.

RECOMMENDATION

Land Management Division respectfully requests approval of the matters stated.
SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM
PROPERTY REGIME FOR NANAKULI VILLAGE CENTER, AND AMENDMENT OF
CONDOMINIUM MAP NO. 5087

PARTIES TO DOCUMENT:

DECLARANT: STATE OF HAWAII, by its Department of Hawaiian Home Lands
Hale Kalanianaole
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

MASTER LESSEE: NANAKULI HAWAIIAN HOMESTEAD COMMUNITY
ASSOCIATION, a Hawaii non-profit corporation
89-102 Farrington Highway
Waiakoa, Hawaii 96792

PROPERTY DESCRIPTION:

LIBER/PAGE/DOCUMENT NO.: A-45460610
LAND COURT DOCUMENT NO.: N/A
TRANSFER CERTIFICATE OF TITLE NO(S): N/A

Tax Map Key No. (1) 8-9-002-001

EXHIBIT "B"
Item No. F3/F5
SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR NANAKULI VILLAGE CENTER

WHEREAS, by Declaration of Condominium Property Regime for Nanakuli Village Center dated June 7, 2012 (the "Declaration"), recorded in the Bureau of Conveyances of the State of Hawaii (the "Recording Office") as Document No. A-45460510, STATE OF HAWAII, by its Department of Hawaiian Home Lands ("Declarant"), did create the Nanakuli Village Center condominium property regime (the "Project"), as shown on Condominium Map No. 5087 (the "Condominium Map"), and

WHEREAS, NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION, a Hawaii non-profit corporation, is the lessee under that certain unrecorded lease from Declarant, as master lessor, dated October 8, 2008 (the "Master Lease"), covering the land of the Project, a Memorandum of which was recorded in the Recording Office as Document No. 2010-203175, and NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION, as master lessee under the Master Lease, did join in the Declaration to subordinate its interest to the condominium property regime; and

WHEREAS, the Declaration was amended by Amendment to Declaration of Condominium Property Regime for Nanakuli Village Center and Bylaws of the Association of Unit Owners for Nanakuli Village Center dated July 16, 2012 recorded in the Recording Office as Document No. A-458305640, and

WHEREAS, Declarant is the owner of all of the units in the Project; and

WHEREAS, Section 5.2 of the Declaration provides that once it has been confirmed to the satisfaction of the owner of Unit 1 that Unit 1 shall have non-exclusive rights (a) to use the ten-foot right-of-way shown on the Condominium Map for vehicular and pedestrian ingress and egress to and from Unit 1 to access Lepeka Avenue and (b) to use Lepeka Avenue for vehicular and pedestrian ingress and egress, the following shall occur: (1) Driveway 1 of the Project, as shown on the Condominium Map, shall become a limited common element appurtenant to Units 2, 3, 4, 5 and 2 and (2) Driveway 2 of the Project shall cease to exist as a limited common element and the area of what formerly comprised Driveway 2 shall be incorporated into the area of Unit 2;

WHEREAS, it has been confirmed to the satisfaction of the owner of Unit 1 that Unit 1 possesses the aforesaid rights to use said ten-foot right-of-way and therefore, in accordance with the above-described provisions of Section 5.2 of the Declaration, the Declarant hereby desires to amend the Declaration to reflect the changes provided for therein; and

WHEREAS, Declarant desires to make additional changes to the units and the common elements and to amend the Condominium Map accordingly; and
WHEREAS, Declarant desires to divide Unit 3 into order to create a new Unit 3 comprised of a total of 5.064 acres (separated into three parts by the location of Driveway 1) and a new Unit 5 comprised of .434 acres; and

WHEREAS, Declarant further desires to revise the location, configuration and area of Driveway 1 in view of the approval by the Department of Transportation of the State of Hawaii, of a new signalized intersection and entry for the Project and for other reasons; and

WHEREAS, the reconfiguration of Driveway 1 affects the location of the boundary of Unit 2 that is closest to Farrington Highway and also results in an increase in the area of Unit 4; and

WHEREAS, Declarant further desires to amend the Declaration to locate on the Condominium Map certain easements for sewer purposes, water purposes and communication purposes; and

WHEREAS, Section 19.5 of the Declaration provides that a Unit Owner may, at any time, with the consent of 75% of the Unit Owners, divide his Unit into additional units and thereby increase the total number of units; and

WHEREAS, Section 20.1 of the Declaration provides that the Declaration may be amended by the vote or written consent of sixty-seven percent (67%) of the unit owners of the Project; and

WHEREAS, Declarant presently owns all of the units and 100% of the common interest in the Project; and

WHEREAS, Declarant desires to amend the Declaration and the Condominium Map to make the above-referenced changes in the manner set forth hereinbelow;

NOW, THEREFORE, Declarant, pursuant to the provisions of the Declaration as to the amendment thereof, hereby amends the Declaration as follows:

1. Amendment of Section 3.1 entitled "Number of Units."

Section 3.1 is hereby amended to delete the first sentence of the section in its entirety and to substitute in lieu thereof the following sentence:

"The Project contains five (5) units."

2. Amendment of Section 3.2 entitled "Designation of Each Unit and its Common Interest."

Subsection (a) of Section 3.2 is hereby amended to delete the sentence contained therein in its entirety and to substitute in lieu thereof the following sentence:
"(a) The Units are designated on the Condominium Map as "Unit 1," "Unit 2," "Unit 3" (parts 1, 2, and 3), "Unit 4," and "Unit 5" and each Unit may be referred to by its designation."

3. Amendment of Section 3.5 entitled "Description of Buildings."

Section 3.5 is amended to delete the second sentence of the section in its entirety and to substitute in lieu thereof the following sentence:

"It presently contains only five (5) "spatial" units, defined by space."

4. Amendment of Section 3.6 entitled "Units Location and Access."

Section 3.6(a) is amended to delete the first sentence of the section in its entirety and to substitute in lieu thereof the following sentence:

"(a) Looking at the Project from Farrington Highway, Unit 3 (parts 1 and 2) and Unit 4 are located adjacent to the highway, Unit 5 and Unit 3 (part 3) are located farther from the highway, Unit 2 is located still farther from the highway, and Unit 1 is located farthest from the highway."

5. Amendment of Section 3.10 entitled "Designation and Boundaries of Units."

Section 3.10 (a) is amended to delete the sentence contained in subsection (a) in its entirety and to substitute in lieu thereof the following sentence:

"(a) One freehold estate is designated in each of the five (5) Units within the Project."

Section 3.10 (b) is amended to delete the provisions thereof in their entirety and to substitute in lieu thereof the following:

"(b) Each Unit shall consist of a column(s) of space, (1) the horizontal boundaries of which shall be defined by metes and bounds of the portion of the Land on which such Unit is located as shown on the Condominium Map, and (2) the vertical boundaries of which shall be defined in subsection (c) below. The approximate area of the Land bounded by the horizontal boundaries of each Unit is as follows:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.112</td>
</tr>
<tr>
<td>2</td>
<td>2.918</td>
</tr>
<tr>
<td>3</td>
<td>3.691</td>
</tr>
<tr>
<td>4</td>
<td>1.471</td>
</tr>
<tr>
<td>5</td>
<td>.434</td>
</tr>
</tbody>
</table>
Section 3.10(c) is amended to add at the end of the paragraph the following sentence:

"Unit 3 is comprised of three (3) different parts as shown on the Condominium Map and therefore is comprised of three (3) columns of space each arising from the horizontal boundaries of each of the three (3) parts of Unit 3.

6. Amendment of Article 4 entitled "Common Elements."

Article 4 is amended to delete in its entirety the provisions currently contained in Section 4.2 and to re-number the remaining sections of Article 4 accordingly.

7. Amendment of Section 5.2 entitled "Driveways."

Section 5.2 is amended to change the title of the section to "Driveway" and to delete the provisions contained therein in their entirety and to substitute in lieu thereof the following:

"Section 5.2 Driveway. Driveway 1 shall constitute a limited common element appurtenant to Units 2, 3, 4 and 5."

8. Amendment of Section 6.1 entitled "Percentage for Each Unit."

Section 6.1 is hereby amended by deleting the provisions contained therein in their entirety and by inserting in lieu thereof the following:

"Section 6.1 Percentage for Each Unit. The percentage of undivided interest in the Common Elements ("common interest") appurtenant to each Unit is as follows:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21.890%</td>
</tr>
<tr>
<td>2</td>
<td>26.771%</td>
</tr>
<tr>
<td>3</td>
<td>33.863%</td>
</tr>
<tr>
<td>4</td>
<td>13.495%</td>
</tr>
<tr>
<td>5</td>
<td>3.981%</td>
</tr>
</tbody>
</table>

With respect to those limited common elements that are appurtenant to more than one Unit, the percentage of undivided interest in the shared limited common element is referred to as the "limited common interest." The percentages of undivided limited common interest in Driveway 1 that are appurtenant to Units 2, 3, 4, and 5, are as follows:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>34.273%</td>
</tr>
<tr>
<td>3</td>
<td>43.353%</td>
</tr>
<tr>
<td>4</td>
<td>17.277%</td>
</tr>
<tr>
<td>5</td>
<td>5.097%</td>
</tr>
</tbody>
</table>

5
In all other respects, the Declaration, as amended, is hereby ratified and confirmed and shall remain in full force and effect.

AMENDMENT OF CONDOMINIUM MAP NO. 5087

Condominium Map No. 5087 is hereby amended by replacing the same with the map to be filed in the Recording Office contemporaneously herewith and incorporated herein by reference.

NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION does hereby join in this Second Amendment as master lessee under the Master Lease.

This document may be executed in counterparts. Each counterpart shall be executed by one or more of the parties to this document and the several counterparts shall constitute one document to the same effect as though the signatures of all of the parties were upon the same document.
IN WITNESS WHEREOF, Declarant and Master Lessee have executed these presents this 29th day of June, 2015.

Approved as to Form

[Signature]
Deputy Attorney General
State of Hawaii
Dated: 4/27/16

STATE OF HAWAII, DEPARTMENT OF
HAWAIIAN HOME LANDS

By: [Signature]
Jobie M.K. Masagatani, Chairman
Hawaiian Homes Commission

"Declarant"
NANAKULI HAWAIIAN HOMESTEAD
COMMUNITY ASSOCIATION, a Hawaii non-profit corporation

By: [Signature]
Kamaki Kanahole
Its President

"Master Lessee"
STATE OF HAWAI'I

CITY AND COUNTY OF HONOLULU

On this 29th day of June 2016, before me personally appeared JOBIR M.K. MASAGATANI, to me personally known or adequately proven to be the person described in and who executed the foregoing instrument, who, being by me duly sworn or affirmed, did say that such person executed the same as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, above mentioned State

[Printed name]

My commission expires: 11-27-16

[Signature]
Notary Signature Date

NOTARY CERTIFICATION

[Notary Seal]
STATE OF HAWAII
CITY AND COUNTY OF HONOLULU

On this 4th day of April, 2016, before me personally appeared KAMAKI KANAHELE, came personally known to me, and being duly sworn, said to me that she is the person described in and who executed the foregoing instrument, who, being by me duly sworn or affirmed, did say that such person executed the same as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
Notary Public, above mentioned State

Tiffany Alao Garcia
(Printed name)

My commission expires: 04/11/2018

[Seal]
Notary Signature Date

NOTARY CERTIFICATION
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOMELANDS

SECOND AMENDMENT OF GENERAL LEASE NO. 281

between

STATE OF HAWAII

and

NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION

covering,

HAWAIIAN HOMELANDS

situate at

Tax Map Key (1) 8-9-002·001 (por)
Former Camp Andrew Site.
Nanakuli, Oahu
STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
SECOND AMENDMENT OF GENERAL LEASE NO. 281  

THIS SECOND AMENDMENT OF GENERAL LEASE NO. 281 (this “Amendment”) is made as of the 13th day of January, 2016 (“Execution Date”), by and between THE STATE OF HAWAII, by its DEPARTMENT OF HAWAIIAN HOME LANDS whose principal place of business is 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, and whose mailing address is P. O. Box 1879, Honolulu, Hawaii 96805, hereinafter called “LESSOR,” and NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION, a Hawaii non-profit corporation, whose business and mailing address is 89-188 Farrington Highway, Waimanalo, Hawaii 96792, hereinafter called “LESSEE.”  

WITNESSETH:  

WHEREAS, LESSOR is the lessor and LESSEE is the lessee under that certain unrecorded General Lease No. 281, dated October 8, 2008, a memorandum of which is recorded in the Bureau of Conveyances of the State of Hawaii (the “Bureau”) as Document No. 2010-203175, as amended by that certain unrecorded First Amendment of General Lease No. 281 dated July 16, 2012, a memorandum of which is recorded in the Bureau as Document No. A-45870649. (the “Lease”). The Lease demises those certain premises located at the former Camp Andrew Site, Nanakuli, Island of Oahu, City and County of Honolulu, identified as Unit Nos. 2, 3, and 4 of the Condominium Project known as “NANAKULI VILLAGE CENTER,” as established by Declaration of Condominium Property Regime dated June 7, 2012, recorded in the Bureau as Document No. A-45460610, and as shown on Condominium Map No. 5087 and any amendments thereto, as more particularly described in the Lease (“Premises”).  

WHEREAS, LESSOR and LESSEE agree to enter into a further amendment of this Lease to provide for the release and surrender by LESSEE to LESSOR of all of LESSEE’s rights, title and interest in and to Unit 2, to confirm that the development and construction of the multi-use cultural center to be known as the Agnes K Cope Hawaiian Cultural Center (the “Cultural Center”) shall no longer be an obligation of LESSEE under the Lease, and such other necessary modifications of the Lease as may be required in view of the release and removal of Unit 2 therefrom.  

WHEREAS, LESSOR and LESSEE therefore amend the Lease to (a) reflect the surrender of Unit 2, (b) reflect that the development and construction of the Cultural Center is no longer an obligation of LESSEE under the Lease, and (c) make such other related amendments as approved by the Hawaiian Homes Commission at the regular monthly meeting of March 17, 2014, all as more particularly described in this Amendment.
NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the LESSOR and LESSEE hereby agree as follows:

1. **Description of Premises.** The description of the Premises in Article One, Section 1, of the Lease is hereby revised, and Exhibit "B" to the Lease is hereby replaced in its entirety, with Exhibit "B" attached to this Amendment, to reflect that Unit 2 in the Condominium Project is surrendered and is no longer demised under the Lease and the leased premises under the Lease shall now contain only the Condominium Units designated as Unit Nos. 3 and 4, together with the undivided interest in the common elements appurtenant thereto.

2. **Confirmation of Surrender of Unit 2.** As of the Execution Date of this Amendment, LESSEE does release and surrender forever to LESSOR, its successors and assigns, all of LESSEE’s right, title, and interest in and to Unit 2; to have and to hold the foregoing interest and estates, together with all buildings, improvements, fixtures, rights, easements, privileges, and appurtenances thereto belonging or appertaining or held and enjoyed in connection therewith, unto LESSOR, its successors and assigns. LESSEE represents, warrants and covenants to and with LESSOR, its successors and assigns, that: (a) LESSEE has good right to surrender its interest in and to Unit 2; (b) the Lease and LESSEE’s interest in Unit 2 have not been assigned by LESSEE to any other party and are free and clear of and from all liens, mortgages, security interests, and other encumbrances except as mentioned in the Lease; and (c) LESSEE will warrant and defend the same unto LESSOR, its successors and assigns, against the lawful claims and demands of all persons claiming by or through LESSEE. The foregoing surrender shall have no effect on any liabilities and obligations of LESSEE related to Unit 2 that have accrued prior to the effective date of this Amendment.

3. **Cultural Center.** The lease is amended to reflect that the development and construction of the Cultural Center is no longer an obligation of LESSEE under the Lease.

4. **Annual Base Rent.** The Annual Base Rent provision in Article Three, Section 1 of the Lease is hereby revised and replaced in its entirety as follows:

   I. **Annual Base Rent.** Annual base rent shall be paid on the first day of each and every calendar month from and after the Rent Commencement Date, which is the date the first tenant opens for business or January 2, 2016, whichever occurs first, by LESSEE to LESSOR at LESSOR’s principal place of business first described above, in United States dollars, as follows:

   Lease Years 1 through 25: The annual base rent for the initial twenty five (25) years of the lease term shall be revised at ONE HUNDRED TEN THOUSAND DOLLARS ($110,000.00) as fair compensation to LESSOR for this commercial use of Hawaiian home lands. LESSEE is provided with a
credit for the two (2) health-related tenants to be located at the Nanakuli Village Center (the "Center"). This credit shall be adjusted should either of the two (2) health-related tenants end their lease at the Center. No further discounts or credits shall be granted for other tenants at the Center.

Lease Years 26 through 65: Annual base rental shall be reopened as provided in Section 2 below.

Base rental payable for any month shall be proportionately reduced for any partial month during the term. The "Rent Commencement Date" is the date the first tenant opens for business or January 1, 2016, whichever occurs first. The first lease year shall commence on the Effective Date with succeeding lease years commencing on each succeeding anniversary of such Effective Date.

5. **Effective Date.** This Amendment shall be effective as of the Execution Date set forth above.

6. **Continued Effect.** Except as specifically modified by this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect. In the event of a conflict between any term and provision of the Lease and this Amendment, the terms and provisions of the Amendment shall control. All captions are for reference purposes only and shall not be used in the construction or interpretation of this Amendment.

7. **Hawaii Law/Enforcement.** This Amendment shall be construed, interpreted, and governed by the laws of the State of Hawaii. This Amendment shall not be recorded although the parties agree to duly execute and file with the Bureau a memorandum of this Amendment in substantially the form of Exhibit "A" attached hereto.

8. **Partial Invalidity.** If any term, provision, covenant or condition of this Amendment shall be held to be invalid, void or unenforceable, the remainder of this Amendment shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

9. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Execution of a facsimile or electronic copy shall have the same force and effect as execution of an original, and a facsimile or electronic signature shall be deemed an original and valid signature; provided, however, that in no event shall the provision of a facsimile or electronic signature be deemed to relieve any party from its obligation to provide an original signature to this Amendment.

[SIGNATURE PAGE(S) FOLLOW]
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the day and year first above written.

APPROVED BY THE HHC
AT ITS MEETING HELD
March 17, 2014

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General
State of Hawaii

State of Hawaii
DEPARTMENT OF HAWAIIAN HOME LANDS

By
Jobie M. K. Mālama, Chairman
Hawaiian Homes Commission

LESSOR

NANAKULI HAWAIIAN HOMESTEAD
COMMUNITY ASSOCIATION
A Hawaii non-profit corporation

By
[Signature]
Kamaki Kanahele, President

LESSOR
STATE OF HAWAII

CITY & COUNTY OF HONOLULU

On this 11th day of January, 2016, before me appeared

Kamilo Kanekoa

to me personally known, who, being by me duly sworn, did say that

he is the person who executed the foregoing instrument and acknowledged to me that he executed the
same freely and voluntarily for the use and purposes therein set forth.

Notary Public, State of Hawaii

Printed Name: Leonia P Torii

My commission expires: January 28, 2017

__________________________
Signature of Notary

__________________________
Printed Name of Notary

__________________________
Printed Name of Notary

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Exhibit A

General Lease No. 25/1

Doc. Date: 1/11/2016

No. of Pages: 06

Jurisdiction: First Circuit

(at which notarial act is performed)

01/11/2016

Date of Notarization and Certification Statement
STATE OF HAWAII  }  
CITY AND COUNTY OF HONOLULU  }

On this 19th day of February, 2016, before me appeared,
WILLIAM J. AILA, JR., to me personally known, who, being by me
duly sworn, did say that he is the deputy to Chairman
JOBIE M. K. MASAGATANI, and the person who executed the
foregoing instrument on behalf of Chairman JOBIE M. K.
MASAGATANI and acknowledged to me that he executed the same
freely and voluntarily for the use and purposes therein set
forth.

[Signature]

Notary Public, State of Hawaii
Print Name: Abigail L. Tubera
My commission expires: November 21, 2016

NOTARY CERTIFICATION STATEMENT

Document Identification or Description:
Second Amendment of General Lease No. 281

Doc. Date: _____ or X Undated at time
of notarization.

No. of Pages: 7  Jurisdiction: First Circuit (notarial act is performed)

Signature of Notary  
Abigail L. Tubera  
Date of Notarization and Certification Statement  
02.19.16  

Print Name of Notary  
Abigail L. Tubera
<table>
<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>REVISED Start Date</th>
<th>REVISED Finish Date</th>
<th>% Complete</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Architectural Design and Engineering Proposals</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>2</td>
<td>Finalize Site Plan</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>3</td>
<td>Lease Negotiations</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>4</td>
<td>Update Traffic Study</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>5</td>
<td>Revise CPR Iss</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>6</td>
<td>Offsite Civil Engineering Engineering</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>7</td>
<td>Onsite Civil and Electrical Engineering</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>30%</td>
<td>Finalizing Formal Lease Documents for all tenants</td>
</tr>
<tr>
<td>8</td>
<td>KS Assignment of CPR Lot</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>35%</td>
<td>KS has received DHEC approval - KS committed to an increase in funds in $650k - finalization of lease from DHEC is complete</td>
</tr>
<tr>
<td>9</td>
<td>DOT Offsite Improvements Approval</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>100%</td>
<td>Approved</td>
</tr>
<tr>
<td>10</td>
<td>Per CDBS - Public Notice Bid Solicitation and Selection of Contractor</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>100%</td>
<td>Notice of bid published - Contractor selected</td>
</tr>
<tr>
<td>11</td>
<td>Bank Financing Commitment for all</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>15%</td>
<td>Terms Sheet on Hand and Appraisal ordered - 6 to 8 weeks for appraisal completion</td>
</tr>
<tr>
<td>12</td>
<td>Offsite Construction - along with onsite Driveway</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>35%</td>
<td>Offsite Work Started - 8 month completion</td>
</tr>
<tr>
<td>13</td>
<td>City and County of Honolulu - Park Submittal - Offsite Plans</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>100%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
<tr>
<td>14</td>
<td>Onsite Construction of Utilities, Pads and Parking Lots - Phase I Substantially Complete</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>85%</td>
<td>40 days to complete</td>
</tr>
<tr>
<td>15</td>
<td>Revised CPR of Utilities with realignment of Plan's Unit to match actual</td>
<td>9/2/2016 00:00</td>
<td>9/2/2016 00:00</td>
<td>60%</td>
<td>All have 90 days to complete</td>
</tr>
<tr>
<td>16</td>
<td>Pad Lease, Tenants able to begin Shell Construction</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>60%</td>
<td>Pad lease, tenancy able to begin shell construction</td>
</tr>
<tr>
<td>17</td>
<td>Electrical, Sewer, Water and Sanitary Septic to each pad completed</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>95%</td>
<td>Utility delivery dependent on some of the utility suppliers</td>
</tr>
<tr>
<td>18</td>
<td>Onsite Construction of Utilities, Pads and Parking Lots - Phase II &amp; III Substantially Complete</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>60%</td>
<td>8 month completion</td>
</tr>
<tr>
<td>19</td>
<td>Landlord - Tenant Hand Delivery - Construction - New Bldg - Architectural Design and Engineering</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>35%</td>
<td>Reserved footprints for local landmark buildings</td>
</tr>
<tr>
<td>20</td>
<td>City and County of Honolulu - Park Submittal</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
<tr>
<td>21</td>
<td>Starbucks, Marquee, Signage, etc. - Architectural Design and Engineering</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
<tr>
<td>22</td>
<td>City and County of Honolulu - Park Submittal</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
<tr>
<td>23</td>
<td>Starbucks, Exterior, Sanitary Septic to each pad completed</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
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<tr>
<td>24</td>
<td>Landlord - Tenant Hand Delivery - Construction - New Bldg - Architectural Design and Engineering</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>35%</td>
<td>Reserved footprints for local landmark buildings</td>
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<tr>
<td>25</td>
<td>City and County of Honolulu - Park Submittal</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
<tr>
<td>26</td>
<td>Starbucks, Exterior, Sanitary Septic to each pad completed</td>
<td>6/1/2016 00:00</td>
<td>6/1/2016 00:00</td>
<td>30%</td>
<td>4 months until PAD DELIVERY - Ready for Construction</td>
</tr>
</tbody>
</table>
NOTES:
1. See Civil for underground utilities and site layout.
2. See Electrical for site lighting and electrical utilities.
3. See Landscape for planting and hardscape.

SITE TABULATIONS

<table>
<thead>
<tr>
<th>PAD #</th>
<th>POTENTIAL TENANT</th>
<th>AREA (GSF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CVS/Long's</td>
<td>18,933 SF</td>
</tr>
<tr>
<td>2</td>
<td>Fresenius</td>
<td>12,012 SF</td>
</tr>
<tr>
<td>3</td>
<td>Waianae Comp</td>
<td>9,234 SF</td>
</tr>
<tr>
<td>4A</td>
<td>L&amp;L</td>
<td>1,208 SF</td>
</tr>
<tr>
<td>4B</td>
<td>Nail Salon</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>4C</td>
<td>Super Cuts</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>4D</td>
<td>TBD</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>4E</td>
<td>Acai Bowl</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>4F</td>
<td>TBD</td>
<td>1,208 SF</td>
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<tr>
<td>5</td>
<td>TBD</td>
<td>2,099 SF</td>
</tr>
<tr>
<td>6</td>
<td>Starbucks</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>7</td>
<td>Wendy's</td>
<td>3,395 SF</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>54,094 SF</td>
</tr>
</tbody>
</table>

PARKING
179 TOTAL STALLS.
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

Thru: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division

From: Kaipo Duncan, Land Agent
Land Management Division


RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant its approval to the following:

A. Assignment of General Lease Nos. S-3831, S-3840, and S-4647, from Aloha Beach Partners, LLC (DiNapoli Capital Partners) to DCI Paradise LLC (Dynasty Coachwork International), a Hawaii Limited Liability Company for the parcels located in Wailua, Kauai, further identified by TMK Nos. (4)3-9-006:016 and 020.

1. The standard terms of the Department of Hawaiian Homes Lands' Consent to Assignment of Lease;
2. The review and approval of the Consent document by the Department of the Attorney General;
3. Assignee to provide its written acknowledgment and acceptance of the department's sublease rent participation policy, which was adopted by the HHC on April 24, 1987;
4. Assignee to furnish a Certificate of Insurance which verifies the issuance of a General Comprehensive Public Liability Insurance Policy in an amount acceptable to the Department and naming it as an additional insured;
5. Assignee to furnish a Certificate of Insurance which verifies the issuance of a Multi-peril Insurance Policy, which includes coverage against loss or damage by fire, in an amount equal to the maximum insurable value of all buildings and improvements on the demised premises and naming the Department as an additional insured;
6. Assignee to furnish a lease performance bond in an amount equal to two times the annual lease rent or substitute a security deposit in an amount equal to three months rent in lieu of a lease performance bond;
7. Assignee to accept the addition of a new provision, titled "Interest, costs and fees" to the lease document stipulating the interest rate on any and all unpaid or delinquent rentals shall be at one percent (1%) per month, plus a service charge of FIFTY AND NO/100
DOLLARS ($50.00) per month for each month of delinquency. Also, in case of any default by LESSEE in the performance of the terms, covenants and conditions herein contained, LESSEE shall pay to LESSOR any and all costs incurred in connection with the default, including reasonable attorneys’ fees. In the event that any indebtedness arising hereunder is placed in the hands of a collector or an attorney for collection, or suit is instituted for collection, LESSEE shall pay, in addition to the indebtedness, reasonable collector’s and/or attorneys’ fees, together with all costs;

8. All other terms and conditions of General Lease Nos. S-3831, S-3840, and S-4647 shall continue and remain in full force and effect; and

9. The Chairman of the Hawaiian Homes Commission (HHC) is authorized to set forth any additional terms and conditions which shall ensure and promote the purposes of the demised premises.

B. Consent to the Mortgage loan to be executed by and between DCI Paradise, LLC (Assignee) and Bank of Hawaii, a Hawaii corporation, subject to the following conditions:

1. The standard terms of the Consent to Mortgage;
2. The review and approval of the Lessor’s Consent to Mortgage of Lease document by the Department of the Attorney General;
3. Provision of Section 171-21, Hawaii Revised Statutes (HRS) as amended, relating to the rights of a holder of security interest; and
4. The Chairman of the Hawaiian Homes Commission (HHC) is authorized to review and approve the final terms and conditions of the mortgage loan agreement and issue the Consent to Mortgage.

DISCUSSION

General Lease Nos. S-3831, S-3840, and S-4647 was originally awarded and assigned to Aloha Beach Hotel Partners, LLC a Delaware limited liability Company, by the HHC in June 2014 for a term of 70 years which included a 55 year extension per Act 219. All three General Leases expire in the year 2084.

The following are pertinent information regarding each of the three general leases:

General Lease No. S-3831:

<table>
<thead>
<tr>
<th>General Lessee:</th>
<th>Aloha Beach Hotel Partners, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Wailua, Kauai</td>
</tr>
<tr>
<td>TMK Nos:</td>
<td>(4) 3-9-006:016 and 020 (See Exhibit “A”)</td>
</tr>
<tr>
<td>Land Area:</td>
<td>2.497 Acres</td>
</tr>
<tr>
<td>Term:</td>
<td>70 years expires 5/17/2084</td>
</tr>
<tr>
<td>Annual Rental:</td>
<td>$107,725.00 until May 17, 2019</td>
</tr>
<tr>
<td></td>
<td>$115,496.00 beginning May 18, 2019</td>
</tr>
<tr>
<td></td>
<td>1% annual increase thereafter beginning May 18, 2020 through May 17, 2050</td>
</tr>
</tbody>
</table>
Character of Use: Hotel-Resort purposes and accessory uses incidental to and
customarily conducted within Resort areas
Improvements: The Resort was fully renovated in 2015 at a cost of over $27
million. There are substantial building improvements located on
the subject property.

General Lease No. S-3840:

General Lessee: Aloha Beach Hotel Partners, LLC
Location: Wailua, Kauai
TMK Nos.: (4) 3-9-006:016 and 020 (See Exhibit “A”)
Land Area: 6.093 Acres
Term: 70 years expires 7/5/2084
Annual Rental: $199,562.00 until July 5, 2019
          $222,146.00 beginning July 6, 2019
          1% annual increase thereafter beginning July 6, 2020 through July
          5, 2050
Character of Use: Hotel-Resort purposes and accessory uses incidental to and
customarily conducted within Resort areas
Improvements: The Resort was fully renovated in 2015 at a cost of over $27
million. There are substantial building improvements located on
the subject property.

General Lease No. S-4647:

General Lessee: Aloha Beach Hotel Partners, LLC
Location: Wailua, Kauai
TMK Nos: (4) 3-9-006:016 and 020 (See Exhibit “A”)
Land Area: 1.770 Acres
Term: 70 years expires 7/5/2084
Annual Rental: $13,615.00 until July 5, 2019
          $16,961.00 beginning July 6, 2019
          1% annual increase thereafter beginning July 6, 2020 through July
          5, 2050
Character of Use: Parking and landscaping
Improvements: The Resort was fully renovated in 2015 at a cost of over $27
million. There are substantial building improvements located on
the subject property.

The current owners, Aloha Beach Hotel Partners, LLC, of the Hilton Garden Inn Kauai
Wailua Bay Hotel, formerly known as the Aloha Beach Resort in Wailua, Kauai have recently
received an unsolicited offer to purchase the hotel (See Exhibit B). Dynasty Coachwork
International, also known as, DCI Paradise LLC, has submitted a formal request to the
Department of Hawaiian Homes Lands (DHHL) (See Exhibit “C”) to receive the assignment of
the three (3) general leases and to purchase the improvements thereon.
Dynasty Coachwork International/DCI Paradise LLC

Dynasty Coachwork International (DCI) is a privately held real estate investment firm engaged in the acquisition, development and management of commercial real estate assets. The firm was established in 1990 in Arcadia/Pasadena, California and incorporated in the same by Mr. Andrew Chang and his wife Mrs. Linda Chang.

DCI has approximately $165 million in assets under management (AUM) across its hotel, multifamily, apartment, condominium, and shopping center portfolios. DCI has expertise in all phases of the real estate investment lifecycle including: Acquisition, Capital Markets, Property/Asset Management, Construction/Project Management, and Disposition. DCI actively creates value through all phases of the real estate investment lifecycle.

DCI has acquired assets of over $226 million of commercial real estate assets over 27 years. Underwriting is predicated on a conservative discounted cash flow model approach. Acquisitions are strategically located in known territories and represent a discount to replacement cost. The firm conducts detailed and thorough due diligence on its real estate acquisitions and a disciplined investment approach guides disposition timing.

Specific asset management initiatives include but are not limited to:
1) Formulating and executing a specific business plan.
2) Identifying the appropriate management company and modifying the composition of the management team.
3) Proactively developing cash flow forecasts and budgets.

Since its founding, DCI has completed approximately $50 Million of renovations to its real estate assets. DCI possesses strategic relationships with critical project members including architects, designers, purchasing agents, and general contractors. DCI’s proven construction/project management template enables the firm to consistently deliver projects on schedule and on budget.

Properties owned by DCI are located in California and Hawaii. Their vast hotel holdings of 18 properties and experience with purchasing hotels in the western United States will make them an excellent buyer of the Resort.

DCI has established an entity, DCI Paradise LLC, a Hawaii limited liability company which will be authorized to do business in Hawaii and further meets all State of Hawaii and DHHL requirements for an Assignment of these General Leases.

DCI plans to keep the hotel name Hilton Garden Inn Kauai at Wailua Bay. However, they intend to change the Management Company to an entity they are familiar with and manage other hotels they own. We have been assured that 90% to 95% of current hotel employees will be retained.

Included in Exhibit “C” the letter from DCI states they have reviewed the current lease documents and are aware of its responsibilities should it become a lessee of DHHL.
With the Hawaiian Homes Commission (HHC) granting the final approval, the new Owner, DCI, will be able to:

- Provide a foundation for the Assignee to enhance and expand its support for the native Hawaiian community through capital investments, marketing partnership and future collaboration;
- Provide a fair and long term revenue source to DHHL for the use of its land through the receipt of the annual rent;
- Provide DHHL an opportunity to share in operational success along with future owner/operator of the resort through a percentage rent provision; and
- Support employment opportunities for the residents of the County of Kauai, and remittance of taxes to the respective government entities.

Consent to Assignment of Lease

Dynasty Coachwork International (DCI) notified the department in its letter dated March 24, 2017 (See Exhibit C) of their agreement with Aloha Beach Hotel Partners, LLC (ABHP) to purchase the general lease interest and hotel improvements of the Hilton Garden Inn Kauai at Wailua Bay demising the following properties identified as TMK Nos. (4) 3-9-006:016 and 020 General Lease (GL) Nos. S-3831, S-3840, and S-4647. ABHP has been the lessee of the three aforementioned GL properties since June 2014.

ABHP has made substantial site improvements to the hotel. The property was aging and in disrepair, nearly 45 years old, when it was purchased by ABHP in 2014. Repairs were made to nearly all areas of the property at a renovation cost of over $27 million.

Attached as Exhibit D is a background and introduction on Dynasty Coachwork International. The company owns over 18 commercial and residential properties and has a 27 year history in the commercial real estate business purchasing multifamily, commercial retail, hotels, and offices. All of their real estate holdings are in California and Hawaii.

DCI has created a dba DCI Paradise LLC, a Hawaii limited liability company, to acquire the property. Unlike ABHP, DCI is a long term hold company that plans to own this hotel for many years to come.

General Lease No. S-4647 was issued in 1980 and General Lease Nos. S-3831 and S-3840 was issued in 1964. Many of the terms and conditions are outdated. The department felt the need to update and include a new term and condition in the lease language, titled “Interest, costs, and fees”. This new provision will state that the interest rate on any and all unpaid or delinquent rentals shall be at one percent (1%) per month, plus a service charge of FIFTY AND NO/100 DOLLARS ($50.00) per month for each month of delinquency. Also, in case of any default by LESSEE in the performance of the terms, covenants and conditions herein contained, LESSEE shall pay to Lessor any and all costs incurred in connection with the default, including reasonable attorney’s fees. In the event that any indebtedness arising hereunder is placed in the hands of a collector or an attorney, for collection, or suit is instituted for collection, LESSEE
shall pay, in addition to the indebtedness, reasonable collector’s and/or attorney’s fees, together with all costs.

**AUTHORIZATION**

Paragraph 1, page 12 of General Lease Nos. S-3831 and S-4647 and paragraph 13, page 7, of General Lease No. S-4647 titled *Assignments etc.*, states in part: "That the Lessee shall not transfer or assign any right, privilege or authority herein given or in any manner transfer or assign this lease for the whole or any part of the term hereof, provided, that with the prior written consent of the Lessor, the assignment and transfer of a lease or unit thereof may be made where any one of the following conditions are applicable: (1) the Lessee was required to put in substantial building improvements, or (2) extreme economic hardship is demonstrated to the satisfaction of the Lessor."

**Consent to Mortgage**

DCI Paradise LLC has obtained preliminary approval from Bank of Hawaii for a commercial loan to purchase the hotel. The loan amount is for $27,180,000.00 over a 10 year term at an interest rate of 1-month LIBOR plus 2.50%. The total purchase price of the hotel is $45,300,000.00.

Repayment terms include interest only monthly payments for the first 24 months and thereafter monthly payments of principal and interest based on a maximum 30-year amortization schedule.

**AUTHORIZATION**

Section 171-22, Hawaii Revised Statutes (HRS), as amended, titled *Consent to Mortgage*, states in part that "...consent of the State is required as a condition precedent to the mortgage of, or the creation of a security interest in public land, the Chairperson of the Board may, upon due application, grant the consent...."

**RECOMMENDATION**

Land Management Division requests approval of the recommended motion as stated.
March 7, 2017

Ms. Jobie Masagatani, Chairman
Hawaiian Homes Commission
Department of Hawaiian Home Lands
P.O. Box 13879
Honolulu, Hawaii 96805

RE: Assignment of Leases No. S-3831, No. S-3840, and No. S-4647

Dear Jobie-

Following the completion of the renovation of the Aloha Beach Resort and the conversion to the Hilton Garden Inn Kauai Wailua Bay ("Hotel"), we have received an unsolicited offer for the purchase of the Hotel. As required by each of the above-referenced leases and further detailed in Section 14 of the Second Amendments to Leases No. S-3831 and No. S-3840 and Section 13 of the Second Amendment to Lease No. S-4647, an assignment of the ground lease requires the consent of the Hawaiian Homes Commission. Due to fixed time constraints of the buyer, in order to timely effectuate the sale of the Hotel, we require the Commission's final consent and approval by the 30th of April. We are requesting that the approval of the assignment to the Buyer be included on the agenda of the Commission's upcoming meetings scheduled for April 17-18, 2017 on Molokai.

Please let us know the information you need in order to include the approval of this assignment on the agenda of the Commission's April meetings. We've enjoyed working with you and your staff during our ownership of the Hotel, and sincerely appreciate the Department's cooperation in the Hotel's successful conversion. Thank you for all of your assistance and we look forward to working with you on this matter.

Best regards,

Robert Milne
Vice President, Aloha Beach Hotel Partners, LLC
March 24, 2017

To: Honorable Commissioners
   Ms. Jobie M.K. Masagatani
   Chairman, Hawaiian Home Commission
   P.O. Box 1879
   Honolulu, Hawaii 96805

Attn: Land Development Division

Re: Requesting the Commission’s consent to the proposed lease assignment

Dear Honorable Commissioner Masagatani:

My name is Andrew Chang, owner of Dynasty Coachwork International, a California Corporation; established in Arcadia/Pasadena in 1990, 27 years ago, I started as Car salesman in 1980, 37 years ago, I worked 24-7, day or night, even Christmas and New A Year when I was young and energetic, I sold more cars than 99% of average saleperson, I was number 2 Datsun salesman 1980, and #7 Toyota sales in 1987, which led me earn to own my 3 dealership Toyota, Nissan, Mitsubishi. In 1990 I sold them all and retired, this is time to set the Dynasty Company for reason to take my wife travel around the world. Unexpectedly I bump into an opportunity to own a commercial property in Midwest which starts my 2nd career in commercial real estate, we started really buying was during the RTC liquidation period of many failing bank assets, and our strategy has always been long hold and improve value, 10-20 years is normally our duration, so in last 27 years, we have seen many many ups and downs of our economy, but we survive the bad and strive on when it is good, this conservative long term strategy has paid off from amny of our holdings, most of assets as you can see in our financial statement are free and clear, only 30% asset has loans. Most recent acquisition of our commercial transaction is we have successfully purchase a Class A Hotel in City Cerritos, called Cerritos Sheraton, A full service hotel, here is the link;
http://www.sheratoncerritos.com/ costs about the same as Kauai Hilton Garden Inn ($45,000,000 range), but one obvious similarity is, they also are on the ground lease with City of Cerritos, so we had gone through the public hearing, and meeting with City Officials. And our company is the sole owner of the property.

A) We also have developed and owned Marriott Residence Inn and Fairfield Inn, which was approved by Marriott in 2013 for the Arcadia Location, later we sold for $47MM. Then, luckily our hotel management company brought us this Kauai Hilton Garden Inn deal, we are familiar with ground lease and also intend to use and operate for the sole purpose of hotel operation, which we have retained professional hospitality hotel management company called "Lodging
Dynamic Group” who are qualified by Hilton to be the right operator and also they have been operating another Marriott Courtyard Hotel in North Shore, Honolulu.

B)  

1. We have now reviewed the Lease and also understand the responsibilities of the Lease, that we will become a lessee under the Lease Agreement of Dept.of Hawaii Home Land(DHHL). That the premises will be used only for the purpose stipulated.
2. From the Title Report, and Hilton Franchise Agreement indicates Di Napoli Capital is the owner of the property, that is qualified to assign the Lease Agreement between them and DHHL to us the assignee Dynasty Coachwork International.

In addition to recognize the importance of this assignment from DHHL, we also like to present the following documents for review:

1. My personal confidential financial statement.
5. Payment of $75.00

My attorney in Harbor Court, Honolulu, Wesley Chang has been engaged for this task for any legal works required to complete, his contact info:

Wesley Y. S. Chang, Esq.
CHANG IWAMASA LLP
a limited liability law partnership
Harbor Court | 55 Merchant Street, Suite 2800 | Honolulu, Hawaii 96813
Direct: 808.534.4807 | Fax: 808.358.0355 | E-mail: wchang@lawxic.com

He will complete the new Article of Incorporation, Resolution, Business registration, as far as the new entity will be a Hawaii LLC, called: DCI Paradise LLC.

As far as insurance, we will either continue the current policy by taking over or get a new policy, this cannot be done until bank approves the loan first.

About all the legal language of assigning the Lease to us will be done by our attorney and assignor’s attorney, which we will obtain when they complete the works herein.

We are pleased to have an opportunity to invest this major capital into island of Kauai, which is solid proof of our confidence of the future of Kauai as well Hawaii all islands, with what have dedicated to Kauai with so much time and efforts went in and our major capital, we like to be part of big Hawaiian family, weather for business or personal, for now or forever, we will work very hard to earn your trust and friendship, hope we can be in your big happy Hawaiian Family.

Sincerely Yours;

Andy Chang

ITEM NO. P-6

EXHIBIT "C"
Dynasty Coachwork International

A Professional Investment and Management Company

488 E. Santa Clara St, Suite #305

Arcadia, California, 91007

(626)358-9988 Fax (626)358-9800

Introduction to Dynasty

Dynasty Coachwork International was formed in 1990, 27 years ago, initially the name Coachwork was for automotive company, we did export a large numbers of automobiles to China in 1990’s, and was very profitable until all manufacture sets up their own distributors locally in China.

We have converted our career goal in pursuits various types of commercial real estate from 1996 and on, we particularly like Hawaii, California and any kind of high yield commercial products, like multifamily, commercial retail, hotels and offices.

We started the real estate from Wichita, Kansas of buying many multifamily units from RTC (Resolution Trust Corp.) and steadily we expanded to Oklahoma, Missouri, Arizona, California and Hawaii, and our real estate strategy is long term, long holder for our asset, we value each purchase to be very important and permanent, so we are extremely conservative and careful for the process of purchase. An average holding period for our commercial assets are over 10-12 years.

In addition to the commercial assets holdings, Dynasty also have been involved in development, both residential of custom home over $2,500,000 and also new construction of PUD, condos, and multifamily, as of 2017, we have a 98 Units Multifamily units under construction, this is for rental purpose in the heart of City Riverside, one of the fastest growing City in California, and also we have 4 PUD in Temple City under construction, as well as one custom home just completed certificate of occupancy.

So, our company’s investments are diversified and very timely according to the market direction, we are very keen into the market trend and economic index of which direction to go, when to put up our umbrella when it rains, when to set free when sunny, this is ever changing world and world economy, we have to be alert of all daily changes.

From 1990’s to today 2017, our assets value grew from $2,500,000 to $226,000,000, and our debt/equity is as low as 19% debt, 81% equity in our asset evaluation, it shows
we do not like to be in debt, and like to own free and clear asset as our goal to pay off all debts possible.

During the course of acquisition and development, Dynasty has acquired their first class A hotel in City of Cerritos, called “Sheraton of Cerritos”, purchased on May of 2016, see picture attached, this is also on a 72 years ground lease with City, so we know and have complied all lease requirements, it has worked out both way.

The Dynasty has its history and achievements, me and my wife Linda Chang has been the sole owner of the company, there is no other shareholder but us, we have written 4 pages of past accomplishment attached here, please let us know if any question.

My e mail is CEO@Continental-mgmt.com, my cell (626)664-1277.

Thank You, Hope to have a pleasant experience with Kauai Hilton Garden Inn.

Sincerely Yours;

Andrew Chang
CEO/File/Wes
State of California
Secretary of State

CERTIFICATE OF STATUS

ENTITY NAME:
DYNASTY COACHWORK INTERNATIONAL, INC.

FILE NUMBER: C1483258
FORMATION DATE: 06/14/1990
TYPE: DOMESTIC CORPORATION
JURISDICTION: CALIFORNIA
STATUS: ACTIVE (GOOD STANDING)

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify:

The records of this office indicate the entity is authorized to exercise all of its powers, rights and privileges in the State of California.

No information is available from this office regarding the financial condition, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of June 15, 2016.

ALEX PADILLA
Secretary of State
ORGANIZATION CHART FOR KAUAII HILTON GARDEN INN

KAUAII HILTON GARDEN INN
100% OWNED BY

DCI PARADISE LLC, A HAWAII LLC
100% OWNED BY DYNASTY COACHWORK INTERNATIONAL, A CALIFORNIA COMPANY

DYNASTY COACHWORK INTERNATIONAL

80% OWNED BY ANDREW CHANG, 20% OWNED BY HIS WIFE LINDA CHANG
Dec. 10, 2015

Andy Chang
488 E. Santa Clara St, #305
Arcadia, Ca.91006
(626)664-1277

Re: Resume

Objective

Always looking for challenging and rewarding projects in a commercial or residential real estate environment. I have extensive, diversified skills and experience as a commercial and residential real estate owner, project developer and equity investor.

My achievements/qualifications include, but are not limited to the following:

Notable Achievements:

Strong Real Estate background.

Real Estate purchase & sales 1980 – 2015, 35 years in real estate business transactions.

Originally came from Taiwan after received B.A. degree from National Taiwan University, equivalent to Harvard in US, studied in University of San Francisco, received MBA degree in 1980, major in Real Estate Finance.

Started the first job in car sales for Datsun(Nissan) in 1980, soon to be top sales of the dealership, then the top of region, lastly was 2nd top salesman of the nation.

Owned and operated new car dealership in San Gabriel Valley, had become the top ten volume dealers in the country. Received Achievement Award from various manufactures from 1980 to 1992.


Focus on acquisition and management on all RTC properties from Midwest to California, properties includes many multifamily, unfinished condo project, hotels etc. From 1994 to 2004.

Sold all out-of-state properties but kept all California’s and Hawaii’s, from 2004 to 2015, turned a portfolios of $30,000,000 into a $100,000,000 and with less than 15% in debts.
Purchased, managed, and sold 100+ properties at all kind of sales, REO sales, trustee sales, MLS listings, and various commercial brokers like, Marcus & Millichaps, CBRE, Colliers International, Sperry Vaness, etc, establish close bond with broker community for buy and sell.

Residential and commercial property management experience including hiring on site manager, training, and deal with daily management and maintenance problem, such as 3 days notice, eviction notice, and delinquency report, all management issues until now my daughter Patricia takes over all management company works which free me from daily routine to focus on nothing but development an project management.

Other Notable Success Points:

Development front:

1999-2000, purchase Hawaii properties, a Class A- apartment complex built in 1992, A 152 Units multifamily community, in a newly developed area 20 miles west of Honolulu, City of Kapolei, 80% with ocean views, and cool ocean breeze without any air conditioner and always fully occupied with increasing rent annually.

This now is the 2nd largest city of Hawaii, with over 130,000 population, and all power centers, big boxes around, huge success in developing this city, the apartment is now worth anywhere from $38M to $52M, when we purchased for $10M. This is one of the crown jewel of our portfolio.

1998 - We have purchased one of the ignored property in City of Arcadia, which offers 6 acres of land with 130 rooms on as Class B- hotel, it was very difficult to put the deal together since there are 6 owners and two passed away, finally took 6 months to close.

Costs are about $10M. After working 3 years getting the property entitled, finally the City has approved development to build two new Marriott Hotels and 50 luxury high rise condo on the property, instantly we have multiple offers, it is now in escrow for $47M.

Other smaller development:

Our business plan are more focused to develop in the area “we know best”, we have better understanding the potential, and predict the future in up or down cycle to the investment, so we proceed our development by the timing, location, and pricing. We have successfully bought many vacant or tear down old home lots to develop into residential homes and sold them in City of Monterey Park, Alhambra, San Gabriel, 2006-2007, purchase lot in Arcadia, developed 36 brand new condos and sold them all in 2007, at the average price $550,000 each.

2008 - 2011 Went to China partially for development and Investment due to declining economy in US, but also watched for any good deal came up for purchase.

ITEM NO. F-6
EXHIBIT “D”
2012-2014, bought and build custom homes in Temple City, Arcadia.

2008-2015, Due to the low interest rate and market cap rate has been deeply compressed, it is impossible to find a good cap rate deal, we started focusing on building our own deals by buying land and do our own project development ourselves where our project will create a yield at 7 cap+ and cost per unit less than $189,000 a door/key, it is a much superior solution with newer better and more efficient a product in our portfolio than to compete with many market bidders for higher price, lower cap and much older products, that is why it brought us here today.

We are a seasoned investor and very cautious project developer, we will only develop in the area of our own neighborhood where we grew up, we can time our economy up and down more accurately than other places. Also we know in Arcadia we do not have recession even in the 2008, 2009, our real estate never been down, as the matter of fact, it appreciates rapidly in recent years, housing value can double here in 5 years is not a shock to our area, since the change and demographic and influx of cash flow from overseas continues flows in. We are confident we can build our project in most careful manners and it will be a success, looking forward to bring your bank in as our best partner in the deal.

Familiar with the preparation of commercial, residential, multi tenant, and vacant land contracts and the respective disclosures relating to the listing and sale of California real estate. Strong ability to review and analyze comparable sales for appropriate pricing. Excellent communication including verbal, written, and negotiation skills.
Santa Anita Inn owner tennis champ

April 9, 2015 by admin 1 Comment

Santa Anita Inn owner and Arcadia-based Continental Management Inc. CEO Andrew Chang plays tennis so seriously in his spare time that his men’s 4.0 team from Arcadia — called Dragon from Southern Sea — won the prestigious 2015 BNP Paribas Open Senior Cup in Indian Wells, Calif. on March 26 just days after Novak Djokovic was crowned men’s single champion in the same tournament the previous weekend.

The Senior Cup drew teams from as far away as Canada and Omaha, Nebraska.

Playing in the 100-degree heat of the desert at the Indi Wells Tennis Garden, several doubles partners on the Dragon team battled, led by Andy and his partner who won their match 6-3 and 6-4. When the second set of partners lost, the final pair were forced into a super tiebreaker, which Dragon from Southern Sea won in dramatic fashion 11-9.

— By Scott Hettrick
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
APRIL 17 & 18, 2017
KULANA OIWI, MOLOKAI

G-ITEMS
PLANNING OFFICE
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 17 - 18, 2017

TO: Chairman and Members, Hawaiian Homes Commission
Through: M. Kaleo Manuel, Acting Planning Program Manager
FROM: Gigi O. Cairel, Grants Specialist

SUBJECT: Approval of Recommendations for Capacity Building Grant Awards

RECOMMENDED MOTIONS/ACTIONS

1) That the Hawaiian Homes Commission (HHC) approves a $96,818 allocation from the Native Hawaiian Rehabilitation Fund (NHRF) to fund the following organizations for capacity building grants:

$33,310 to Ahupua'a o Moloka'i for board training, strategic planning, improving organizational management processes, and increasing membership and outreach for the Ahupua'a and six (6) homestead associations - Kamiloloa/One Ali'i Homestead Association, Kapa'akea Homestead Association, Kalama'ula Hou Association, Ho'olehua Homestead Association, Ho'olehua Agriculture Association, and Makakuoha Cooperative. The Ahupua'a is serving as the Fiscal Sponsor for the 6 associations. Note that the Ahupua'a and the 6 associations were each eligible for a $5,000 capacity building grant or a total of $35,000. The Ahupua'a application request was for $33,310.

$5,000 to Ahahui Aina Ho'opulapula O Waiohuli for broad training; strategic planning; developing marketing strategies; developing organizational functions; and increasing membership.

$5,000 to Kailapa Community Association for creating a database to manage organizational records, setting up an accounting and project tracking system, and providing board training.

$5,000 to Kalalea/Anehola Farmers Hui for website improvements, developing social media, marketing training, facilities repair, creating a business center, and increasing membership.
$5,000 to Kekaha Hawaiian Homestead Association for conducting regular community activities, including movie nights, holiday celebrations, community concerns meetings and working on the Pu‘u ‘Ōpae Farm plan.

$5,000 to Kēōkea Homestead Farm Lots Association for training farmers to use heavy construction equipment so they can prepare their land for crops.

$5,000 to Molokai Hawaiian Home Lands Kupuna Committee through their fiscal sponsor Molokai Homestead Farmers Alliance for financial training for kupuna to build awareness of financial benefits and housing.

$5,000 to Molokai Homestead Farmers Alliance for developing a website and hosting a professional presentation on Hawaiian culture and history.

$5,000 to Papakōlea Community Development Corporation for updating and implementing a strategic plan and conducting at least 3 community and family engagement activities.

$5,000 to Papakōlea Hawaiian Civic Club through its fiscal sponsor the PAC Foundation for focus group interviews with residents to plan products and services to serve the needs of Papakōlea residents.

$5,000 to Pi‘ihonua Hawaiian Homestead Community Association for securing new partnerships, promoting board engagement, and increasing membership through a logo design and creation process involving homesteaders and students and faculty at HCC. Logo will be used on t-shirts, their website, and educational materials.

$5,000 to Princess Kahanu Estates Association for developing the capacity to locate, apply for, execute, and report on governmental and foundation funding by hiring a grant writer to train board members and guide them through the proposal writing process for three projects.

$4,900 to Kaumana Hawaiian Homes Community Association for increasing membership, training to create and maintain their website, creating and distributing KHHCA logo shirts to members, and surveying homesteaders and surrounding residents about community issues. Kaumana’s grant application request was for $4,900.

$3,608 to Paukūkalo Hawaiian Homes Community Association for updating their community vision plan for the
redevelopment of the former Armory site as a health and education center. Paukūkalo's grant application requested a total of $5,000. The Grants Review Committee recommended reducing the request to $3,608 to remove the water bill line item ($1,392) in the grant budget. There was no explanation for this line item in the grant application. Nor was there any relevancy for use of DHHL grant funds to pay a water bill to engage in a community vision planning process.

(2) That the Hawaiian Homes Commission (HHC) approves carrying over to the 2017-2018 fiscal year, any of the approved allocated funds that cannot be encumbered by contract by June 1, 2017.

BACKGROUND

As part of the Native Hawaiian Development Program Plan (NHDPP), Hawaiian Home Land Trust Grants are made available to nonprofit organizations provided the purpose of the assistance is to benefit native Hawaiians. With the Capacity Building grant program DHHL is implementing the Community Development component in the NHDPP. This grant is intended to help beneficiary organizations to deliver on their mission and community vision by enhancing and strengthening their organizational capacity—including, but not limited to leadership, community outreach, management, administrative, and financial capacity.

The HHC has approved $300,000 from the Native Hawaiian Rehabilitation Fund (NHRF) in FY 2017 for this Capacity Building grant program.

DISCUSSION

Eligibility for this grant was open to homestead associations and beneficiary organizations whose primary mission is to serve HHCA beneficiaries.

Table I below shows the timeline and process as published in the grant application packet and posted on the DHHL website. DHHL staff conducted informational meetings statewide to provide an overview of the grant program and the application packet. A one-time review for draft proposals was also made available to beneficiary organizations.

Table I. Deadline, Processing Time, and Project Timeframes
Sixteen (16) proposals were received by the February 6, 2017 deadline. The total amount requested was $108,210.

The grant review process involves two steps. The first is a screening for eligibility, completeness, and compliance with the grant application requirements. The second is a review by a grant review committee. The committee reviews the proposed project goals, work plan scope, budget and timeline, and potential benefit to HHCA beneficiaries. The grant application includes a description of the review process, a detailed explanation of all the review factors, and states that “applications with any missing items will be returned without being reviewed.” A checklist was provided in the application packet to help applicants organize their proposal. All required forms were also included in the application packet.

The first step of the review process - the screening - found that all but one of the proposals was missing at least one required document. Two (2) of the 16 proposals were missing a considerable number of the required documents, including having no documents or commitment from their proposed fiscal sponsor.

The department staff decided that it would serve no purpose to reject the 14 proposals missing only a few documents and so the second step of the review process was postponed and applicants were given three weeks to submit the missing materials. It was determined that the deficits in the two proposals missing major
components were so significant that they did not pass the first step in the review process.

Department staff, serving as the Grant Review Committee reviewed the 14 proposals and made funding recommendations based on the following evaluation criteria. The review committee members were:

- Gigi Cairel, DHHL Grants Specialist. Experience with beneficiary organizations, nonprofits and grant programs.
- Bob Freitas, DHHL Planner. Experience with beneficiary organizations and has served as DHHL contract manager for the University of Hawaii College of Tropical Agriculture technical assistance contract.
- Sharde Freitas, DHHL Planner. Experience with grant writing, reviewing of grants, and case management.

The criteria below were stated in the grant application packet and presented by DHHL staff at the informational meetings (see Table II below). Meeting invitations were sent to homestead association leaders.

1. **Building capacity**: Will the proposed project increase beneficiary capacity, capability, knowledge and/or skills through a program of training and technical assistance?

2. **Target population**: Is it clear that HHCA beneficiaries being served?

3. **Soundness of approach**: Is the proposed work plan, including proposed budget and timeline, viable? Do the results, benefits, and outcomes relate to a clearly defined need? Will the work plan achieve the expected results and outcomes?

4. **Sustainability**: How will the project be continued after DHHL funding? Is there a contingency plan if none or only partial funding is awarded?

Matching funds and in-kind donations were optional; however, additional points were provided for match.

Table II. Logistics of Informational Meetings
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<thead>
<tr>
<th>Island</th>
<th>Date</th>
<th>Time</th>
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<tbody>
<tr>
<td>Hawai‘i</td>
<td>October 5, 2016</td>
<td>6:00 PM - 8:00 PM</td>
<td>DHHL East Hawai‘i District Office 160 Baker Avenue - Hilo</td>
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<td>Moloka‘i</td>
<td>October 6, 2016</td>
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<td>6:00 PM - 8:00 PM</td>
<td>Paukūkalo Community Center 655 Kaumualii Street Wailuku</td>
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<td>Kaua‘i</td>
<td>November 2, 2016</td>
<td>6:00 PM - 8:00 PM</td>
<td>King Kaumualii‘i School cafeteria 4381 Hanamalu Road Lihu‘e</td>
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<tr>
<td>Hawai‘i</td>
<td>November 3, 2016</td>
<td>6:00 PM - 8:00 PM</td>
<td>DHHL West Hawai‘i District Office 55 Mile Marker 64-756 Mamalahoa Highway Kamuela</td>
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A summary list of recommendations and details of all grant applications, including applicant name, funds requested, project description, and rationale for funding from the committee is attached as Exhibit A.

AUTHORIZATION

This grant program is one form of assistance to implement the Community Development component in the NHDPD. The 2016 - 2017 NHDPD was approved by the HHC in July 2016. The NHDPD is authorized under Chapter 6.1 of Title 10 of the Hawaii Administrative Rules (HAR).

In consultation with the State Department of Accounting and General Services, State Procurement Office, DHHL’s Grant Program is modeled after the State of Hawaii’s procurement process known as Competitive Sealed Proposals or Request for Proposals. The law and rules governing this form of procurement are covered under Hawaii Revised Statutes Section 103D-303 and HAR Chapter 3-122, Subchapter 6.
## Exhibit A
2016 - 2017 Capacity Building Grant Program

<table>
<thead>
<tr>
<th>Proposal Code</th>
<th>Organization</th>
<th>DHHL Funds Requested</th>
<th>Match</th>
<th>In-Kind</th>
<th>Total Project Cost</th>
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<td>2016-17 CB-1</td>
<td>Aahului Aina Hoʻopulapula O Waiohuli</td>
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<td>Match</td>
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FS = Fiscal Sponsor
Ahahui Aina Ho'opulapula O Waiohuli - Maui

Funds Requested $5,000
Funds Recommended $5,000

Project Description

Ahahui Aina Ho'opulapula O Waiohuli (aka Waiohuli Undivided Interest) was established in 2012 with the primary goal of providing access to their homestead area and keeping beneficiaries informed of the most up-to-date information about the development of their land: The 320 Waiohuli undivided interest leases were awarded in 2004.

Although progress on their subdivision development has stalled due to infrastructure concerns and lack of funds, the organization leadership has been building its capacity through workshops and training. They have also been mentored by the Kēōkea Farm Lots board members.

The grant will be used for board training on the duties and responsibilities of board members; update their bylaws; develop a five-year strategic plan; outreach to the undivided interest lessee through social media and a monthly newsletter; set up an accounting system, and obtain IRS 501(c)3 status.

Rationale for Recommendation

Ahahui Aina Ho'opulapula O Waiohuli was created by applicants for applicants. The board has shown initiative and commitment to preparing themselves to lead their community even before they can occupy their parcels. They have sought out mentoring from the Kēōkea Farm Lot board and even held joint meetings. The training they are planning aligns with the purpose of the capacity building grant program.

The review committee commented the work plan seems aggressive and expressed concerned that the board may not realize the amount of work they are committing to. There was no sustainability plan showing how they would continue building their capacity after the DHHL grant.

The committee recommends full funding.
Ahupua'a o Moloka'i - Moloka'i

Funds Requested $33,310
Funds Recommended $33,310

Project Description

Ahupua'a o Moloka'i (AOM) is a 501 (c) 3 nonprofit corporation made up of representatives from seven homestead associations for the purpose of working as a unified entity to support each other and work collaboratively. The seven member associations are: Kamiloloa/One Ali'i Homestead Association; Kapaa'kea Homestead Association; Kalama'ula Hou Association; Ho'olehua Homestead Association; Ho'olehua Agriculture Association; Moloka'i Homestead Farmers Alliance; and Makakuha Cooperative. AOM also serves as a financial channel for these homestead associations.

AOM submitted this proposal on behalf of itself and six of the seven member associations. They have submitted this request jointly because they have all identified similar needs for training a new generation of board members, creating short- and long-term plans, setting up accounting systems using Quickbooks, and increasing membership. They believe that going through training and planning together is cost effective, makes it easier to coordinate activities, and provides a supportive learning environment.

Grant funds will be used to hire a trainer; purchase laptops, software, and office supplies; pay for membership/fees for professional associations (such as Council for Native Hawaiian Advancement and the Hawaii Alliance of Nonprofit Organizations), and nonprofit technical assistance services; and for travel to DHHL meetings, legislative hearings, and other beneficiary meetings.

Rationale for Recommendation

This proposal is an excellent example of collaboration and coordination among homestead associations. The activities are all designed to build capacity and set a solid foundation for a new generation of homestead leaders. The training they are planning will provide the tools to keep their associations going.

Although there was no section on sustainability, the budget narrative and their matching contributions did indicate they can carry on after the DHHL grant.

The committee recommends full funding.
Kailapa Community Association - Hawai‘i

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Kailapa Community Association (KCA) represents a subdivision of 191 residential lots within Kawaihae. Homes have been built on 140 of the lots. KCA has recently completed a playground and community center that provide a gathering spot for the homesteaders.

The grant will be used to set up a computerized system to manage organizational records, maintain financial accounts, and provide a project tracking system. Funds will also be used for board training on duties and compliance, and donor development; printing a quarterly newsletter and marketing material; and travel to DHHL meetings and legislative hearings.

Rationale for Recommendation

The review committee believes that board training and conferences are good ways to build skills. Setting up project management and accounting systems so they can do these functions themselves will say money. However, the reviewers were concerned that covering administrative costs does not build sustainability.

The committee recommends full funding.
Kalalea/Anehola Farmers Hui - Kaua‘i

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Kalalea/Anehola Farmers Hui (KAF Hui) was founded in December 2014 to re-establish and rejuvenate Anahola’s farming community. Membership is primarily comprised of DHHL Farm Lot lessees in Anahola, however, it is open to others in the Ahupua‘a. Since the KAF Hui is a relatively new organization, they are requesting funds for some necessities to further establish their organization, attract more members and farmers market vendors, and provide office services to their members. Specifically, the funds will be used to improve their website and train board members to maintain it; improve the farmers market area by filling holes and spreading gravel along the driveway; create a business center for farmers with a computer, multi-function printer, internet access, and a fax line; and sending out two mailings to lessees to keep them informed and recruit new members.

Rationale for Recommendation

KAF Hui is taking a good approach to building their capacity by focusing on their farmers’ market. This will help them gain visibility and help with long-term sustainability. Reviewers were concerned that offering business services could take time and energy away from building up the farmers’ market.

They have a well thought out sustainability plan. The plan to train several members to maintain their website and social media ensures they will be able to keep these efforts going. They also have a viable strategy for upkeep of the farmers’ market and the business center.

The committee recommends full funding.
Funds Requested  $4,900
Funds Recommended  $4,900

Project Description

Kaumana Hawaiian Homes Community Association (KHHCA) represents the scattered homestead parcels in the Kaumana area near Hilo. KHHCA was incorporated in July 2014 and received its IRS 501(c)3 status in September 2014.

As a new organization, they are still developing their organizational systems, long range plans, and community visibility. They have established partnerships with the Pi‘ihonua Hawaiian Homestead Community Association (PHHCA) and the Office of Hawaiian Affairs (OHA). They are working with PHHCA on plans to establish sustainable farming in upper Pi‘ihonua and to build a shared community center. OHA has helped them gain basic skills in grant writing, legislation, entrepreneurship, and nonprofit management.

The proposed project is intended to bring the lessees in the scattered lots closer together and to build relationships with the private landowners around them. They will use grant funds to purchase the equipment and training necessary to build and maintain a website. They will also create an association T-shirt to give to new and renewing members and survey homesteaders and surrounding residents about issues and concerns. The board believes that these activities will provide a sense of identity, a pathway to networking, and a sense of pride that will in turn lead to more community involvement.

Rationale for Recommendation

The review committee believes this is a good beginning for a new organization, especially given the challenges of building a homestead identity and community involvement among scattered lots inter-mixed with private landowners. They have a reasonable workplan that is achievable. The committee was concerned that they did not have a sustainability plan.

The committee recommends full funding.
Kekaha Hawaiian Homestead Association - Kaua'i

Funds Requested  $5,000
Funds Recommended  $5,000

Project Description

Kekaha Hawaiian Homestead Association (KHHA) was founded in 2004. Since its founding, KHHA has provided beneficiary meetings on current issues, held 'ohana events, and organized educational activities, particularly related to farming and land and water management. One of their most significant projects is the Pu'u 'Ōpae Home Lands Farm and Irrigation Plan. They have a long-term Right of Entry (ROE) to this site.

The new Board elected in June 2016 believes that a strong community base must be built to provide greater involvement from the homesteaders in the Pu'u 'Ōpae farm project and other projects. Therefore, they will use grant funds to conduct regular community activities, including movie nights, holiday celebrations, community meetings. They believe that having regular events will provide an opportunity to network and keep homesteaders informed about the Pu'u 'Ōpae Farm Plan, and motivate homesteaders to stay involved and committed to the project.

Rationale for Recommendation

KHHA has been very thoughtful about how to get homesteaders involved in the Pu'u 'Ōpae Farm project. They recognize the need to build and maintain support and participation in the planning process. They have successfully conducted these types of activities in the past, so they are likely to have good participation and interest from homesteaders.

The workplan activities include continuing “efforts to secure a long-term lease for Pu'u 'Ōpae, demonstrate plan feasibility, and keep water flowing,” but it is not clear what specifically will be done and how this relates to capacity building.

The committee recommends full funding for this project.
Kēōkea Homestead Farm Lots Association - Maui

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Kēōkea Homestead Farm Lots Association (KHFLA) serves the only agricultural homestead on Maui. Organized in the 1990’s, they received their 501 (c) 3 tax-exempt status in 2009. The 170 acre Kēōkea agricultural homestead consists of 66 two-acre farm lots. Of the 66 lots, 62 are under lease to homesteaders and 28 of those are occupied. Most of these 28 lessees are first time farmers who are growing subsistence crops in small gardens.

One of the biggest obstacles to farming in Kēōkea is the geography and condition of the land. This proposed project is designed to address those issues by conducting on-site training in the use and care of heavy construction equipment such as a back hoe, front loader, mini excavator, and bulldozer. This training will give KHFLA members the capacity to clear their own parcels and train other homestead farmers as they begin to farm. The project is coordinated with KHFLA’s agriculture peer-to-peer project.

Rationale for Recommendation

The review committee believes this request shows KHFLA has given considerable thought to how to deal with the challenges of farming their land, building long term farming skills, and working cooperatively. Coordinating their Capacity Building Grant proposal with the Ag Peer-to-Peer Grant makes effective use of both grants and clearly meets the intent of the DHHG grant program. They plan to use a commercial training company with extensive experience so they will be getting the appropriate training to qualify for certification.

The proposal included a very vague workplan, and no sustainability plan.

The committee recommends full funding for this project.
Financial Information:

- Funds Requested: $5,000
- Funds Recommended: $5,000

Project Description:

The Moloka‘i Hawaiian Home Lands Kūpuna Committee is a newly formed group whose purpose is to share their mana‘o and wisdom with the beneficiary community and its leaders. The committee consists of 10 kūpuna in their 70s and 80s from various homesteads across Moloka‘i. They are an unincorporated group so they are using the Moloka‘i Homestead Farmers Alliance as their fiscal sponsor.

The grant will be used to hire a financial literacy consultant to conduct financial education training for kūpuna and their families. A major focus will be on education and awareness about the importance of financial education and preparing for homeownership.

As a result of the training, the Kūpuna Committee will have the knowledge and materials to share with other kūpuna and families spreading knowledge in a ripple effect.

Rationale for Recommendation:

The review committee found this to be an interesting approach to financial counseling. Having a trained core of kūpuna who can then work with others is a valuable community resource.

The proposal states they will serve 25 families a year, however, it was not clear how the trained kūpuna would share their knowledge or how costs for recruitment and training materials would be covered in the future. Although there are weaknesses in the design, the overall concept is solid.

The committee recommends full funding for this project.
Moloka'i Homestead Farmers Alliance - Moloka'i

Funds Requested  $5,000
Funds Recommended $5,000

Project Description

The Moloka'i Homestead Farmers Alliance (MHFA) was created in 2005 to advocate for the protection of water rights for all homestead farmers and help farmers in the areas of commercial operations, food safety, and technical and subsistence farming.

The grant funds will be used to develop a website that will provide outreach to farmers, a calendar of events, training, workshops, and information on homestead and Hawaiian issues. Funds will also be used to host a professional presentation by a cultural expert on Hawaiian culture and history. One of the objects of the presentation is to bring homesteaders together and encourage them to become part of the leadership in their association.

Rationale for Recommendation

The review committee thought this was a good approach to providing information to members and getting beneficiaries involved in the organization. Since there is no follow-up to the cultural presentation, it is unclear how it helps to build capacity. The workplan lacked details that might explain this.

The committee recommends full funding for this project.
Funds Requested  $5,000  
Funds Recommended  $5,000

Project Description

The Papakōlea Community Development Corporation (PCDC) was established in 1999 to provide the residents of Papakōlea, Kalawahine, and Kewalo Hawaiian residential homesteads with a full range of comprehensive services, including lifelong educational experiences, health, and wellness services, human services, and entrepreneurial opportunities.

PCDC is requesting funds to update and implement its strategic plan. The PCDC board will go through a six-month planning process. Once they have completed the strategic plan, they will meet with the community to identify at least three homestead community and family engagement activities they want to implement. About half of the grant funds will be used for two huaka‘i sites of cultural importance and to contract technical assistance to guide the planning process.

Rationale for Recommendation

The Committee agrees this is an appropriate time in PCDC’s evolution to revisit their strategic plan. This will set a good foundation for the future and give them a clear direction.

The workplan is reasonable and clearly meets the intent of the capacity-building grant program.

The committee recommends full funding for this project.
Papakōlea Hawaiian Civic Club - O'ahu

Funds Requested  $5,000
Funds Recommended  $5,000

Project Description

The Papakōlea Hawaiian Civic Club (PHCC) was created in 2009. Its mission is to educate, research preserve, and perpetuate the Hawaiian culture to improve the welfare and quality of life of Native Hawaiian beneficiaries living in Papakōlea. They have 125 members who reside in Papakōlea.

Their project is designed to build the organizational capacity in marketing, community outreach, products, and services. Grant funds will be used to host focus group interviews with residents to identify the types of products and services that would best serve the needs of Papakōlea residents. The feedback will be used to create a strategic plan. The process will include a review of their constitution and bylaws.

Rationale for Recommendation

This project meets the intent of the capacity building grant program. PHCC reports to have a larger membership of Papakōlea residents than any other organization in Papakōlea. Conducting focus groups to identify needs and interests is a good approach to creating products and services geared to homesteaders.

The reviewers were concerned that this project does not appear to be coordinated with other organizations in Papakōlea so that they could all benefit from the focus group discussions and findings. The proposal did not include a workplan so there are no details about how the focus groups will be conducted or who will be responsible for implementing the proposed activities. The budget details include some information about when and where the sessions will take place.

The committee recommends full funding for this project.
Paukūkalo Hawaiian Homes Community Association - Maui

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Paukūkalo Hawaiian Homes Community Association (PHHCA) was formed more than 30 years ago and represents the oldest homestead on Maui. One of its major projects for the last several years has been the redevelopment of the old Armory.

They will use grant funds to update their 2008 vision plan for the redevelopment of the Armory site as a health and education center. Since almost 10 years have passed and there have been many changes in the homestead community, they believe this is the right time to revisit their vision for the site. Their workplan outlines a series of planning meetings and community discussions to gather input and gain community support. The budget includes board training, website design, insurance, and a considerable sum for a water bill. It is not clear from the project description and workplan how these relate to creating the vision plan. The board training and website design do contribute to building their capacity though.

Rationale for Recommendation

The review committee agrees that it would be good to revisit the Armory vision plan. The committee notes that PHHCA currently does not have a land disposition to the Armory site, but a request is under DHHL review. The committee also questions the budget item requesting $1,392 for a water bill. There is no explanation of the bill. The reviewers suspect this is an old, overdue bill related to the garden project on the Armory site. If that is the case, it is not an appropriate expenditure for a capacity building grant.

The committee recommends deleting the request for the water bill and awarding $3,608 for this project. They further recommend that the release of funds be contingent on there being a valid Right-of-Entry (ROE) in place for the entire grant period.
Pi'ihonua Hawaiian Homestead Community Association - Hawai'i

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Pi'ihonua Hawaiian Homestead Community Association (PHHCA) mission is to promote social welfare of the homestead community of Pi'ihonua and the Native Hawaiian residents in the surrounding area. The association has 51 members from 17 homestead households. They received their IRS 501(c)3 tax-exempt status in 2014. Since then, they have been developing partnerships and building their grant application and management skills.

This capacity building project is designed to secure new partnerships, promote board engagement, and increase membership through a logo design and creation process with the assistance of students and faculty at Hawai'i Community College (HCC). The Pi'ihonua homesteaders will work with HHC faculty to coordinate a logo design contest for students in the Hawaiian Studies program. As part of the contest, students will conduct research on Pi'ihonua and base their designs on what they learn. Students in the Digital Media medium program will create an electronic version of the logo that will be put on t-shirts, their website, and educational materials. The process will be captured through digital media and posted on the association’s website.

The logo design contest will provide an opportunity for the board to engage the homestead residents in conversations about their needs and expectations and build membership. The t-shirts will be sold and the income will be used for future printings.

Rationale for Recommendation

The reviewers agreed that this is a creative approach to getting residents involved in the association and building membership. It is also an innovative way to bring a younger generation of homestead residents into the association’s activities.

There is a detailed workplan that shows the PHHCA board has given a lot of thought to how they will carry out the project activities. They are making good use of the resources and students at HHC. This is a partnership that has a lot of potential to build the association’s capacity.

The committee recommends full funding for this project.
Princess Kahanu Estates Association - O'ahu

Funds Requested $5,000
Funds Recommended $5,000

Project Description

The Princess Kahanu Estates Association (PKE) is the homeowners' association of the Princess Kahanu Estates homestead on the Wai'anae coast of O'ahu. The association was created in 1996. The association is responsible for maintenance of common areas, monitoring compliance with homeowner guidelines and restrictions, and approving design change requests. The association manages the community center where programs are offered.

PKE wants to develop the capacity to locate, apply for, and manage government and foundation grants. They want to develop these skills so that they can acquire funds to create more community programs and events.

Grant funds will be used to hire a grant writer to train board members and guide them through the proposal writing process for 3 projects.

Rationale for Recommendation

This project clearly meets the intent of the capacity building grant program. The PKE board is taking a well-thought out, systematic approach to building their grant application and management capacity. Since the entire board will be going through training this ensures a continuity in their capacity to apply for and manage grants. Having the grant writer mentor them through the preparation of three proposals will reinforce the training and provide practical experience. It will also potentially lead to three new grants.

The committee recommends full funding for this project.
To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager
From: Nancy M. McPherson, Planner & Molokai Liaison
       E. Halealoha Ayau, Acting Molokai District Supervisor
       Shelley Carreira, Land Agent, Land Management Division
Subject: Molokai Regional Update to the Hawaiian Homes Commission

Recommended Action
None; for information only.

Background

The Planning Office is providing the Hawaiian Homes Commission (HHC) with regular updates for the respective DHHL geographic region within which the HHC conducts its monthly community meeting. The purpose of the monthly update is to provide the HHC with information related to DHHL plans, programs, and projects previously adopted by the HHC that are specific to that particular geographic region. A status report of DHHL’s progress in implementing these initiatives is included for the HHC’s consideration.

For the HHC’s April 2017 meeting, the Planning Office is providing an update for the island/region of Molokai, with the assistance of the Acting Molokai District Supervisor and the Land Agent.

Discussion

EXISTING PLANS & IMPLEMENTATION STATUS

Molokai Island Plan Policies

The purpose of each DHHL Island Plan is to (1) assign land use designations for land holdings on each island,
(2) establish land use goals and objectives of the General Plan specific to each island, and (3) identify island-wide needs, opportunities, and priorities. The Molokai Island Plan was adopted by the HHC in June 2005. The Plan identifies the following land use designations (see map, Exhibit A) and acreage amounts in Table 1 below.

<table>
<thead>
<tr>
<th>Molokai Land Use Designations</th>
<th>Acres</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Homestead</td>
<td>742</td>
<td>2.86</td>
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<tr>
<td>Subsistence Agriculture</td>
<td>2,350</td>
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<tr>
<td>Community Use</td>
<td>165</td>
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<tr>
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<tr>
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<td>0.06</td>
</tr>
<tr>
<td>Total Acres</td>
<td>25,893</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Molokai Island Plan Implementation Status

Mo‘omomi-Anahaki Land Use Designation Amendment

Lands acquired or amended since June 2005 are not reflected in the Molokai Island Plan. Triggered by a proposal for large scale wind turbines in Mo‘omomi-Anahaki, a reexamination of the land use designations (LUD’s) for that area was requested by beneficiaries. After beneficiary consultation was conducted, a land use amendment redesignating 7,415 acres of General Agriculture and 62 acres of Community Use lands in Mo‘omomi-Anahaki to Special District was approved by the Hawaiian Homes Commission on December 14, 2010.

Molokai High and Middle School-Voice of America Land Exchange

In addition, a land exchange with the State of Hawai‘i of 34 acres of Community Use land adjacent to the Ho‘olehua Fire Station and the Lanikeha Ho‘olehua Community Center, including the Molokai High and Middle School site and the athletic field across from the school site, for 89 acres of land in Mā‘ili, O‘ahu, to be developed for residential homesteads, was initiated in 2006 and completed in 2010. The portion of Community Use parcels in Ho‘olehua that were not
developed are now being planned for use by the Molokai Middle School. The physical separation of middle and high school students was identified as an issue and potential project in the Molokai Regional Plan.

Acquisition of DLNR Holdings at Malama Park, Kaunakakai

In June of 2011, four parcels totaling 4.6 acres at Malama Park were transferred by the Board of Land and Natural Resources to DHHL. Existing uses and structures on the site include canoe club facilities, the Malama Park Platform (a significant cultural site), a historic (circa 1800’s) jail that likely held Molokai Japanese until they were sent to O‘ahu for internment after the attack on Pearl Harbor, a small wetland, a hula pā and an old pineapple loading platform.

The Planning Office has initiated a process to work with beneficiaries to determine the best land use designation for the property. An informational meeting with stakeholders was held in November 2016. Scoping continues, and once Commission approval to go out for Beneficiary Consultation is obtained, a formal Beneficiary Consultation for Land Use Designation will be scheduled.

Residential Priorities

Residential Priority One: Nā‘iwa (See Exhibit “A”)
- 58 agricultural lots already awarded via 1986 Acceleration Program
- On 298 acres south-east of Molokai Airport
- Main water lines and fire hydrants installed
- Potable water supply, roadways, and drainage improvements needed for final subdivision approval
- Implementation challenge: no water meters for new lots until DHHL allocation is increased and/or an additional water source is identified and developed. See Item G-5, “For Information Only -- Update on Molokai Water Projects and Issues”.

Residential Priority Two: ‘Ualapu‘e (See Exhibit “B”)
- Develop 74 residential homestead lots on 25 acres in Mana‘e (East End), mauka of Kamehameha V Highway.
- Implementation challenge: no water meters for new lots until County of Maui allocation is increased and/or an additional water source is identified and developed. See Item G-5, “For Information Only -- Update on Molokai Water Projects and Issues”.

- 3 -

ITEM NO. G-2
Residential Priority Three: Kapa‘akea, Kamiloloa, One Ali‘i
(See Exhibit “C”)

- Develop 286 residential homestead lots on 201 acres two miles east of Kaunakakai, mauka of Kamehameha V Highway.
- Implementation challenges: Construct onsite waste water treatment plant; no water meters for new lots until County of Maui allocation is increased and/or an additional water source is identified and developed. See Item G-5, “For Information Only -- Update on Molokai Water Projects and Issues”.

All three residential priorities will continue to be priorities in the Molokai Island Plan, due in part to the need to respond to the effects of sea level rise via a long term Climate Adaptation Strategy for homesteads in low-lying coastal areas.

Molokai Regional Plan

The Molokai Regional Plan was first adopted by the HHC in December of 2007 and subsequently updated in April of 2010. Molokai beneficiaries, responding to outreach and engagement efforts throughout the planning process, identified the following priority projects:

1. Alternative Energy Initiative
2. Conduct Beneficiary Consultation on Large Scale Renewable Energy Development
3. Water Pressure Testing in Kalama‘ula
4. Modify Septic Tank at Kiokea Park
5. Support Molokai Sustainment Farming Project, Ho‘olehua Homestead Association

Molokai Regional Plan Implementation Status

Table 2 below identifies the “project champion” and summarizes the status of each Regional Plan priority project.
<table>
<thead>
<tr>
<th>PRIORITY PROJECT</th>
<th>PROJECT CHAMPION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Energy Initiative</td>
<td>DHHL</td>
<td>Ongoing - various activities for individual lessees. USDA funds will be used to construct a solar PV system that will provide renewable energy to the Ho'olehua Water System.</td>
</tr>
<tr>
<td>Conduct Beneficiary Consultation on Large Scale Renewable Energy Development</td>
<td>DHHL Planning Office</td>
<td>Completed. Conducted Beneficiary Consultation (BC) and informational meeting on Large Scale Renewable Energy Development on Molokai on July 11, 2010. Results of BC led to HHC approval of amendment of Community Use and General Agriculture land use designations for the lands at Mo'omomi-Anahaki to Special District in Dec. 2010.</td>
</tr>
<tr>
<td>Water Pressure Testing in Kalama'ula</td>
<td>DHHL District Office, LDD</td>
<td>All tasks completed. Project stimulated design of a much larger project, Ho'olehua Water System Improvements, that has received USDA grant funding and is in the design phase.</td>
</tr>
<tr>
<td>Modify Septic Tank at Kiowea Park</td>
<td>DHHL (LMD/PLO), Kalama'ula Homesteader Association</td>
<td>Completed - cause of problem (coconut tree roots breaking into sewer line) located and repaired. A new pavilion facility with Individual Wastewater System is being constructed by Kalama'ula Hawaiian Homesteaders Association at the park.</td>
</tr>
<tr>
<td>Support Molokai Sustainment Farming Project, Ho'olehua Homestead Association</td>
<td>Molokai Sustainment Farming Project/Kukui Helepo</td>
<td>Land Request submitted to LMD. On hold - waiting for resumption of RP Program to issue dispositions that will support activities.</td>
</tr>
</tbody>
</table>
DHHL Water Policy Plan Implementation Status

For further information on this topic, please refer to Item G-5, “For Information Only - Update on Molokai Water Projects and Issues."

DHHL Energy Policy - Ho‘omaluhī - Implementation Status

Whenever and wherever possible, DHHL supports initiatives and measures such as rooftop solar photovoltaic systems for homesteaders and larger-scale solar photovoltaic systems to supply renewable energy for DHHL’s water systems.

Other Planning Office Projects and Initiatives on Molokai

Special District Cultural and Natural Resources Planning

There are a number of areas on Molokai Hawaiian Home Lands that have been designated Special District because of their unique features and/or the presence of significant cultural and natural resources. In order to be stewarded and utilized, lands so designated need additional planning that incorporates beneficiary input and participation. The DHHL Planning Office initiated this process by conducting a day of site visits with staff and the Deputy Director in June of 2016 in order to familiarize them with those areas. Further planning work that solicits community participation will be developed as time allows and funding becomes available.

Community Resilience and Disaster Preparedness

Two UH-DURP Practicum projects have been conducted that study coastal homestead areas, look at the strengths of homestead networks, and make recommendations for further activities that increase community resilience and plan for disasters. The community of Kapaa‘akea was used as a case study. The Planning Office will be working with all three coastal homesteads on Molokai to hold a two-day workshop in summer/early fall using the community resilience planning methodology developed by the graduate students. See Exhibit ‘D’.

Coastal Zone Management and Shoreline Erosion Mitigation

The Planning Office is working on the procurement process for the “South Shore Molokai Coastal Erosion Assessment.” The project will study sections of Molokai shoreline on homestead land that are experiencing high rates of erosion and make recommendations for mitigation strategies.
Miscellaneous Projects

The Planning Office provides ongoing environmental review and planning technical assistance to the Molokai District Office (MoDO), works closely with the LMD Land Agent, and when needed, coordinates DHHL efforts among other divisions (LMD, LDD, HSD), MoDO and Molokai beneficiaries. While the project list includes projects that the HHC may not review and take action on, the following information is provided to give Commissioners a better idea of the amount of activity that takes place on Hawaiian Home Lands on Molokai. Examples of MoDO and line division initiatives within the last several years that the Planning Office has assisted with and that address important environmental, natural resource and cultural issues in homestead areas include:

(1) Kanakaloloha Cemetery Improvements (MoDO/LDD/PLO)
This project consists of construction of the following:
- Paved roadway and parking within the cemetery
- A front perimeter property wall
- A new 2 inch water line
- An outdoor open air pavilion

The Final Environmental Assessment/FONSI for the project was approved by the Hawaiian Homes Commission in September of 2015. Funding has been located and construction will commence in the near future.

(2) Kapa‘akea Flood Mitigation Efforts (MoDO/LDD/PLO)
- Installation of a three (3) foot high concrete masonry unit (CMU) wall and footing that will extend from the shoreline to the south side of Kamehameha V Highway. The footing for the wall will extend two feet below ground surface.
- The project has cleared Ch. 343 Environmental Review with a Final EA/FONSI, and is proceeding with final design and permitting.

(3) Kapu‘iwa Coconut Grove Cleanup and Stabilization (MoDO/LMD/PLO)
- MoDO conducted a cleanup of the Grove and fenced in the area to protect this sacred place from unauthorized vehicular access and disrespectful behavior such as dumping of rubbish, unauthorized fires, and pollution of springs. The area has falling coconuts and branches and unstable soils
due to the punawai, all of which pose a safety hazard.

- In addition, the Grove is experiencing stress, disease and insect infestation due in part to the extreme age of the trees, for which MoDO and the Planning Office have been performing due diligence, in consultation with Dept. of Land and Natural Resources, State Historic Preservation Division (DLNR-SHPD), University of Hawaii College of Tropical Ag (UH-CTAHR) scientists and ag extension agents, Molokai-Maui Invasive Species Committee (MoMISC), Molokai Soil and Water Conservation District, Kalama'ula Homesteader Association and others.

- DHHL is interested in developing community partnerships in order to address the long term stewardship and maintenance needs of Kapuā'iwa Coconut Grove, and will be developing a management plan in consultation with the community.

(4) ‘Ohi‘apilo Wetland and Bird Sanctuary Mitigation (MoDO/LMD/PLO)

- When this Pālā'au wetland gets inundated by heavy rains, non-native fish species (e.g. tilapia) proliferate, then die off when the wetland starts drying up.

- MoDO, LMD and PLO have been overseeing botulism prevention efforts that include monitoring and when necessary, safe, sanitary dead fish clean-up of the entire site that stretches over 25 acres of wetlands.

- A study is currently underway that will produce long term management plan recommendations with alternatives to address this problem.

(5) Kalaupapa General Management Plan (MoDO/LMD/PLO)

- Participation in National Park Service’s Draft General Management Plan (DGMP) planning process

- Participation in Section 106 Consultation for DGMP

- Participation in Kalaupapa Strategic Planning for Transition process, with State Dept. of Health, National Park service, etc.

**Recommendation**

None; for information only.
Figure 8.1 - 'Ualapu'e Residential Phasing Scheme

'UALAPU'E PHASING

Phase 1 - High
- 47 house lots

Phase 2 - Medium
- 27 house lots
- 2.9 acres for Community Use

EXHIBIT 'B'
Figure 8.2 - Kapa‘akea - Kamiloloa - Makakupa‘ia Residential Area
COASTAL RESILIENCE FOR DHHL COMMUNITIES

ENHANCING RESILIENCE AND ADAPTATION FOR COASTAL COMMUNITIES OF THE DEPARTMENT OF HAWAIIAN HOME LANDS

Beach erosion, storm inundation, sea level rise and other hazards pose increasing threats to Hawai‘i’s coastal communities. The Department of Hawaiian Home Lands has tasked a practicum team of University of Hawai‘i at Mānoa Urban & Regional Planning students to develop planning tools to help DHHL and its beneficiaries enhance their resilience and adaptation capacity.

The UH-Mānoa DURP practicum team will deliver to DHHL:

• An assessment of coastal hazards and identification of the most vulnerable communities;
• Geographic Information System data and maps showing the relationship of DHHL properties to areas with coastal hazards;
• Research on best management practices for coastal adaptation and hazard mitigation options;
• A framework for coastal zone management by DHHL.

DEPARTMENT OF URBAN AND REGIONAL PLANNING
UNIVERSITY OF HAWAII AT MĀNOA
PLAN 751, PLANNING PRACTICUM SPRING 2015

Practicum team: Sarah Atong, Chelsea Dau, Jimmy Fitzgerald, Ashral Luthfi, Stephanie Nogal, Roberto Porro, Tina Sablan, Dayna Viera, Andy Yamaguchi, Aydees Zieike

Team member backgrounds: Urban and regional planning, ocean engineering, natural resource management, GIS, architecture, sociology, economics, geography, urban design, environmental and conservation science, LEED, conflict resolution, tourism, education, disaster management and humanitarian assistance, journalism.

Contact: Prof. Luciano Minerbi, Dr. Arch, Saunders Hall 107H, 2424 Maili Way, Honolulu, HI 96822; 808-956-6889; luciano@hawaii.edu

EXHIBIT 'D'
STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  

April 17, 2017  

To: Chairman and Members, Hawaiian Homes Commission  

Through: Kaleo Manuel, Acting Planning Program Manager  

From: Lehua Kinilau-Cano, HHL Legislative Analyst  

Subject: Legislative Update 2017  

RECOMMENDATION/ACTION:  
None: For information only.  

DISCUSSION  

The State Budget  

The Senate Ways and Means Committee voted to amend the State Budget reflected in HB100, HD1, SD1. The Senate didn't make any changes to the Governor's Operating Funds request for DHHL of $25,120,730 in general funds each fiscal year or to the proviso requiring $6,865,887 each fiscal year be transferred to B&F for fringe benefit costs. With regard to the Governor's CIP request of $20 million each fiscal year for lot development, the Senate Ways and Means Committee amended the request by appropriating $26.9 million in FY2018. The Governor also proposed $5 million in CIP each fiscal year for R&M for existing infrastructure and the Senate Ways and Means Committee amended the request by appropriating $6.5 million in FY2018 and $3.5 million in FY2019. A chart highlighting the budget request for each fiscal year for Purpose 4 - Operating & Admin expenses and Purposes 1-3 - Lots, Loans & Rehabilitation Projects as well as detail of the CIP funding in HB100, HD1, SD1 is attached as Exhibit 'A'.  

Bill Tracking  

Staff has prepared a measure tracking spreadsheet listing all measures that impact the department. The current spreadsheet with the status of each measure as of 04-11-17 is attached as Exhibit 'B'.  

Of the 18 bills on this measure tracking spreadsheet, 2 are still alive and moving through the legislature. Of the DHHL bills in the Governor's Package, the House bill proposing to
reduce the blood quantum for successors is still moving. The 2 resolutions specifically referencing DHHL are dead.

In addition to the 18 bills and 2 resolutions that specifically reference DHHL, staff monitors and prepares testimony as appropriate on measures that would impact Hawaiian Home lands or the department as a state agency. A summary of these bills and the Department’s position is attached as Exhibit ‘C’.

DHHL Website

The most updated information of the bill summary and status is available on DHHL’s website at http://dhhl.hawaii.gov/legislation/.

RECOMMENDED MOTION/ACTION

None; For information only.
### DHHL's "Sufficient Funds" & Executive Biennium Budget FY 2018 – Purpose #4

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<th>Description</th>
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<td>Total HHC A &amp; O Budget Request</td>
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*Includes $6,865,887 in both FY 18 and FY 19 to reflect the fringe benefit cost
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<th>2018</th>
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<td>Infrastructure (C)</td>
<td></td>
<td></td>
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<tr>
<td>Total HHC A &amp; O Budget Request</td>
<td>$53,430,280</td>
<td>$30,120,730</td>
<td>$25,120,730</td>
<td>$28,620,730</td>
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</table>

*Includes $6,865,887 in both FY 18 and FY 19 to reflect the fringe benefit cost
### DHHL's "Sufficient Funds" & Executive Biennium Budget FY 2018 – Purposes #1-3

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Total FY 18-19</th>
<th>Total FY 18-19</th>
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</thead>
<tbody>
<tr>
<td>Lot Development (C)</td>
<td>$73,425,000</td>
<td>$20,000,000</td>
<td>$8,600,000</td>
<td>$26,900,000</td>
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<td>Loans (C)</td>
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<td>$75,000,000</td>
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<tr>
<td>Rehab Projects (C)</td>
<td></td>
<td>*$32,121,000</td>
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<tr>
<td>Rehab Projects (A)</td>
<td></td>
<td>^$15,509,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$196,055,100</strong></td>
<td><strong>$20,000,000</strong></td>
<td><strong>$8,600,000</strong></td>
<td><strong>$26,900,000</strong></td>
</tr>
</tbody>
</table>

*Total in both FY 18 and FY 19 reflects projects requested by homestead leaders.

^ Includes $2,765,000 in FY 18 and $365,000 in FY 19 requested by homestead leaders.
<table>
<thead>
<tr>
<th>Purpose</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Total</th>
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<tbody>
<tr>
<td>Lot Development (C)</td>
<td>$88,975,000</td>
<td>$20,000,000</td>
<td>$28,900,000</td>
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<tr>
<td>Loans (C)</td>
<td>$78,100,000</td>
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<td>Rehab Projects (C)</td>
<td>*$29,050,000</td>
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<td>Rehab Projects (A)</td>
<td>^$13,109,100</td>
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<td><strong>Total</strong></td>
<td>$209,234,100</td>
<td>$20,000,000</td>
<td>$28,900,000</td>
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*Total in both FY 18 and FY 19 reflects projects requested by homestead leaders.

^ Includes $2,765,000 in FY 18 and $365,000 in FY 19 requested by homestead leaders.
<table>
<thead>
<tr>
<th>ProgID</th>
<th>Title</th>
<th>Description</th>
<th>FY18</th>
<th>FY19</th>
<th>MOF</th>
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<tbody>
<tr>
<td>HHL602</td>
<td>LUMP SUM R &amp; M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR REPAIR AND MAINTENANCE TO EXISTING INFRASTRUCTURE ON VARIOUS HAWAIIAN HOME LANDS, STATEWIDE.</td>
<td></td>
<td>600</td>
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<tr>
<td></td>
<td>LUMP SUM CIP HAWAIIAN HOME LANDS LOT DEVELOPMENT, STATEWIDE</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR VARIOUS IMPROVEMENTS TO EXISTING INFRASTRUCTURE ON HAWAIIAN HOME LANDS, STATEWIDE. LOT DEVELOPMENT PROJECTS TO INCLUDE: EAST KAPOLEI TRANSIT ORIENTED DEVELOPMENT, HOOLEHUA NA'IWA AGRICULTURAL SUBDIVISION, HOOLEHUA AGRICULTURE LOTS SITE IMPROVEMENTS, VILLAGES OF LEIALII PARKWAY AND HIGHWAY SAFETY IMPROVEMENTS, VILLAGES OF LEIALII SUBDIVISION DESIGN, NORTH KONA EXPLORATORY WELL, KOKEA-WAIHOHILI WATER SYSTEM IMPROVEMENTS, KOKEA-WAIHOHILI PHASE 2 SITE IMPROVEMENTS, AND UXO MITIGATION AND CONSTRUCTION SUPPORT FOR NEW AWARDS AND EXISTING LESSEES ON HAWAII ISLAND.</td>
<td>14,900</td>
<td></td>
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<tr>
<td>HHL602</td>
<td>LUMP SUM R &amp; M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE</td>
<td>DESIGN AND CONSTRUCTION FOR MOLOKAI AND KAUAI WATER SYSTEMS SECURITY ENHANCEMENTS.</td>
<td></td>
<td>1,500</td>
<td></td>
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<tr>
<td>HHL602</td>
<td>LUMP SUM R &amp; M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR ENVIRONMENTAL MITIGATION AND REMEDIATION ON EXISTING LOTS.</td>
<td></td>
<td>2,000</td>
<td></td>
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<tr>
<td>HHL602</td>
<td>LUMP SUM R &amp; M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE</td>
<td>PLANS AND DESIGN FOR REPAIR AND MAINTENANCE OF UTILITIES IN EXISTING HOMESTEAD SUBDIVISIONS.</td>
<td></td>
<td>2,900</td>
<td></td>
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<tr>
<td>HHL602</td>
<td>WAIANAE COAST SECOND ACCESS ROAD, OAHU</td>
<td>PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR SECONDARY ACCESS ROAD FOR LEeward COAST INCLUDING BUT NOT LIMITED TO SAFETY IMPROVEMENTS, SYSTEM PRESERVATION AND TRAFFIC/COMGESTION RELIEF.</td>
<td>1,500</td>
<td>1,500</td>
<td>C</td>
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<tr>
<td>ProgID</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF KAUMANA SUBDIVISION LOT REHABILITATION, KAUMANA, HAWAII.</td>
<td>500</td>
<td>C</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF KAU WATER SYSTEM, KAU, HAWAII.</td>
<td>1,500</td>
<td>C</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, KAUA'I</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF HANAPEPE RESIDENTIAL SUBDIVISION PHASE 2, HANAPEPE, KAUA'I.</td>
<td>1,000</td>
<td>C</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU</td>
<td>PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR LOT DEVELOPMENT, OAHU; TMK 4-4-033-018.</td>
<td>6,900</td>
<td>C</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF VOICE OF AMERICA, PHASE I INFRASTRUCTURE, NANAKULI, OAHU</td>
<td>800</td>
<td>C</td>
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<tr>
<td>HHL602</td>
<td>HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU</td>
<td>PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF VOICE OF AMERICA, PHASE I INFRASTRUCTURE, NANAKULI, OAHU</td>
<td>1,300</td>
<td>C</td>
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<tr>
<td>Measure #</td>
<td>Report Title</td>
<td>Measure Title</td>
<td>Description</td>
<td>Status</td>
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<tr>
<td>HB35 HD1</td>
<td>CIP; Redevelopment of Bowl-O-Drome property; GO Bonds; Appropriation</td>
<td>RELATING TO THE REDEVELOPMENT OF THE BOWL-O-DROME PROPERTY.</td>
<td>Authorizes general obligation bonds and appropriates funds to the Department of Hawaiian Home Lands for the redevelopment of the Bowl-O-Drome property, located at 820 London Street, with the assistance of the Hawaii Community Development Authority.</td>
<td>H 2/7/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Oshiro excused (1).</td>
<td>SAY</td>
</tr>
<tr>
<td>HB45</td>
<td>Land Use Reclassification; Department of Hawaiian Home Lands; Office of Hawaiian Affairs; Public Land Trust</td>
<td>RELATING TO PLANNING AND ECONOMIC DEVELOPMENT.</td>
<td>Authorizes the legislature to reclassify certain agricultural lands and transfer them to OHHL or OHA. Requires the value of lands transferred to OHA to be credited against OHA's pro rata share of court-ordained revenues.</td>
<td>H 1/27/2017: The committee(s) on AGR recommend(s) that the measure be referred.</td>
<td>SAY</td>
</tr>
<tr>
<td>HB110 HD1 SD1</td>
<td>State Budget</td>
<td>RELATING TO THE STATE BUDGET.</td>
<td>Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.</td>
<td>H 4/11/2017: House disagrees with Senate amendment (s).</td>
<td>SOUXI (Introduced by request of another party)</td>
</tr>
<tr>
<td>HB372</td>
<td>Department of Hawaiian Home Lands; Hawaii Island Working Group</td>
<td>RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.</td>
<td>Establishes a working group to address and provide findings and recommendations regarding issues that benefit the Department of Hawaiian home lands on Hawaii Island facing the effects of climate change and housing issues.</td>
<td>H 2/17/2017: Passed Second Reading and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Oshiro excused (2).</td>
<td>EVANS, MCKELVEY, MIZURO, MAKASHIMA, TODD, CRAIN, LOW, KUO, SCAI, BUENAVENTURA</td>
</tr>
<tr>
<td>HB851 HD1 SD2</td>
<td>Hawaiian Home Lands; Successors; Blood Quantum</td>
<td>RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.</td>
<td>Reduces the maximum Hawaii blood quantum requirement for certain successesors to lesses of Hawaiian Home Lands from one quarter to one thirty-second. Takes effect on 1/1/2016.</td>
<td>S 4/15/2017: Report adopted; Passed Third Reading, as amended (ED 2), Ayes, 25; Aye(s) with reservations; Senator(s) Riviera, Ruderman, L. Thielen, Noes, 0 (none). Gavans, 0 (none). Transmitted to House.</td>
<td>DECOTE, CRAIN, EVANS, HAMASHI, ICHIYAMA, ING, KEHOIALOLE, KONG, MORIKAWA, TUKIOKA, TUPOLA, WOODSON, YAMASHITA, GATES, SAN BUENAVENTURA</td>
</tr>
<tr>
<td>HB846</td>
<td>Commission on Water Resource Management; Hawaiian Homes Commission Representation</td>
<td>RELATING TO THE CHAIRPERSON OF THE HAWAIIAN HOMES COMMISSION.</td>
<td>Amends the membership of the commission on water resource management to add the chairperson of the Hawaiian homes commission or the chairperson's designee to serve as an ex-officio voting member.</td>
<td>H 1/27/2017: Referred to OHM/WAI, FIN, referral sheet 4</td>
<td>GATES, EVANS, ING</td>
</tr>
<tr>
<td>HB869 HD1</td>
<td>Affordable Housing; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; Department of Hawaiian Home Lands; Conveyance Tax Appropriation</td>
<td>RELATING TO HOUSING.</td>
<td>Authorizes the issuance of general obligation bonds to construct affordable rental units and homes. Allows monies from the conveyance tax and the county surcharge on state tax to be used to repay the bonds. (HB666 HD1)</td>
<td>H 2/15/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Kobayashi, Oshiro excused (2).</td>
<td>BROWER</td>
</tr>
<tr>
<td>HB1093</td>
<td>Hawaiian Home Lands; Lease Successors</td>
<td>RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, AS AMENDED.</td>
<td>Lowers the required blood quantum to one thirty-second Hawaii for the lessee's relative currently eligible to succeed to a lease with one-quarter Hawaii including a lessee's husband, wife, children, grandparents, brothers, or sisters.</td>
<td>H 4/27/2017: Referred to OHM, JUD, FIN, referral sheet 5</td>
<td>SOUXI (Introduced by request of another party)</td>
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<tr>
<td>Measure #</td>
<td>Report Title</td>
<td>Measure Title</td>
<td>Description</td>
<td>Status</td>
<td>Introducer(s)</td>
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<tr>
<td>HB1094</td>
<td>Department of Hawaiian Home Lands; Disclosure of Government Records</td>
<td>RELATING TO PERSONAL PRIVACY.</td>
<td>Specifies types of content that are not required to be disclosed from Department of Hawaiian Home Lands homestead applicant and lessee files. (HB1094 HD1)</td>
<td>H 2/9/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) excused (1).</td>
<td>SOUKI (Introduced by request of another party)</td>
</tr>
<tr>
<td>HB1095</td>
<td>Hawaiian Homes Commissioners Composition</td>
<td>RELATING TO THE HAWAIIAN HOMES COMMISSION.</td>
<td>Amends the Hawaiian Homes Commission Act to reduce the number of commissioners that are residents of the city and county of Honolulu and adds a commissioner from the island of Kauai.</td>
<td>H 2/7/2017: Passed Second Reading and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) excused (1).</td>
<td>SOUKI (Introduced by request of another party)</td>
</tr>
<tr>
<td>SB591</td>
<td>Affordable Housing; Hawaii Housing Finance Development Corporation; Hawaii Public Housing Authority; Department of Hawaiian Home Lands; Conveyance Tax; Appropriation</td>
<td>RELATING TO HOUSING.</td>
<td>Authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents. Also allows moneys from the conveyance tax and the county surcharge on state tax to be used to repay the bonds.</td>
<td>S 2/17/2017: Report adopted; Passed Second Reading and referred to WAM.</td>
<td>ESPEJO, BAKER, S. CHANG, ENGLISH, GREEN, INOUYE, KEOH-AGARAN, KIDANI, K. RHOADS, SHIMABUKURO, DeLUI CRUZ, Harimoto, Ihara, K. Kuhio, Kono, Nishihara, Reinerman, Tanigami, Watai</td>
</tr>
<tr>
<td>SB641</td>
<td>Commission on Water Resource Management; Hawaiian Homes Commission Representation</td>
<td>RELATING TO THE CHAIRPERSON OF THE HAWAIIAN HOMES COMMISSION.</td>
<td>Amends the membership of the commission on water resource management to add the chairperson of the Hawaiian homes commission or the chairperson's designee to serve as an ex officio voting member.</td>
<td>S 2/17/2017: Report adopted; Passed Second Reading and referred to WAM.</td>
<td>SHIMABUKURO, DeLuiz Cruz, English, Espero, Koht Agaran, Kidani, Nishihara</td>
</tr>
<tr>
<td>SB642</td>
<td>Department of Hawaiian Home Lands; Legal Counsel</td>
<td>RELATING TO LEGAL COUNSEL.</td>
<td>Allows the department of Hawaiian home lands to retain independent legal counsel as needed. Authorizes the department of Hawaiian home lands to use the services of the attorney general as needed, and when the interests of the State and the department of Hawaiian homesteads are aligned. Provides that funds owed to independent legal counsel shall be paid by the attorney general.</td>
<td>S 2/23/2017: Referred to HWI/IDL, WAM.</td>
<td>SHIMABUKURO, Kidani, Nishihara, DeLuiz Cruz</td>
</tr>
<tr>
<td>SB849 SD2 HD1</td>
<td>Hawaiian Home Lands; Successors; Blood Quantum</td>
<td>RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.</td>
<td>Reduces the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one-quarter to one-thirty-second. (SB849 HD1)</td>
<td>H 3/17/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with Representative(s) Low voting aye with reservations; none voting no (0) and Representative(s) excused (1).</td>
<td>K. KAHELE, GALUTERIA, SHIMABUKURO</td>
</tr>
<tr>
<td>SB858</td>
<td>Hawaiian Home Lands; Lease Successors</td>
<td>RELATING TO THE QUALIFICATION OF SUCCESSORS TO LSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.</td>
<td>Lowers the required blood quantum to one-thirty-second Hawaiian for the lessee's relatives currently eligible to succeed to a lease with one-quarter Hawaiian including a lessee's husband, wife, children, grandchildren, brothers, or sisters.</td>
<td>S 3/15/2017: Referred to HWI, JDL.</td>
<td>KOECHI (Introduced by request of another party)</td>
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EXHIBIT B
<table>
<thead>
<tr>
<th>Measure #</th>
<th>Report Title</th>
<th>Measure Title</th>
<th>Description</th>
<th>Status</th>
<th>Introductor(s)</th>
<th>Referral</th>
<th>Comp.</th>
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<tbody>
<tr>
<td>SB659 SD1</td>
<td>Department of Hawaiian Home Lands; Disclosure of Government Records</td>
<td>RELATING TO PERSONAL PRIVACY.</td>
<td>Provides that certain records of the Department of Hawaiian Home Lands are not required to be publicly disclosed or made open to inspection pursuant to public records requests. (501)</td>
<td>S 2/14/2017: Report adopted; Passed Second Reading, as amended (SD 1) and referred to JDL.</td>
<td>KOUCHI (Introduced by request of another party)</td>
<td>HNW, JDL</td>
<td>HB1504</td>
</tr>
<tr>
<td>SB501 HD1</td>
<td>Hawaiian Homes Commission; Composition</td>
<td>RELATING TO THE HAWAIIAN HOMES COMMISSION.</td>
<td>Amends the Hawaiian Homes Commission Act to reduce the number of commissioners that are residents of the city and county of Honolulu and adds a commissioner from the island of Lanai. (SB961 HD1)</td>
<td>H 3/22/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) Ichiyama, C. Lee, Lowen excused (3).</td>
<td>KOUCHI (Introduced by request of another party)</td>
<td>OH, JUD</td>
<td>HB5995</td>
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<tr>
<td>HB385 HD1</td>
<td>Appropriation; Housing Omnibus; Affordable Housing</td>
<td>RELATING TO HOUSING.</td>
<td>Authorizes the issuance of general obligation bonds and appropriates funds to the Hawaii Housing Finance and Development Corporation and the Department of Hawaiian Home Lands for improving and increasing the existing public and affordable housing stock in the State. Requires both agencies to submit reports to the Legislature prior to the 2018 and 2019 Regular Sessions on the set-aside plan for upfront and maintenance of the housing facilities to be constructed. (HB969 HD1)</td>
<td>H 2/17/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) BeCotte, Tolitola excused (2).</td>
<td>BROWER, MIZUNO</td>
<td>HIS, FIN</td>
<td></td>
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<tr>
<td>HR93</td>
<td>Kuleana Homestead Program</td>
<td>REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO ADOPT ADMINISTRATIVE RULES REGARDING THE KULEANA HOMESTEAD PROGRAM.</td>
<td></td>
<td>H 3/24/2017: The committee(s) on OMH recommend(s) that the measure be deferred.</td>
<td>WARD, BROWER, CACHOTA, HASHIM, KONG, MCBERTHOM, SAY, Creagan, Evans, San Buenaventura</td>
<td>OMH, FIN</td>
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<tr>
<td>SCR115</td>
<td>Urging the Department of Hawaiian Home Lands to work in conjunction with the Departments of Emergency Management and Transportation Services of the City and County of Honolulu and the Honolulu Police Department to analyze and assess the possibility of using the Waianae Coast Emergency Access Road on a more permanent basis.</td>
<td>URGING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO WORK IN CONJUNCTION WITH THE DEPARTMENTS OF TRANSPORTATION SERVICES AND EMERGENCY MANAGEMENT OF THE CITY AND COUNTY OF HONOLULU AND THE HONOLULU POLICE DEPARTMENT TO ANALYZE THE WAIANAE COAST EMERGENCY ACCESS ROAD SYSTEM AND WHETHER THESE ROADS CAN BE USED AS A SECONDARY ACCESS ROAD TO THE WAIANAE COAST ON A PERMANENT BASIS.</td>
<td></td>
<td>S 3/15/2017: Referred to HNW/TE/PSM, WAM.</td>
<td>SHIMA/BUKI, ESPERIO, Dela Cruz, Keith-Agaran, Nishihara</td>
<td>HNW/TE/PSM, WAM</td>
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<tr>
<td>Measure #</td>
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<tr>
<td>HB1479</td>
<td>RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT.</td>
<td>Establishes the Hilo Community Economic District as a community development district located in East Hawaii under the Hawaii Community Development Authority. Establishes the Hilo Community Economic Revolving Fund. Repeals on the earliest of 6/30/2037, inclusion of lands within the District within a redevelopment area, or establishment of a special improvement district that encompasses the lands within the District. (HD2)</td>
<td>5/4/2017: The committee(s) on WAM will hold a public hearing on 04-06-17 9:30AM in conference room 211.</td>
<td>NAKASHIMA, TODD</td>
<td>ET/WTL, WAM</td>
<td>531292</td>
<td></td>
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<tr>
<td>HB1497</td>
<td>RELATING TO STATE LANDOWNER LIABILITY.</td>
<td>Establishes a cause of action for neighbors of state lands that have not been properly maintained. Authorizes compensation for damages incurred due to the State's breach of duty and, if applicable, costs for repairs and maintenance. Appropriates funds for necessary maintenance of state lands. (HD1)</td>
<td>2/9/2017: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) who excused (1).</td>
<td>CHAYAMA</td>
<td>WAI, JUD, FIN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HB1352</td>
<td>RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.</td>
<td>Establishes Transit-Oriented Redevlopment Community Districts within the Hawaii Community Development Authority (HICDA) to develop districts along certain rail stations in the Honolulu rail system transit corridor. Allows the HCDA to enter into public-private partnerships for a lease-back arrangement of lands. Provides general obligation bond financing for infrastructure improvements in Transit-Oriented Redevlopment Community Districts.</td>
<td>2/3/2017: The committee(s) on WAM recommend(s) that the measure be deferred.</td>
<td>FUJIMOTO</td>
<td>WAI, JUD, FIN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SB16</td>
<td>RELATING TO HOUSING.</td>
<td>Requires the department of human services to establish and collect a new residential development fee from developers for certain new residential development projects and establishes the homestead and affordable housing special fund for the purposes of building, leasing, and rehabilitating housing to be used as housing for the homeless.</td>
<td>3/29/2017: The committee on HOU deferred the measure.</td>
<td>GREEN</td>
<td>HME/HOU, WAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>Measure Title</td>
<td>Description</td>
<td>Status</td>
<td>Introducer(s)</td>
<td>Current Referral</td>
<td>Commit.</td>
<td></td>
</tr>
<tr>
<td>---------</td>
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<td></td>
</tr>
<tr>
<td>52586</td>
<td>Transit Oriented Development Community Districts; Transit Stations; Development</td>
<td>RELATING TO TRANSIT ORIENTED DEVELOPMENT COMMUNITY DEVELOPMENT DISTRICTS.</td>
<td>Establishes transit oriented development community development districts. Authorizes the Hawaii community development authority to plan and develop infrastructure capacity for each of the transit stations established at transit oriented development community districts. Requires the authority to enter into public-private partnerships.</td>
<td>H 2/8/2017: The committee on TRE deferred the measure.</td>
<td>ESPERO, S. Chang, Gabiband, Harimoto, Ibara, K. Kahele, Keith-Agaran, Kidani, Kim, Nishihara, K. Rhine, Shimabukuro, Tamakoshi, Wikai</td>
<td>TRE/WTL, WAM</td>
<td></td>
</tr>
<tr>
<td>58995 502 1562</td>
<td>Criminal Trespass; State Lands; State Highways</td>
<td>RELATING TO CRIMINAL TRESPASS.</td>
<td>Establishes the offense of criminal trespass onto state lands to the penal code. Amends the offenses of criminal trespass in the second degree by and to government agricultural property regardless of whether it is fenced, enclosed, or otherwise secured. (58995 HD1)</td>
<td>H 4/4/2017: Forty-eight (48) hours notice Thursday, 04-06-17.</td>
<td>KOYUCHI (Introduced by request of another party)</td>
<td>WAM, JUD</td>
<td></td>
</tr>
<tr>
<td>53172 502 1561</td>
<td>Redevelopment Districts; Waikiki Peninsula Redevelopment District, Establishment; Appropriation</td>
<td>RELATING TO THE Hilo COMMUNITY ECONOMIC DISTRICT.</td>
<td>Provides for the redevelopment of the Hilo area by establishing the framework, requirements, and conditions for redevelopment district and specifically designating the Waikiki Peninsula Redevelopment District, appropriates funds for the implementation of the redevelopment district program, and makes conforming amendments to lease restrictions on public lands to facilitate the implementation of redevelopment districts. (53172 HD1)</td>
<td>H 3/24/2017: Report adopted; referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Aguon, DeCoste, Har, Itoh, Kayama, C. Lee, Thielen excused (0).</td>
<td>KAHELE, DIA CRUZ, GALUZ/REIRA, Inouye, Kidani, Wikai</td>
<td>ED6/TOL, WAM, FIN</td>
<td></td>
</tr>
</tbody>
</table>

EXHIBIT C
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17 - 18, 2017

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager
From: Gigi O. Cairel, Grants Specialist

Subject: Quarterly Grants Status Report
End of 1st Quarter

RECOMMENDED MOTION/ACTION

None; For Information Only

DISCUSSION

The following report is for information only:
Exhibit A: Grants Status Report

Summary of changes since the previous Grants Status Report:

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>TYPE OF GRANT</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAWAI'I ISLAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keaukaha Panawena Farmers Alliance</td>
<td>PI</td>
<td>Grantee indicated it will return funds to DHHL.</td>
</tr>
<tr>
<td>Waimea Hawaiian Homesteaders Association</td>
<td>AG</td>
<td>Grant time extension approved to 12/31/16. Waiting on grantee to submit final invoices &amp; reports. Project completed.</td>
</tr>
<tr>
<td>La'i 'Opua 2020</td>
<td>GIA-CIP</td>
<td>Grant period ended. Awaiting info from Grantee in order to prepare time extension.</td>
</tr>
<tr>
<td>Location</td>
<td>Grantee</td>
<td>Type</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------</td>
<td>------</td>
</tr>
<tr>
<td>MAUI</td>
<td>Waiohuli Hawaiian Homesteaders' Association Inc.</td>
<td>GIA</td>
</tr>
<tr>
<td>MOLOKAI</td>
<td>Moloka'i Homestead Farmers Alliance</td>
<td>GIA</td>
</tr>
<tr>
<td>O'AHU</td>
<td>Ka'ala Farm Inc.</td>
<td>AG</td>
</tr>
<tr>
<td></td>
<td>Papakōlea Community Development Corporation</td>
<td>CED</td>
</tr>
<tr>
<td></td>
<td>Papakōlea Community Development Corporation</td>
<td>GIA</td>
</tr>
<tr>
<td></td>
<td>Kapolei Community Development Corporation</td>
<td>GIA</td>
</tr>
</tbody>
</table>
# DHHL Grants Status Report
## End of 1st Quarter
### April 17 - 18, 2017

<table>
<thead>
<tr>
<th>ISLAND</th>
<th>GRANT TYPE</th>
<th>ORGANIZATION (legal name)</th>
<th>Project Description</th>
<th>START DATE</th>
<th>END DATE</th>
<th>DHHL Land Disposition, if applicable</th>
<th>Amount Total</th>
<th>Leverage Balance</th>
<th>Cash</th>
<th>In-Kind</th>
<th>Planned</th>
<th>Actual</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAWAII</td>
<td>PI</td>
<td>Keaukaha Pani'ewa Farmers Association (1) - 1.0 acre</td>
<td>Market Study &amp; Business Plan for Farmers Market</td>
<td>09/29/10</td>
<td>04/23/12</td>
<td>ROE 482</td>
<td>$26,000</td>
<td>$3,000</td>
<td></td>
<td></td>
<td></td>
<td>Grant period ended. Project not completed. Grantee indicated will return funds to DHHL.</td>
<td></td>
</tr>
<tr>
<td>HAWAII</td>
<td>AG</td>
<td>Waikea Hawaiian Homesteaders Association</td>
<td>Farming for the Working Class - greenhouses</td>
<td>08/31/15</td>
<td>12/31/16</td>
<td>N/A</td>
<td>$93,968</td>
<td>$33,000</td>
<td></td>
<td></td>
<td></td>
<td>Grant time extension approved to 12/31/16. Waiting on grantee to submit final invoices and reports. Project completed.</td>
<td></td>
</tr>
<tr>
<td>HAWAII</td>
<td>GIA-CIP</td>
<td>Kailapa Community Association - 14.333 acres</td>
<td>Kailapa Pavilion &amp; Playground plan, design, construction</td>
<td>06/01/16</td>
<td>12/31/17</td>
<td>LIC 751</td>
<td>$315,000</td>
<td>$63,000</td>
<td></td>
<td></td>
<td></td>
<td>On track.</td>
<td></td>
</tr>
<tr>
<td>HAWAII</td>
<td>GIA-CIP</td>
<td>Pani'ewa Community Alliance - 12.77 acres</td>
<td>Kamolea Cultural Resource Center - Planning &amp; design</td>
<td>06/01/16</td>
<td>12/31/17</td>
<td>LIC 788</td>
<td>$150,000</td>
<td>$75,000</td>
<td></td>
<td></td>
<td></td>
<td>First invoice being processed.</td>
<td></td>
</tr>
<tr>
<td>HAWAII</td>
<td>GIA-CIP</td>
<td>La'i Opu'a 2020</td>
<td>Planning &amp; Design of Phase 1 of the La'i Opu'a community center complex</td>
<td>12/09/10</td>
<td>12/31/16</td>
<td>GL 288</td>
<td>$1,526,000</td>
<td>$377,890</td>
<td></td>
<td></td>
<td></td>
<td>Grant period ended. Project not completed. Awaiting info from Grantee in order to prepare grant time extension.</td>
<td></td>
</tr>
<tr>
<td>MAUI</td>
<td>PI</td>
<td>Villages of Leahi Association (2) - 5 acres</td>
<td>Individual gardens project</td>
<td>08/01/09</td>
<td>12/31/13</td>
<td>ROE 497</td>
<td>$15,000</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>Awaiting final report from grantee</td>
<td></td>
</tr>
<tr>
<td>MAUI</td>
<td>GIA-CIP</td>
<td>Waiolihi Hawaiian Homesteaders' Association Inc. - 17 acres</td>
<td>Community Center &amp; Park Phase 2 improvements</td>
<td>06/01/15</td>
<td>06/30/17</td>
<td>LIC 695</td>
<td>$1,500,000</td>
<td>$300,000</td>
<td></td>
<td></td>
<td></td>
<td>Grant time extension approved. On track.</td>
<td></td>
</tr>
<tr>
<td>MOLOKAI</td>
<td>AG</td>
<td>Makakaua Cooperative (3)</td>
<td>Natural Farming Systems</td>
<td>06/02/16</td>
<td>06/30/17</td>
<td>N/A</td>
<td>$70,000</td>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
<td>On track.</td>
<td></td>
</tr>
<tr>
<td>MOLOKAI</td>
<td>GIA-CIP</td>
<td>Kalama/ia Homesteaders Association - 5.16 acres</td>
<td>Kluoia Park improvements</td>
<td>04/01/16</td>
<td>06/30/17</td>
<td>LIC 754</td>
<td>$500,000</td>
<td>$50,000</td>
<td></td>
<td></td>
<td></td>
<td>On track.</td>
<td></td>
</tr>
<tr>
<td>MOLOKAI</td>
<td>GIA-CIP</td>
<td>Mo'okini Homestead Farmers Alliance</td>
<td>Lanikaiha Center Improvements</td>
<td>04/04/16</td>
<td>06/30/17</td>
<td>LIC 789</td>
<td>$1,750,000</td>
<td>$1,250,000</td>
<td></td>
<td></td>
<td></td>
<td>On track. Second payment request and report being reviewed.</td>
<td></td>
</tr>
<tr>
<td>OAHU</td>
<td>AG</td>
<td>Ka'ala Farm Inc. - 98 acres</td>
<td>Ohana Gardens project</td>
<td>06/29/15</td>
<td>12/31/16</td>
<td>LIC 724</td>
<td>$36,032</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>Reports received from grantee. Grant closeout in process.</td>
<td></td>
</tr>
<tr>
<td>OAHU</td>
<td>CED</td>
<td>Papakolea Community Development Corporation - 14.53 acres</td>
<td>Puuwaia community economic development project</td>
<td>01/05/12</td>
<td>12/31/14</td>
<td>ROE 448</td>
<td>$250,000</td>
<td>$70,000</td>
<td></td>
<td></td>
<td></td>
<td>Information received from grantee was insufficient. Awaiting more info from grantee in order to prepare new grant agreement. DHHL was informed GIA funds expired 06/30/16. DHHL notified grantee. No further action needed.</td>
<td></td>
</tr>
<tr>
<td>OAHU</td>
<td>GIA-CIP</td>
<td>Papakolea Community Development Corporation</td>
<td>Renovations to Papakolea Community Center</td>
<td>TBD</td>
<td>TBD</td>
<td>LIC 559</td>
<td>$250,000</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>Reports received from grantee. Grant closeout in process.</td>
<td></td>
</tr>
<tr>
<td>OAHU</td>
<td>GIA-CIP</td>
<td>Kapolei Community Development Corporation - 0.62 acre</td>
<td>Heritage Center project construction</td>
<td>04/01/16</td>
<td>09/30/17</td>
<td>GL 288</td>
<td>$500,000</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Grant Type**
- AG = DHHL Agriculture Peer-to-Peer grants
- CED = DHHL Community Economic Development grants
- GIA-CIP = HRS Chapter 42F State Grant in Aid, Capital Improvement Project
- GIA-OP = HRS Chapter 42F State Grant in Aid, Operating

**Notes**
- GL = General Lease
- LIC = License
- ROE = Right of Entry

(1) Using a Fiscal Sponsor, Hawaii Maoli
(2) Using a Fiscal Sponsor, Kualoa o Mau
(3) Using a Fiscal Sponsor, Molokai Community Services Council
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager

Subject: For Information Only - Update on Moloka'i Water Projects and Issues

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

A number of water issues and efforts of significance to beneficiaries and the Department of Hawaiian Home Lands (Department) are ongoing on Moloka'i. In April 2016, staff provided the HHC an update and background information on: (1) planned water needs associated with Department tracts on Moloka‘i; (2) proposed Ho‘olehua Water System Improvements; (3) preparation of a water rates assessment concerning Department water systems, including the Ho‘olehua water system; (4) the Moloka‘i Irrigation System (MIS); and (5) interests in Kualapu‘u aquifer resource disputes.

Since the April 2016 meeting, the most significant changes have occurred regarding item 5, ongoing disputes over water in the Kualapu‘u Aquifer. This update focuses on the latest developments in that matter.

I. Kualapu‘u aquifer disputes.

The Department’s interests in Kualapu‘u aquifer resources have been implicated in recently renewed proceedings before the State Commission on Water Resource Management ("CWRM") and updates to a study of Moloka‘i groundwater resources conducted by the U.S. Geological Survey ("USGS"), co-funded by the Department, the Office of Hawaiian Affairs ("OHA"), and the Maui County Department of Water Supply ("DWS"). Implications for Department interests
were discussed in a submittal to HHC on November 16, 2015 (Exhibit A: Submittal for Item G-1, HHC Meeting (Nov. 16, 2015)).

1) Background to disputes.

In 1992, the entirety of Moloka‘i was designated a groundwater management area (WMA) in response to a petition filed by concerned Moloka‘i residents, particularly HHCA beneficiaries. Proposed water withdrawals from WMAs require discretionary permits, which permits “shall be subject to the rights of the department of Hawaiian homelands as provided in section 221 of the Hawaiian Homes Commission Act, whether or not the condition is explicitly stated in the permit.” HRS 174C-49(e). The Department has also been required to obtain a water use permit (WUP). In 1993, the Department initially obtained a WUP for 0.367 mgd for its withdrawals from Kualapu‘u aquifer. Ho’olehua DEA, Table 2-2 at 6.

Moloka‘i Ranch (MR) and its subsidiaries (including Moloka‘i Public Utilities, Ltd), DWS, and the Department have wells in close proximity to each other in the Kualapu‘u aquifer. MR and DWS also applied for Kualapu‘u aquifer WUPs in 1993. MR’s application for withdrawals from Well No. 17 was contested by the Department, OHA, and Hawaiian practitioners Judy Caparida and Georgina Kuahuia, resulting in a contested case hearing before CWRM. Key issues involved the impact of Well 17 on DHHL uses, reservations, and the traditional and customary practices of Hawaiians.

In 1995, the Department applied for, and CWRM approved by administrative rule, a water reservation of 2.905 mgd from the Kualapu‘u Aquifer, effective as of June 10, 1995. Hawaii Administrative Rule (HAR) §13-171-63.

In 2001, CWRM issued its decision to grant a WUP to MR’s subsidiary Kukui Moloka‘i, Inc. (KMI). The Department and others appealed and the Hawai‘i Supreme Court reversed and remanded CWRM’s 2001 decision, in part for failing to protect the Department’s rights. See In re Contested Case Hearing on Water Use Permit Application by Kukui (Molokai), Inc., 116 Hawaii 481, 174 P.3d 320 (2007) (“Kukui”). Amongst other holdings, Kukui determined KMI could not substitute for MR and was required to apply for a new permit to “revive” expired uses. Kukui, 116 Hawai‘i at
501, 174 0.3d at 340 (quoting HRS §174C-51). In 2002, Kaluakoi Land LLC acquired KMI’s assets. Subsequently, Kaluakoi Land LLC was purchased and Well No. 17, which was owned by KMI, is now owned by Moloka‘i Public Utilities, an affiliate of Moloka‘i Properties Ltd. (“MPL”).

In 1997, the Department sought to revise its WUP to reflect usage and accommodating future growth. At the time, CWRM staff recommended denying the Department’s request because of the potential effect on the aquifer and other wells and the then-current contested case proceeding concerning Moloka‘i Ranch’s WUP application. The parties entered into mediation that ultimately did not resolve the issues, and DHHL still has an outstanding WUPA for its current needs for its water system.

2) USGS Moloka‘i groundwater study.

Partly in response to issues raised by Kukui, in 2009, the Department, OHA, and DWS decided to fund the USGS to develop a groundwater model of Moloka‘i. The study will estimate the hydrologic effects of additional groundwater-withdrawal scenarios on (1) salinity and water levels near existing wells and (2) coastal discharge in order to “effectively manage groundwater withdrawals from central and eastern Moloka‘i.” 1 Item 2 is related to possible impacts on constitutionally protected traditional and customary practices may depend on coastal discharge.

Developing the model has been complex and has been delayed numerous times. On May 2, 2016, the USGS presented its draft model at an open community meeting on Moloka‘i. The Department and other co-funders are also working on determining scenarios to be run through the model in order to assist in determining how best to locate wells and distribute pumping levels.

3) Current CWRM proceedings on Kualapu‘u WUPAs.

On October 20, 2015, CWRM published notice of three WUP application (WUPAs): MFU (1.026 mgd), DWS (0.900 mgd), and the Department (0.637 mgd).

---

<table>
<thead>
<tr>
<th>WUPA No.</th>
<th>Well Name/Well No.</th>
<th>Applicant Name</th>
<th>Proposed water use</th>
</tr>
</thead>
<tbody>
<tr>
<td>00973</td>
<td>&quot;Well 17&quot;/ 4-901-001</td>
<td>Molokaʻi Public Utilities, Inc.</td>
<td>1.026 mgd</td>
</tr>
<tr>
<td>00499</td>
<td>Kualapuʻu Mauka/ 0801-003</td>
<td>Maui Department of Water Supply</td>
<td>0.900 mgd</td>
</tr>
<tr>
<td>00448</td>
<td>Kauluwai 1 &amp; 2/ 4-801-001 &amp; 002</td>
<td>Department of Hawaiian Home Lands</td>
<td>0.637 mgd</td>
</tr>
</tbody>
</table>

As discussed in the November 2015 submittal (Exhibit A), DHHL was concerned that MPU’s WUPA reflected their submittal on June 27, 2014, whereas CWRM noticed the Department’s submittal dated September 12, 1996 and DWS’ WUPA dated April 16, 1998. In 2014, the Department communicated to CWRM staff the intention to update its WUPA after integrating information from the USGS groundwater study. The former CWRM deputy assented to this course of action.

In March 2016, the Department and OHA responded to a CWRM minute order by taking the position that the 2001 Kukui findings and decision should be dismissed and new proceedings initiated in light of MPU’s new application and changed circumstances.

4) Latest Developments.

Following the filing of initial briefs regarding the CWRM minute order, DHHL and other parties filed responsive briefs in April, 2016.

On February 17, 2017, CWRM issued an Order Dismissing the Contested Case in Kukui. Unfortunately, on March 17, 2017, Molokai Public Utilities appealed this dismissal. Due to changes to the Hawaiʻi Revised Statutes resulting from the enactment of Act 48 of the 2016 Legislature, this appeal will go directly to the Hawaiʻi Supreme Court. The Court has not yet scheduled deadlines for briefs on this matter.

At the same time, the CWRM has chosen to not further extend the comment deadlines on the WUPA listed above, which may result in the CWRM holding a public hearing on the WUPA.
However, DHHL staff have now also become aware that MPL has been undertaking a number of activities that will allow them to transmit water from Well 17 across the island without use of the Molokai Irrigation System. Their current WUPA that DHHL has objected to does not reflect that change.

CWRM will need to determine the status of all current applications as they all do not accurately reflect current circumstances.

RECOMMENDATION

None; for information only.
State of Hawai‘i
Department of Hawaiian Home Lands
November 16, 2015

To: Chairman and Members, Hawaiian Homes Commission

From: Kaleo Manuel, Planning Program Manager

Subject: For Information Only - Update on Water Use Permit Applications in Kualapu‘u Moloka‘i and the remand of the Kukui Hawai‘i Supreme Court Case

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

Recent actions by the Commission on Water Resource Management (CWRM) have reopened proceedings regarding the use of groundwater in the Kualapu‘u Aquifer on the island of Moloka‘i that have been going on for over a quarter century. These proceedings can substantially affect the rights and actual water use of the Department of Hawaiian Home Lands (DHHL) and beneficiaries on the island. The purpose of this submittal is to update the Hawaiian Homes Commission (HHC) on this ongoing and rapidly developing issue.

Brief Background

The matters involved here are complex and involve multiple separate proceedings before the CWRM and two cases before the Hawai‘i Supreme Court (HSC), and have spanned decades. Seven key issues are particularly relevant to the matters now at hand:

1) Designation of groundwater on Moloka‘i by CWRM;
2) DHHL’s water reservation in the Kualapu‘u Aquifer;
3) The filing of a Water Use Permit Application by Moloka‘i Ranch in the Kualapu‘u Aquifer, and a subsequent HSC case;
4) the filing of a different Water Use permit Application by a Moloka‘i Ranch subsidiary in a neighboring aquifer,

- 1 -
and a subsequent HSC case;
5) DHHL's and Maui County's Water Use Permit Applications;
6) an ongoing scientific study of groundwater; and
7) the Moloka'i Water Working Group. These are each briefly summarized below.

1) Moloka'i Groundwater designated. In 1990, many concerned Moloka'i residents, particularly DHHL beneficiaries, filed a Petition with the CWRTM to designate groundwater on the island of Moloka'i as a Water Management Area (WMA). WMA designation was sought because only in such areas does the CWRTM require the filing of Water Use Permit Applications (WUPA) that require proposed water users to evaluate their use against DHHL's rights. CWRTM decisions on WUPA are also non-ministerial and subject to interested parties (such as DHHL) requesting a Contested Case Hearing (CCH), a quasi-judicial hearing, on the matter. CCH decisions can be further appealed to the courts by a party. Further, if CWRTM issues a resulting Water Use Permit (WUP), it is required that they "[S]hall be subject to the rights of the department of Hawaiian home lands as provided in section 221 of the Hawaiian Homes Commission Act, whether or not the condition is explicitly stated in the permit." HRS 174-49(e).

In 1992 in response to the petition for designation of a WMA, CWRTM designated all aquifers on the island as WMAs (see Exhibit 1, Molokai Hydrologic Units).

2) DHHL Water Reservation. By administrative rule, as is allowed in WMAs, CWRTM reserved for DHHL 2.905 million gallons a day (mgd) of water in the Kualapu'u Aquifer, effective as of June 10, 1995. HAR §13-171-63.

3) Moloka'i Ranch WUPA in Kualapu'u Aquifer filed; HSC decision. Moloka'i Ranch (MR) and its subsidiaries, the Maui County Department of Water Supply (MDWS), and DHHL all have wells in close proximity to each other in the Kualapu'u Aquifer. All three parties filed WUPA for their wells; the DHHL and MDWS WUPA are described separately below.

The initial application for MR's Well 17 was on June 8, 1993. The application by MR for Well 17 was the subject of a CCH requested by DHHL and others; the Office of Hawaiian Affairs (OHA), DHHL, and individual intervenors Judy Caparida and Georgina Kauhaia participated. Key issues involved the impact of Well 17 on DHHL uses, reservations, and the traditional and customary practices of Hawaiians.
After a complex and lengthy series of proceedings, on December 19, 2001 CWRM issued a final decision granting MR’s subsidiary Kukui Moloka‘i, Inc. (KMI) a WUP. The parties, including DHHL, appealed, and the HSC rejected the CWRM decision on Dec. 6, 2007 and remanded it, in part for failing to protect the rights of DHHL. That is known now as the Kukui case (In re Contested Case Hearing on Water Use Permit Application by Kukui (Molokai), Inc., 116 Hawaii 481, 174 P.3d 320 (2007).

4) MR WUPA in Kamiloloa Aquifer filed; HSC decision. On Jan 25, 1996 MR filed a WUPA for a new well in the nearby Kamiloloa Aquifer. MR filed for this WUPA while the proceedings of the CCH on Kukui were ongoing, as they thought they may not receive sufficient water from Well 17 for their proposed developments.

DHHL, OHA, and others objected and that WUPA went through a CCH. The HSC in what became known as the Wai‘ola case overturned CWRM and remanded on Jan. 4, 2004. In re Waiola o Molokai, Inc., 103 Hawaii 401, 430, 83 P.3d 664, 693 (2004). The Court found, in part, that the CWRM had not protected the rights of the DHHL.

One of the potentially confusing aspects of these matters is that while the WUPA was filed for the well in Wai‘ola after the WUPA for Well 17 in Kukui, the HSC ruled on Wai‘ola first.

5) DHHL and MDWS WUPA in Kualapu‘u. DHHL and MDWS also filed WUPAs for their wells in Kualapu‘u. After DHHL’s initial WUP was granted for its two wells, in September 1997 DHHL applied for additional water from those wells. CWRM staff recommended a complete denial of the request because of the potential effect on the aquifer and other wells, and MR filed for a CCH. The parties entered into mediation that ultimately did not resolve the issues, and DHHL still has an outstanding WUPA for its current needs for its water system.

The MDWS desires to move its pumping away from the DHHL and MR wells, but it still has an outstanding WUPA for its well.

6) United States Geological Survey (USGS) Groundwater model. To help resolve the issues raised in Kukui and Wai‘ola, since 2009 OHA, DHHL MDWS & CWRM funded the USGS to develop a groundwater model to assist in spacing wells. Developing the model has been complex and has been delayed numerous times since its start. It is expected that the model will be completed and available to the parties for their use by the end of 2015.
7) Moloka'i Water Working Group (MWWG). Originally formed at the behest of recently retired CWRM Chairman Bill Paty in 1992, the MWWG was created to work on the Maui County Water Use and Development Plan update for the island. It has met a number of times in intervening years and has also been a useful, on island forum to discuss critical water matters outside of legal proceedings. Despite the utility of the MWWG, it last took action in 2008 and its continued meeting has not been supported by CWRM.

Current Issues:

Communications over the last year between DHHL and CWRM staff had indicated that the CWRM might wait until the USGS study was completed, and perhaps the MWWG was reconvened, prior to proceeding with the pending WUPA for MR, DHHL, and MDWS. On May 29, 2015 a meeting was held on Maui among staff of the CWRM, USGS, MDWS, and DHHL. At that meeting MDWS noted its pending 0.9 mgd WUPA from Kualapu'u aquifer; that it sought to avoid negative effects on other wells; and it stated its need for the USGS study to determine well site alternatives and their impact on the aquifer and other wells. HHC and the DHHL asked CWRM to defer its review of these three WUPA until January 2016 in order to integrate the USGS groundwater study into its assessment.

Instead, CWRM is proceeding with 1) reconsideration of the pending WUPA in Kualapu'u, and is also 2) proceeding with the remand of the Kukui decision. These actions raise key implications for the DHHL.

1) Kualapu'u WUPA reconsideration. By letter dated October 20, 2015, CWRM deputy Jeffrey Pearson noticed the Department of upcoming CWRM proceedings on three WUPA for the Kualapu'u aquifer, which has a sustainable yield of 5.0 mgd. CWRM has not yet published an agenda for the meeting at which these WUPA will be discussed, but specified a November 13, 2015 deadline for comments or objections on the WUPAs.
2) Kukui Remand. CWRM is also considering the MPU WUPA for Kualapu’u water resources as part of a remand from the Hawai’i Supreme Court Kukui case. By the same letter sent by CWRM on October 20, 2015 on the Kualapu’u WUPA, CWRM indicated they would be taking up a remand of the Kukui case and potentially seeking to combine all parties WUPA into the Kukui remand. They are requiring parties involved in the Kukui case to confirm in writing to CWRM by November 13, 2015 that they will continue as part of the contested case proceedings. Further, by a “minute order” issued by CWRM Deputy Pearson on October 30, 2015, they have required that the parties’ counsel file a status conference statement on the proposed scope of the remand by 4:00 pm on November 6, 2015, and attend a status conference on November 9, 2015.

DHHL was represented in the Kukui case by Deputy Attorney General Lee Crowell, who has since passed away. Deputy Attorney General Matthew Dvonch is initially representing DHHL in these matters and filed a timely status conference statement that is attached here as Exhibit 2.

3) Key implications for DHHL. The CWRM actions in this matter necessarily raise a number of key implications for DHHL and its beneficiaries on Moloka’i. Some of these implications are addressed in DHHL’s status conference statement (Exhibit 2). Two others relate to CWRM noticing an outdated WUPA for DHHL, and the desire by DHHL to have outside counsel on this matter, discussed below.

The CWRM has noticed outdated WUPA from DHHL and MDWS. Only MR’s WUPA is presented on current forms furnished by CWRM. The Department’s WUPA is dated September 12, 1996 and MDWS’ WUPA is
dated April 16, 1998, whereas MR submitted their WUPA on June 27, 2014. While CWRM’s letter implied that DHHL has declined a January 2014 invitation to update its WUPA, that is incorrect; DHHL staff and consultants communicated in 2014 to CWRM staff that DHHL wanted to wait until the USGS study was completed to update its application, and the CWRM Deputy at the time indicated that would be how matters would proceed.

The HHC Chairman has determined that for a number of reasons, DHHL should be served by outside counsel in these proceedings. The HHC on March 19, 2012 authorized DHHL to: (1) hire independent counsel to assist with the assertion of Hawaiian Home Lands water and other rights, reservation of water for its “foreseeable needs”, and negotiate use of related ground and surface water rights, sources, storage, and distribution facilities; (2) authorize use of up to $150,000 in funds from the existing approved Planning Office budget for this purpose; and (3) authorize the Chairman to negotiate such terms and conditions as deemed appropriate.

With the concurrence of the Attorney General on August 14, 2013 and approval of the Governor on October 14, 2013, outside counsel was obtained under this authority to represent the DHHL on water issues in Kekaha/Waimea, Kaua’i and Pulehunui, Maui.

In their FY 2015-2016 Budget, the HHC authorized use of an additional $150,000 in funds in the approved Planning Office budget for other water legal counsel as necessary. Under the authority of the HHC action on March 19, 2012 and the budgeted authority for FY 2015-2016, DHHL is seeking the approvals necessary from the Attorney General and Governor to obtain outside counsel in these matters.

CONCLUSION

The recent CWRM actions in these matters — noticing of the WUPAs in Kualapu’u and remanding of the Kukui decision — are highly significant matters for the HHC, DHHL, and beneficiaries. Consistent with Goal 2 of the HHC Water Policy Plan, the DHHL shall in these proceedings “Aggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities.”

RECOMMENDATION

None; for information only.
In the Matter of the Contested Case Hearing on the Water Use Permit Application Originally Filed by Kukui (Molokai), Inc., Now Refiled as a New Ground Water Use by Molokai Public Utilities, LLC

Case No. CCH-MO-97-01

INTERVENOR DEPARTMENT OF HAWAIIAN HOME LANDS’ STATUS CONFERENCE STATEMENT;
DECLARATION OF MATTHEW S. DVONCH; EXHIBIT “A”; CERTIFICATE OF SERVICE

INTERVENOR DEPARTMENT OF HAWAIIAN HOME LANDS’ STATUS CONFERENCE STATEMENT

Pursuant to the Minute Order Setting Status Conference issued by the Commission on Water Resource Management (Commission) on October 30, 2015, the Department of Hawaiian Home Lands (DHHL) submits this status conference statement.

I. Background

This contested case initially concerned an application by Kukui (Molokai), Inc. (KMI), a subsidiary of Molokai Properties Limited, for a ground water use permit for existing use of 2 million gallons per day (mgd) from Well 17 in the Kualapu’u Aquifer System Area. DHHL, the
Office of Hawaiian Affairs (OHA), and two Native Hawaiian individuals intervened and objected to KMI’s permit application on numerous grounds. Specifically, DHHL argued that:

1. the Commission failed to treat its 2.905 mgd reservation as an existing use under the public trust doctrine;
2. the Commission failed to adequately scrutinize KMI’s request to divert water from Well 17;
3. the Commission erred in denying DHHL’s request to increase pumpage from its well due to concerns about whether such increased pumpage would affect chloride levels in the well field, while simultaneously approving KMI’s request for new uses where those same concerns were present;
4. the Commission impermissibly placed the burden on DHHL to prove that KMI’s requested uses would negatively impact the water quality at DHHL’s own well site; and
5. the Commission erred by considering KMI’s application as a late filing for existing uses, instead of requiring KMI to apply for a new use permit under section 174C-49, Hawaii Revised Statutes (HRS).

The Commission ultimately granted KMI an existing use permit for 936,000 gallons per day and a proposed use permit for an additional 82,000 gallons per day. On appeal, KMI’s permits were invalidated by the Hawaii Supreme Court in In re Contested Case Hearing on Water Use Permit Application by Kukui (Molokai), Inc., 116 Hawaii 481, 174 P.3d 320 (2007) (Kukui) and the case was remanded to the Commission for further proceedings. The Commission attempted to recommence proceedings in 2008, but the case fell dormant.

On June 30, 2014, Molokai Public Utilities, Inc. (MPU), another subsidiary of Molokai Properties Limited, filed an application for ground water use permit for new use that seeks to draw 1,026,518 gallons per day from Well 17. The Commission has apparently incorporated MPU’s permit application into this contested case and is treating it as superseding KMI’s 1993 permit application.
II. The Kukui Opinion

In Kukui, the Hawaii Supreme Court invalidated KMI's existing and proposed use permits on several grounds. The Court held: (1) although DHHL's 2.905 mgd reservation cannot be considered an existing use, it is a public trust purpose entitled to the full panoply of constitutional protections afforded to other public trust purposes; (2) the Commission did not adequately scrutinize KMI's request to divert water from Well 17 because it failed to consider whether KMI's requested usage could be satisfied by alternative sources of water; (3) the Commission did not adequately explain its rationale denying DHHL's request to increase pumpage from its own well because of increased chloride level concerns while simultaneously approving KMI's application for new uses where the same concerns were present; (4) the Commission impermissibly placed the burden of proof on DHHL to show whether KMI's diversion of water from Well 17 would negatively impact the water quality at DHHL's own well site; (5) the Commission improperly considered KMI's late-filed application for existing uses; (6) the Commission failed to consider what effect the closure of the hotel and golf course would have on KMI's requested usage; and (7) the Commission impermissibly placed the burden of proof on the Native Hawaiian individual intervenors to show that their traditional and customary practices would be harmed by KMI's requested usage.

The Court remanded the case to the Commission for further proceedings consistent with its various holdings.

III. Scope of Remand

A. Outstanding Motion

When the Commission attempted to commence remand proceedings in 2008, the intervenor parties filed a joint Motion to Partially Dismiss Molokai Properties' Petition for Water
Use. The motion sought to dismiss KMI's water use permit application for non-domestic purposes because of the announcement that Molokai Properties Limited, KMI's parent company, would be ceasing major operations on Moloka'i. The motion was premised on the Kukui Court's admonition that the Commission must consider whether KMI's closure of the hotel and golf course would change its proposed water usage.

If the Commission intends to treat MPU's recent application as completely superseding KMI's application, the motion to dismiss may be moot. In any event, the Commission never ruled on the motion and should do so before this matter proceeds further.¹

B. The Commission Should Stay This Matter Until The United States Geological Survey Study On The Aquifer Is Completed

The United States Geological Survey is conducting a groundwater recharge and availability study for the Kualapu'u Aquifer to estimate the effect of additional groundwater withdrawal on salinity and water levels in nearby existing wells, including Well 17 and wells owned by DHHL and DWS. USGS anticipates that this study will be completed in December 2015. This study will undoubtedly assist the parties in determining whether the additional water requested by MPU will affect the quality and amount of water available in DHHL's wells.

DHHL suggests that the Commission stay this contested case proceeding until the parties, as well as Commission staff, have had an opportunity to review and analyze the USGS study. Only then can the parties be prepared to discuss in detail the issues raised by MPU's application.

¹The Commission should also consider starting a new contested case proceeding for MPU's recent application. Many of the facts on the ground have changed since the 1990s and MPU's application will be held to a more stringent standard under HRS § 174C-49 and Kukui. It may make more sense for the parties and the Commission to start anew with a new contested case.
C. MPU’s Application

MPU appears to have resolved at least one of the Court’s criticisms by filing an application for new uses under HRS § 174C-49, as opposed to the untimely application for existing uses invalidated in Kukui. The issues to be decided on remand must necessarily be premised on MPU’s recent application for new uses. Under the more stringent requirements of HRS § 174C-49, MPU must be able to show that its proposed use:

1. Can be accommodated with the available water source;
2. Is a reasonable-beneficial use as defined in section 174C-3;
3. Will not interfere with any existing legal use of water;
4. Is consistent with the public interest;
5. Is consistent with state and county general plans and land use designations;
6. Is consistent with county land use plans and policies; and
7. Will not interfere with the rights of the Department of Hawaiian Home Lands as provided in section 221 of the Hawaiian Homes Commission Act, 1920, as amended.

In considering whether MPU’s application meets the requirements of HRS § 174C-49, the Commission must abide by the following rulings of the Kukui Court:

- The Commission must take DHHL’s 2.905 mgd reservation into account when considering MPU’s application, and must protect that reservation “whenever feasible.” See also In re Waiola o Molokai, Inc., 103 Hawaii 401, 430, 83 P.3d 664, 693 (2004).

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Because the status conference in this matter was set on such short notice, DHHL has not had an adequate opportunity to fully identify all of the issues the Commission must consider regarding MPU’s recent application. In making this status conference statement, DHHL is not waiving its right to identify other issues that need to be decided on remand upon a more thorough analysis of MPU’s application.
- The Commission must apply more than minimal scrutiny to MPU's application to ensure that its requested uses meet the requirements of the public trust doctrine. Under *Kukui*, the burden of proof is to be placed on MPU to show that its request constitutes a "reasonable-beneficial use" that is "consistent with public interest."

- MPU must be able to show that there is no practicable alternative to satisfy its water needs.

- MPU has the burden of showing that its requested uses will neither negatively impact the quality of water from DHHL's own well nor impermissibly burden the exercise of traditional and customary practices by the Native Hawaiian individual intervenors.

- The Commission must not ignore changes in MPU's actual plans for water usage when considering whether to allocate water to MPU.

In considering all of these issues, the Commission must take a proactive approach in protecting public rights (including DHHL's existing water reservation) at every stage of this proceeding:

"...the Commission must not relegate itself to the role of a mere 'umpire passively calling balls and strikes for adversaries appearing before it,' but instead must take the initiative in considering, protecting, and advancing public rights in the resource at every available stage of the planning and decisionmaking process..." In sum, the state may compromise public rights in the resource pursuant only to a decision made with a level of openness, diligence, and foresight commensurate with the high priority these rights command under the laws of our state.

*In re Water Use Permit Applications*, 94 Hawaii 97, 162, 9 P.3d 409, 474 (2000). Accordingly, the Commission must exercise a higher level of scrutiny to MPU's application and must place the burden on MPU to show that its proposed uses are consistent with DHHL's rights under the public trust doctrine.
D. Leasing Of Space In The Molokai Irrigation System And Chapter 343, HRS Compliance

MPU's use of water from Well 17 requires transportation through the Molokai Irrigation System (MIS). As extensively briefed by the intervenor parties in 2008, the MIS is owned and operated by the Department of Agriculture of the State of Hawai‘i (DOA). MPU's new application raises two issues: (1) In order to transport any water from Well 17 through the MIS, MPU must have an agreement with DOA for use of the MIS; and (2) any agreement with DOA for use of the MIS would require an environmental assessment under Chapter 343, HRS.

HRS § 343-5 requires that an environment assessment be completed for "actions that...propos[es] the use of state or county lands..." In Moloka‘i Homesteaders Coop. Ass’n v. Cobb, 63 Haw. 453, 629 P.2d 1134 (1981), the Hawaii Supreme Court held that agreements to use the MIS to facilitate development require compliance with Chapter 343, HRS:

The use of a government pipeline, the implicit commitment of prime natural resources to a particular purpose, perhaps irrevocably, and the substantial social and economic consequences of the governmental approval of the proposal would dictate the preparation of an EIS.

Id. at 467, 629 P.2d at 1144. MPU has not submitted a final environmental assessment to the Office of Environmental Quality Control.

To date, MPU has not shown that it has a renewed agreement with DOA to use the MIS, nor has it done the environmental assessment required by Chapter 343, HRS. At the very least, the Commission should require that MPU demonstrate compliance with Chapter 343, HRS and show that it has the legal right to transport the water it seeks under the new permit application before acting on its application.
E. Related Water User Permit Applications for DHHL and DWS

In addition to recommencing this contested case, the Commission issued a request for comments concerning water use permit applications submitted by DHHL and DWS in 1996 and 1998, respectively. In those applications, DHHL and DWS seek to draw water from the same well field as MPU's Well 17. Commission staff has indicated that they will recommend incorporating the DHHL and DWS applications into this contested case proceeding so that all three applications can be evaluated by the Commission simultaneously. See Letter from Jeffrey T. Pearson to Jobie Masagatani dated October 20, 2015, attached as Exhibit “A” to the Declaration of Matthew S. Dvonch dated November 6, 2015 at ¶3.

DHHL does not support recommencing contested case proceedings regarding its 1996 water use permit application. DHHL believes that: (1) its permit should be processed like any other permit, subject to amendment by DHHL, if necessary, given the length of time the application has been pending; and (2) the Commission is capable of deciding the issues raised by MPU’s application without incorporating DHHL’s permit application into these proceedings.

IV. Conclusion

This matter should be stayed pending the USGS study on the Kualapu‘u Aquifer System Area and the parties should be given adequate time to review it. Proceeding without the benefit of the study would undermine the parties’ understanding of how MPU’s withdrawal of more water will affect the aquifer and the DHHL and DWS wells.

Once the case proceeds, the Commission must apply the criteria found in HRS § 174C-49 and the Kukui opinion, and must apply a higher level of scrutiny in considering MPU’s application to ensure that its proposed uses are consistent with DHHL’s rights under the public trust doctrine. Additionally, MPU should be required to show that it has the legal means to
transport additional water and that it has complied with the environmental assessment requirements of Chapter 343, HRS.

DATED: Honolulu, Hawai‘i, November 6, 2015.

Diane K. Taíra
Matthew S. Dvonch

Deputy Attorneys General
Attorneys for Intervenor
Department of Hawaiian Home Lands
BEFORE THE COMMISSION ON WATER RESOURCE MANAGEMENT

STATE OF HAWAI'I

In the Matter of the Contested Case Hearing on the Water Use Permit Application
Originally Filed by Kukui (Molokai), Inc.,
Now Refiled as a New Ground Water Use by Molokai Public Utilities, LLC

Case No. CCH-MO-97-01

DECLARATION OF MATTHEW S. DVONCH

I, MATTHEW S. DVONCH, declare based on my personal knowledge and belief, the following:

1. I am a duly appointed Deputy Attorney General for the State of Hawaii, and am counsel for Intervenor Department of Hawaiian Homes Lands in the above-entitled action.

2. Except where stated to be made on information and belief, this declaration is made upon personal knowledge, and if called upon, I am competent to testify to the facts set forth herein.

3. Attached hereto as Exhibit "A" is a true and correct copy of a letter I received by email from Jeffrey T. Pearson to Jobie Masagatani, Chairman of the Hawaiian Homes Commission, dated October 20, 2015.

I declare, verify, certify, and state under penalty of perjury that the foregoing statements are true and correct.

DATED: Honolulu, Hawai‘i, November 6, 2015.

MATTHEW S. DVONCH
Deputy Attorney General
October 20, 2015

Honorable Ms. Jobie Masagatani, Chairperson
Department of Hawaiian Home Lands
P.O. Box 1879
Kapolei, HI 96780

Dear Ms. Masagatani:

Re: Noticing of New Ground Water Use Permit Application
Kauluwai 1 & 2 Wells (Well Nos. 4-0801-001 & 002) for 0.900 mgd (12-MAV) at TMK: (2) 5-2-012-029, Kualapuu, Molokai

Our January 15, 2015 letter invited DHHL to update its ground water use permit (WUPA No. 00448) for the Kauluwai 1 & 2 wells (Well Nos. 4-0801-001 & 002) originally accepted on September 19, 1997, then subsequently amended on June 18, 1998 before proceeding. To date, we have not had formal update since the withdrawal of the contested case for this application on January 24, 2002 and our request to explore a new well location. We are ready to move forward with continuing the processing this application. The application will be resubmitted for review among relevant State and County agencies, interested members of the public, and parties to the Kulski Molokai Inc. (KMI) contested case CCH-MO97-1 regarding ground water uses from Well 17 (Well No. 0901-001).

Enclosed is a copy of the public notice for your water use permit application which will be published in the Maui News issues of October 25 & 30, 2015. You will be required to pay for the cost of the public notice, which runs about $1,000. We will send you an invoice shortly after your notice is published.

Please be aware that there may be objections to your application. If objections are made, the objector is required to file such objections with the Commission and is also required to send you a copy of the objections.

As outlined in our January 15, 2015 letter to you, there are also two other new ground water use applications we are also accepting for processing at this time:

1. Molokai Public Utilities, Inc. – 1.026 mgd from Well 17 (Well No. 0901-001);
2. Maui Department of Water Supply – 0.900 mgd from Kualapuu Mauka Well (Well No. 0801-003).

These applications are in competition for the remaining available sustainable yield from the Kualapuu Aquifer System Area. Therefore, we will be recommending that the Commission combine these competing use requests into the remanded CCH-MO97-1 contested case proceeding.
Honorable Ms. Jobie Masagatani  
Page 2  
October 20, 2015

It will be the burden of Molokai Public Utilities, Inc., the Department of Hawaiian Home Lands, and the Maui Department of Water Supply to show that their proposed use is reasonable and beneficial and do not adversely impact public trust uses, which include traditional and customary practices within the Kualapuu Ground Water Management Area, and to address other issues highlighted by the Court in its opinion. Failure to carry this burden may result in denial or modification of your request.

If the Commission decides to combine all these applications into the remand, it will also appoint a hearing officer to conduct the remanded contested case hearing. In anticipation of the resumption of proceedings, the Commission Chair will schedule a status conference in about two weeks to establish procedural rules, begin the scoping process, and to discuss expectations in creating a schedule for the submittal of initial motions, opening briefs, witness lists, and the proceedings themselves.

You, or any other party, may respond to objections by filing a brief in support of your application with the Commission within ten (10) days of the filing of an objection. You, or the other party, must also send a copy of the response to the objector.

If you have any questions, please contact Charley Iha at 587-0218.

Sincerely,

JEFFREY T. PEARSON, P.E.  
Deputy Director

CC:
Enclosure
PUBLIC NOTICE

Application for Water Use Permit
Kualapuu Ground Water Management Area, Molokai

The following application for water use permit has been received by the Commission on Water Resource Management and is hereby made public in accordance with Section 13-171, Hawaii Administrative Rules, "Designation and Regulation of Water Management Areas."

WUPA No. 00448 Kauluawai 1 & 2 (Well Nos. 4-0801-001 & 002)

Applicant: Department of Hawaiian Home Lands
P.O. Box 1879
Kapolei, HI 96805

Landowner: Department of Hawaiian Home Lands
P.O. Box 1879
Kapolei, HI 96805

Date Application Filed as Complete: October 12, 2015

Hydrologic Unit / Aquifer System Area: Kualapuu System, Central Sector, Molokai

Water Source: Kauluawai 1 & 2 (Well Nos. 4-0801-001 & 002) TMK (2) 5-2-010:007

Quantity Requested: 0.637 million gallons per day

New Use: DHHL Molokai Water System

Place of Water Use: At Tax Map Key: (2) 5-2-various

Written objections or comments on the above application may be filed by any person who has property interest in any land within the hydrologic unit of the source of water supply, any person who will be directly and immediately affected by the proposed water use, or any other interested person. Written objections shall: (1) state property or other interest in the matter (provide TMK information); (2) set forth questions of procedure, fact, law, or policy, to which objections are taken; and (3) state all grounds for objections to the proposed permit. Written objections must be received by November 13, 2015. Objections must be sent to 1) the Commission on Water Resource Management, P.O. Box 621, Honolulu, Hawaii 96809 and 2) the applicant at the above address.

COMMISSION ON WATER RESOURCE MANAGEMENT

JEFFREY T. PEARSON, P.E., Deputy Director for
SUZANNE D. CASE, Chairperson

Dated: October 15, 2015

BEFORE THE COMMISSION ON WATER RESOURCE MANAGEMENT  

STATE OF HAWAI'I  

In the Matter of the Contested Case Hearing on the Water Use Permit Application Originally Filed by Kukui (Molokai), Inc., Now Refiled as a New Ground Water Use by Molokai Public Utilities, LLC  

Case No. CCH-MO-97-01  

CERTIFICATE OF SERVICE  

I hereby certify that a copy of the foregoing document was served upon the following parties by email and U.S. Mail, postage prepaid, addressed as follows:  

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Attorney for Molokai Public Utilities, LLC  

ITEM G-1 EXHIBIT 2  
HHC ITEM NO. G-5 EXHIBIT A
Caleb Rowe, Esq.
Department of the Corporation Counsel
200 S. High Street, 3rd Floor
Wailuku, Hawaii 96793
E-mail: caleb.rowe@co.maui.hi.us

Attorney for County of Maui, Department of Water Supply

DATED: Honolulu, Hawaii, November 6, 2015.

MATTHEW S. DVONCH
Deputy Attorney General
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 17-18, 2017

To: Chairman and Members, Hawaiian Homes Commission

Thru: M. Kaleo Manuel, Acting Planning Program Manager

From: Nancy M. McPherson, Planner & Molokai Liaison

Subject: Information Only - Mo‘omomi, Molokai Background Data

Recommended Action

None; for information only.

Background

The Planning Office is providing the Hawaiian Homes Commission (HHC) with background information on the Mo‘omomi area of Molokai (TMK (2)5-2-005: 06, 1,161.50 acres) in order to provide some historic and land use context for recent planning and management initiatives for the shoreline in that area.

Discussion

EXISTING PLANS

Molokai Island Plan (June 2005)

Located in the Ho‘olehua - Pālā‘au District of Molokai, Mo‘omomi is an area that has long been a favorite place for Molokai homesteaders to access the shoreline. In fact, it is the only relatively safe shoreline access point along the entire northern coastline of Molokai, with the exception of the Kalaupapa Peninsula. The only road available to reach that access is through Hawaiian Homes land. See Exhibit ‘A’.

Historically licensed for community pasture use, twenty-five (25) pastoral lots were created during the Acceleration Program in the 1980’s. However, agricultural and potable water lines were never extended to the pastoral area and the lots were never subdivided out as separate County TMK’s. At this time 15 lots are leased to beneficiaries for pastoral use. See Exhibit ‘B’.

- 1 -

ITEM NO. G-6
At the time the Molokai Island Plan was approved by the Hawaiian Homes Commission in 2005, Mo‘omomi was recognized as a subsistence fishing zone and preserve, to be used sustainably by the beneficiary community to harvest products of the sea for their families as an important component of a healthy diet. Fifty (50) acres of land was designated in the Island Plan for Community Use at Mo‘omomi Preserve. The remaining land in the area was designated either Pastoral or General Agriculture. See Exhibit ‘B’.

Mo‘omomi-Anahaki Land Use Designation Amendment

Triggered by a proposal for large scale wind turbines to be located in Mo‘omomi-Anahaki, a land use re-evaluation was requested by beneficiaries, who also conducted research and provided information on significant cultural and natural resources in the area. After beneficiary consultation was conducted, a recommendation of Special District was made by the Planning Office.

The definition of Special District as described in the Molokai Island Plan is “areas requiring special attention because of unusual opportunities and/or constraints, e.g. natural hazard areas, open spaces, raw lands far from infrastructure (difficult to improve), mixed use areas, greenways.” The key planning concept or theme for Special District is to create a Hawaiian sense of place for special areas. Ideally, native Hawaiian beneficiaries will oversee these lands and use them to create a Hawaiian sense of place for all beneficiaries living on Molokai.

A land use amendment re-designating 7,415 acres of General Agriculture and all of the Community Use lands in Mo‘omomi-Anahaki to Special District was approved by the Hawaiian Homes Commission on December 14, 2010. See Exhibit ‘C’.

Molokai Regional Plan

The Molokai Regional Plan was first adopted by the HHC in December of 2007 and subsequently updated in April of 2010. Molokai beneficiaries, responding to outreach and engagement efforts throughout the regional planning process, identified a community-based sustainable fishing program from Nihoa to ‘Ilio under the Resource Management category. Recommendations included endorsement of permanent rules generated during the pilot project, and partnering with adjacent landowners (Molokai Land Trust, TNC) and Hui Malama
The community discussion was summarized in the Regional Plan (p. 30) as follows:

“The fishing resources off the Northwest coast of Molokai are impacted by the activities that occur both on the island and at sea. A pilot project that created guidelines for sustainable fishing was successful in protecting the fisheries for future generations while continuing to provide opportunities for harvesting. The creation of enforceable, permanent rules would provide long-term protection for the fisheries.”

By consensus, the community did not elevate this project from a potential project to a priority project.

Other Planning Office Projects and Initiatives on Molokai

Special District Cultural and Natural Resources Planning

In order to be stewarded and utilized, lands designated as Special District need additional planning that incorporates beneficiary input and participation. The DHHL Planning Office initiated this process by conducting a day of site visits with staff and the Deputy Director in late June of 2016 in order to familiarize them with the Special District areas, and Mo‘omomi was the first site on the itinerary. In-depth planning work that solicits community participation will be conducted as staff time and funding become available.

Coastal Zone Management and Shoreline Erosion Mitigation

Past erosion issues at Mo‘omomi caused by overgrazing and lack of road maintenance have been ameliorated. There is some shoreline erosion occurring makai of the pavilion, and mitigation measures, including possible relocation of community facilities further mauka, will need to be implemented at some point in the future.

DLNR Rules for a Community Based Subsistence Fishing Area

The Planning Office has been monitoring this process and the Molokai Planning Liaison has attended several community meetings held to discuss the proposed rules.

Recommendation

None; for information only.
Hi Leah,
My name is Tammy L. Levi, I am requesting to be on the "J" Agenda in April here on Molokai. I would like to make an appeal for re-consideration for my transfer request and simultaneous transfer request application.

Thank You,

Tammy Levi
PO Box 447
Hoolehua, HI 96729
(808)567-6012
(808)336-1414
April 3, 2017

Aloha Pumehana Nancy,

I left a message for you on your cell phone just now requesting the date, time, and location of the community meeting you mentioned would take place this month when we met at the airport last month.

In addition to these logistics I would be interested in knowing who the agricultural experts are that a proposal coming from DHHL farmers, residents and other community members of Moloka'i would be reviewed by. As I understand it, any information presented by the community would ultimately be decided upon by DHHL officers after agricultural experts are consulted.

It would be both wonderful and effective if any one or more of these experts could be present at this meeting, then they could hear first hand what solutions are possible, directly from the collective mana'o (wisdom) of the elders and people of all ages. Many feel that this is an ancient, Historical and Sacred ground, worthy of preserving in whatever feasible way and form is timely and appropriate.

Bearing this in mind, please note that the rapid demise of many trees that is now happening, will continue to accelerate as the months get hotter here.

This is because the current method of "keeping the area clean" around the trees IS what is killing them. Yes they have weakened immune systems because various microbes have been attacking them. which is due in part to the long-term practice of clearing the area around the trees.

HOWEVER, what they desperately need are "specific" forms of compost that have been traditionally used in many indigenous cultures, including Hawaii, and are not being addressed at this time.

By the end of this summer, many more trees will already be dead. It is timely to discuss short and long range solutions to this circumstance. I trust that the upcoming meeting will bring enough kindred spirits together that can kokua in harmony with DHHL and UH AG, to agree upon a win-win solution for the trees, the spirit of the land, the community and future generations.

The proposal that is being prepared for those who will decide upon the fate of this beloved grove will be a very comprehensive body of information with practical, cost-effective solutions that I trust will shed much needed light and relief among those who sincerely care about this beautiful and historical cultural legacy.

Mahalo Nui Loa for your Service, kokua and friendship,
Sincerely, Maile Orme,
Molokai resident and Hawaiian kupuna.
Got it!!

On Apr 11, 2017 2:15 PM, "Burrows-Nuuanu, Leatrice W" <leatrice.w.burrows-nuuanu@hawaii.gov> wrote:

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From: Burrows-Nuuanu, Leatrice W
Sent: Thursday, March 16, 2017 11:28 AM
To: 'wahineomolokai@aol.com' <wahineomolokai@aol.com>
Subject: HHC J-Agenda Request- April 17, 2017 - Molokai

Aloha e U‘i,

Mahalo for your call. As I mentioned on the phone, the J-Agenda is scheduled for Monday, April 17, 2017. Email me by April 10th a brief, one line summary of your topic or concern (for the agenda) and anything you want to be put in the commissioner’s meeting packets.

Please watch your email for a confirmation letter and official agenda from me on April 11th.

Mahalo, Leah
To: HHIC
From: Lloyd Acasio
LSE #7805, LOT #39, H.H.U.A. AG
Subject: Request Additional Farm Land

4/10/2017

When would be a good time on April 17 or 18 to present my request to HHIC.

Myself & mother would like to meet in person to explain a very complicated situation, but my passion and desire to continue farming on lot #39 is something that allows me to carry the legacy that my father and mother has blessed me and my family.

#808-223-1281

Lei Lei

Nousole Oleo Pana
Koko -
Hawaiian Homes Commission
Department of Hawaiian Home Lands
Hale Kalani'ana'ole
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

March 20, 2017

Regarding: Request to address the Hawaiian Homes Commission on April 18, 2017 on Molokai

Aloha Chair Jobie Masagatani,

I, Harry K. Purdy III, request to address the Hawaiian Homes Commission (HHC) on April 18, 2017 to further discuss my challenge (20 years) to acquire under the Hawaiian Homes Act, Section 207, the 35 acres known as Lot 4B that I am presently farming.

Please, place me on the HHC agenda for April 18, 2017 and send to me a written confirmation. I look forward to your immediate reply.

Māhele,

Harry K. Purdy III
Aloha Leah,

Could I get on the J Agenda please? I want to Thank the Commission for listening to the beneficiaries on the blood quantum issue.

Thanks
Kapua
Sent from Mail for Windows 10
Aloha Lea,
My name is Faith Tuipulotu, President of the Molokai Homestead Farmer’s Alliance. Can I please be on April’s G calendar on Molokai. I know this is last minute but, it would be greatly appreciated.
Mahalo,
Faith Tuipulotu,
From: Davidette Hala Pa-Kala <halapakala@yahoo.com>
Sent: Wednesday, March 22, 2017 4:27 PM.
To: Burrows-Nuuanu, Leatrice W
Subject: HHC Contact: To Commission Secretary

To: HHC Secretary

First Name: Davidette Hala
Last Name: Pa-Kala

Phone: (808)658-0260

Email: halapakala@yahoo.com

Subject: To Commission Secretary

Message: We the President of Kamiloa/OneAlii & Kapaakea Homestead would like a opportunity to face the commissioner on April 14 on Molokai on the J Agenda.

Akismet Spam Check: passed
Sent from (ip address): 75.85.139.129
(cpe-75-85-139-129.hawaii.res.rr.com)
Date/Time: March 22, 2017 4:26 pm
Coming from (referer): http://dhhl.hawaii.gov/hhc/ Using (user agent): Mozilla/5.0 (Macintosh; Intel Mac OS X 10_11) AppleWebKit/601.1.56 (KHTML, like Gecko) Version/9.0 Safari/601.1.56
March 31, 2017

Ms. Leah Burrows-Nu’uanu  
Commission Secretary  
Hawaiian Homes Commission  
Department of Hawaiian Home Lands  
P.O. Box 1879  
Honolulu, Hawaii 96805  

Dear Ms. Leah Burrows-Nu’uanu,

Manawale’a Riding Center, a beneficiary owned non-profit organization is asking permission to address the Hawaiian Homes Commission at their next scheduled meeting on Monday, April 17, 2017, and Tuesday, April 18, 2017, at Kala‘ula, Moloka‘i.

We understand that Katie Lambert from the Attorney General’s Office is making arrangements for Manawale’a’s mediation agreement to be added to the agenda. However, we would like to ensure that the proper protocol is followed that will enable us to address our concerns to the Commissioners directly requesting a reduction of the lease rent being requested.

There will be four of us attending the meeting: Wayne Silva (beneficiary), Patti Silva, Howard Luke and Bud Gibson.

Thank you for kind consideration in allowing us to participate in the Commission’s next meeting. We look forward to hearing from you concerning our request. If there are any questions, I can be reached at 808 294-2893.

Sincerely,

Patti Silva  
Manawale’a Riding Center – Treasurer

cc:  Jobie Masagatani – Hawaiian Homes Commission – Chair  
William Aila – Hawaiian Homes Commission - Deputy Director  
Howard Luke - Attorney  
Wayne Silva- Manawale’a Riding Center  
Bud Gibson- New Town & Country Stables