STATE OF HAWAI'I DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA

Kūlana 'Ōiwi Multi-Purpose Conference Room 600 Maunaloa Highway, Kalama'ula, Moloka'i, Hawai'i Monday, April 16, 2018 at 8:30 a.m. to be continued, if necessary, on Tuesday, April 17, 2018, at 8:30 a.m.

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov, by Saturday, April 14, 2018.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Approval of Agenda
- C. Approval of Minutes for November 2014, November 2017
- D. Public Testimony on Agendized Items

II. ITEMS FOR DECISION MAKING

A. CONSENT AGENDA

Homestead Services Division

- D-2 Ratification of Loan Approvals (see exhibit)
- D-3 Approval of Consent to Mortgage (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 / Cancellations (see exhibit)
- D-7 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive that Net Proceeds (see exhibit)
- D-8 Approval of Assignment to Leasehold Interest (see exhibit)
- D-9 Approval of Amendment of Leasehold Interest (see exhibit)
- D-10 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)

B. REGULAR AGENDA

Office of the Chairman

- C-1 Adoption of Resolution No. 293 Honoring and Recognizing the Original Petitioners For a Water Management Area on Moloka'i
- C-2 Adoption of Resolution No. 294 Thanking Gene Ross Davis for his Service To The Hawaiian Homes Commission
- C-3 Approval of the 2018-2019 Draft Native Hawaiian Housing Block Grant Annual Housing Plan

Homestead Services Division

D-11 Request to Hold a Contested Case Hearing – YOLANDA N. KALEIOHI, Related to Residential Lease No. 4313, Lot No. 62, Anahola, Kauai, Hawaii

Planning Office

- G-1 Approval of Recommendations for Regional Plan Priority Project and Agriculture Peer-to-Peer Grant Awards, Statewide (Ulu & Gigi)
- G-2 Acceptance of Beneficiary Consultation Report for Various Moloka'i Licenses (Nancy)
- G-3 Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Ho'olehua Water System (Gigi & Halealoha)

Land Management Division

- F-1 Approval to Terminate Church License No. 269 and Issuance of a New Church License to Molokai Congregation of Jehovah's Witnesses, Kalamaula, Molokai, TMK No. (2)5-2-009:020
- F-2 Approval to Terminate Church License No. 261 and Issuance of a New Church License to Ierusalema Pomaikai Church, Kalamaula, Molokai, TMK No. (2)5-2-009:017,026,027
- F-3 REQUEST TO APPROVE RIGHT-OF-ENTRY PERMITS FOR RENEWABLE ENERGY PROJECTS, Kalaeloa, Island of Oahu, TMK No. (1) 9-1-013:038, 040, 117 & 118; Kahikinui, Island of Maui, TMK No.: (2) 1-9-001:003 (portion); and Kalaoa, Island of Hawaii, TMK No.: (3) 7-3-010:007(portion) (see exhibit)
- F-5 Annual Renewal of Right of Entry Permit(s), Moloka'i Island

III. EXECUTIVE SESSION (discussion to be held during lunch break)

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 issues related to Sandwich Isles Communications

IV. ITEMS FOR INFORMATION/DISCUSSION

A. GENERAL AGENDA

Requests to Address the Commission

- J-1 Moloka'i Hawaiian Home Lands Kupuna Committee
- J-2 Faith Tuipulotu Lease Concern
- J-3 Rosie Davis Lanikeha
- J-4 Debbie Kelly Moloka'i Lanai SWSD Board
- J-5 Liko Wallace Lease Concern
- J-6 Linda Dudoit Erosion in Kapaakea
- J-7 Kapua Lauifi Blood Quantum Legislation Mahalo
- J-8 Kilia Purdy Ahupua'a o Moloka'i
- J-9 Sybil Lopez Malama Park and Kalamaula Lot 12

B. WORKSHOPS

Planning Office

- G-4 Update on Moloka'i Regional Plan Priority Projects
- G-5 Update on Moloka'i Water Projects and Issues

Office of the Chairman

C-4 For Information Only – Update of Proposed Administrative Rules for the Planning System

STATE OF HAWAI'I DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA

Kūlana 'Ōiwi Multi-Purpose Conference Room 600 Maunaloa Highway, Kalama'ula, Moloka'i, Hawai'i Tuesday, April 17, 2018, at 8:30 a.m.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Public Testimony on Agendized Items

II. ITEMS FOR DECISION MAKING

Office of the Chairman

C-5 Adoption of Proposed Amendment to Title 10, Hawaii Adminstrative Rules, Related to the Planning System

Land Management Division

F-4 Approval to the Issuance of a Non-Exclusive License Easement to the County of Kauai-Engineering Division, Aliomanu Road Erosion Repair, Anahola, Kauai, TMK: (4) 4-8-018:032 (por.)

Planning Division

G-8 Approval of Water Rate Increase for the DHHL Ho'olehua Water System

III. ITEMS FOR INFORMATION/DISCUSSION

A. REGULAR AGENDA

Homestead Services Division

- D-1 HSD Status Reports
 - A Homestead Lease and Application Totals and Monthly Activity Reports B - Delinquency Report

Planning Division

- G-6 Legislative Updates
- G-7 Quarterly Grants Status Report End of 3rd Quarter 2018

IV. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Meeting May 14 & 15, 2018, Kawaihae, Hawai'i, Hawai'i
- B. Adjournment

Note: Contested Case Hearings begin at 12:00 p.m.

Jobie M an

Hawaiian Homes Commission

COMMISSION MEMBERS

Randy K. Awo, Maui Wallace A. Ishibashi, East Hawai'i Wren Wescoatt, O'ahu Vacant, O'ahu Michael P. Kahikina, Oʻahu David B. Kaʻapu, West Hawaiʻi Vacant, Kauaʻi Vacant, Molokaʻi

Next community meeting is scheduled for Monday, April 16, 2018 at Kūlana 'Ōiwi Halau 600 Maunaloa Highway, Kalama'ula, Moloka'i, Hawai'i

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 Bryan Cheplic, at the Information & Community Relations Office, on Oahu, (808) 620-9590.

ITEM D-2 EXHIBIT RATIFICATION OF LOAN APPROVALS

LESSEE

LEASE NO. 3958 AREA Waimanalo, Oahu

LEAVER, Novella

ITEM D-3 EXHIBIT

APPROVAL OF CONSENT TO MORTGAGE

LESSEE	LEASE NO.	AREA
AKANA, Nicole D. K.	9582	Kalawahine, Oahu
AKAU, Mark L., Jr.	7295	Nanakuli, Oahu
ALBERT, Mary K. P.	2462	Waimanalo, Oahu
ALULI, Shavon N.	12594	Kanehili, Oahu
ALVES, Edward K.	10070	Waiehu 3, Maui
BAUTISTA, Chaz A. K. R.	12602	Kanehili, Oahu
BOTEILHO, Renee G.	9533	Waiehu 2, Maui
BROWN, Rosalyn K. H. K.	5129	Nanakuli, Oahu
CARROLL, Karen L.	2831	Waimanalo, Oahu
CHANG, Frangeline H. K.	9613	Kalawahine, Oahu
CRABBE, Kamanaopono M.	8345	Princess Kahanu Estates, Oahu
FARIAS, Gerri H.	8158	Nanakuli, Oahu
FERNANDEZ, Rodney K.	11301	Kaumana, Hawaii
FONG, Simon K. O.	6393	Waiakea, Hawaii
HALEMANO, John C., III	11981	Kaupea, Oahu
HARAGUCHI, Randall T. N.	11154	Anahola, Kauai
JARDINE, Paulette C.	7549	Waimanalo, Oahu
KAAIHUE, Robert K.	11061	Anahola, Kauai
KALAHIKI, Alton A. N.	5559	Lualualei, Oahu
KALAMA, Kapono T.	7703	Waiohuli, Maui
KALANI, Kevin K.	4415	Kewalo, Oahu
KALEIKINI, Lopaka	11758	Kanehili, Oahu
KANEHAILUA, Valentine K.	12564	Kanehili, Oahu
KING, John G.	4537	Nanakuli, Oahu
MOSES, Shaylla-Ann R. H.	12146	Kaupea, Oahu
NUUANU, Edward	4551	Nanakuli, Oahu
SANG, Anthony H., Jr.	9777	Maluohai, Oahu
SIMMONS, Joy K.	9776	Maluohai, Oahu
SOO, Michael A.	9221	Kaniohale, Hawaii
VICTOR, Nikki K. I.	4247	Keaukaha, Hawaii
WHITEHEAD, Mew Lin	7088	Kawaihae, Hawaii
WHITNEY, Delbert A.	5655	Keaukaha, Hawaii

ITEM D-4 EXHIBIT

APPROVAL OF STREAMLINE REFINANCE OF LOANS

LESSEE

LEASE NO. 8547 AREA Princess Kahanu Estates, Oahu

CHONG, Andrew M. J.

ITEM D-5 EXHIBIT

APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARING

LESSEE	LEASE NO.	AREA
ALAPAI, Whitmore K. K.	11755	Kanehili, Oahu
ELLIS, Timothy	5544	Lualualei, Oahu
HOPFE-SMITH, Colleen D. K.	11829	Kanehili, Oahu
KAUAHI, Tammi L.	11092	Anahola, Kauai
LEAUANAE, Raenel	7616	Waiohuli, Maui
LOCKETT, Tasia M.	11845	Kanehili, Oahu
REYES, Barrett	4344	Anahola, Kauai
RILLON, Chelsey	2256	Waimanalo, Oahu
RILLON, Cisco	2256	Waimanalo, Oahu
TAVARES, Duwayne	8315	Princess Kahanu Estates, Oahu
TAVARES, Leroy	8315	Princess Kahanu Estates, Oahu

ITEM D-6 EXHIBIT

HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

APPLICANT

CUBAN, Roblyn U. ECKART, Tennille M. ELVENIA, Judy A. HICKS, Heather K. KAHIAMOE, William L., Jr. KALEIOHI, Teri Ann K.K. KALEIOHI, Teri Ann K.K. KUNISHIGE, Natasha H. LEE, Alicia Rose M.M.L.L. LONTAYAO, Cora Lee N. LUKE, Clarence H.K.S. MAKAHANALOA, Anthony J. MOLLER, Haliaka C. ONTAI, Susanna L. PELEKAI, Russell K. RAWLINS, Makaala J. RAWLINS, Makaala J. SIMEONA, Autumn Jade U. WELLER, Corinne K.N.

AREA

Oahu IW Res Hawaii IW Pas Hawaii IW Res Maui IW Res to Oahu IW Res Hawaii IW Res to Oahu IW Res Maui IW Agr to Kauai IW Agr Maui IW Res to Kauai IW Res Hawaii IW Pas Hawaii IW Agr Oahu IW Res to Kauai IW Res Oahu IW Res Hawaii IW Res to Oahu IW Res Hawaii IW Res Oahu IW Res Hawaii IW Res Oahu IW Agr to Hawaii IW Agr Oahu IW Res to Hawaii IW Res Hawaii IW Res to Oahu IW Res Hawaii IW Agr * IW = Islandwide

ITEM D-7 EXHIBIT

APPROVAL OF DESIGNATION OF SUCCESSORS TO LEASEHOLD INTEREST AND DESIGNATION OF PERSONS TO RECEIVE THE NET PROCEEDS

LESSEE	LEASE NO.	AREA
BRIGHT, Dora K.	3657	Waimanalo, Oahu
HATCHETT, Louisiana A.	7310	Nanakuli, Oahu
KAAI, John K.	4440	Waianae, Oahu
LIMA, David K.	3634	Kapaakea, Molokai
NENIO, Olivia J.	10760	Laiopua, Hawaii

ITEM D-8 EXHIBIT

APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
AKAKA, Jason K.N.M.	3887A	Hoolehua, Molokai
AKAKA, Jo-Dean K.M.	3148	Hoolehua, Molokai
ALO, Simeon J.K.	10297	Waiohuli, Maui
AOKI, Williamjames M.K.	9596	Kalawahine, Oahu
CASTRO, Meinette K.	5632	Lualualei, Oahu
KAAHANUI, Charles A., Jr.	2082	Hoolehua, Molokai
WILLIAMS, Michelle A.	3943	Waimanalo, Oahu
KAHIHIKOLO, Annette M.	3943	Waimanalo, Oahu
KALANI, Louis R.	4415	Kewalo, Oahu
MAHIAI, Clement K.	11415	Kaupea, Oahu
NIAU, Ronald H.	2033	Kewalo, Oahu
LAWTHER, Haunani D.	2033	Kewalo, Oahu
PUAOI, George E.	6542	Anahola, Kauai
REIS-MONIZ, Claudette M.	2561	Waimanalo, Oahu
RENSHAW, Darryn-Lee K.	8345	PKE, Oahu
AKO, Shannon K.	10733	Laiopua, Hawaii
CRABBE, Kamanaopono M.	10345	Waiohuli, Maui
ENGLISH, Heine A.	12388	Kapolei, Oahu
GRACE, Doreen K.	12442	Kapolei, Oahu
DELA CRUZ, Lyndon	5837	Kalamaula, Molokai
KAKAIO, Charlotte N.	6069	Kalamaula, Molokai
KAMALAMALAMA, Joleen Lehua	7396	Keokea, Maui
K.K.C.R.		,
KANE, Alexander C., Jr.	7425	Keokea, Maui
SALAZAR, Owana K.M.	7477	Waiohuli, Maui
PANG, Chauncey K.	7477	Waiohuli, Maui
WAIPA, Frank K.	6266	Panaewa, Hawaii
WAIPA, Patricia A.	6266	Panaewa, Hawaii

ITEM D-9 EXHIBIT APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
AKIONA, Peter K., Jr.	3129	Waimanalo, Oahu
BRIGHT, Dora K.	3657	Waimanalo, Oahu
CARNATE, Miriam N.	4948	Nanakuli, Oahu
HOSAKA, Francis T.	3371	Kekaha, Kauai
HOSAKA, Shawn T.	3371	Kekaha, Kauai
HOSAKA, Dawn L.	3371	Kekaha, Kauai
BUSH, Jade K.	2801	Hoolehua, Molokai
KAUPU, Lydell T.B.	2801	Hoolehua, Molokai
JACOBS, Kaden K.	2801	Hoolehua, Molokai
KAKAIO, Charlotte N.	6069	Kalamaula, Molokai
KAMANA, Hiram K.	430	Nanakuli, Oahu
LIMA, David K.	3634	Kapaakea, Molokai
PAUOLE-MOORE, Beverly N.	115-A-3	Hoolehua, Molokai
RAWLINS, Samuel L.	3531	Kapaakea, Molokai

ITEM D-10 EXHIBIT

APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSE FOR ROOFTOP PHOTOVOLTAIC SYSTEMS FOR CERTAIN LESSEES

LESSEE	LEASE NO.	AREA
ALOUA, Shaughna M.K.K.	8939	
CAMPBELL, John N.	9870	
CROWELL, Harold K., III	3697	
DUDOIT, Darryl F.	9876	
DUDOIT, Darryl-Lynn L.K.		
CAMPBELL, John N. CROWELL, Harold K., III DUDOIT, Darryl F.	8939 9870	Waianae, Oahi Maluohai, Oahi Waimanalo, Oahi Maluohai, Oahi Maluohai, Oahi

ITEM NO. F-3 EXHIBIT

REQUEST TO APPROVE RIGHT-OF-ENTRY PERMITS FOR RENEWABLE ENERGY PROJECTS

Permittee	Island	Tax Map Key No.	
Elemental Energy (US), Inc.	Oahu	1st/9-1-013:117 & 118	
Hawaiian Electric Company*	Oahu	1st/9-1-013:117 & 118	
Hawaiian Electric Company*	Oahu	1st/9-1-013:038	
Longroad Development Company, LLC	Oahu	1st/9-1-013:038; 040; 117 & 118	
Sempra Renewables, LLC	Maui	2nd/1-9-001:003 (portion)	
Cypress Creek Renewables, LLC	Hawaii	3rd/7-3-010:007 (portion)	
O'oma Homestead Alliance, LLC	Hawaii	3rd/7-3-010:007 (portion)	

*conditional approval

ITEM F-5 EXHIBIT RIGHT OF ENTRY PERMITS MOLOKA'I ISLAND

Acre	No.	Use	Permittee	Location	Started
30.0	499	Agricultural	Monsanto Hawaii	Palaau	7/1/2006
35.0	501	Agricultural	Harry K. Purdy, III & Marlene K. Purdy	Hoolehua	4/1/2000
0.860	498	Commercial	Patricio & Cora Sanchez, Jr.	Kalamaula	8/1/1977
0.975	504	Community	Molokai Humane Society	Hoolehua-Palaau	7/1/2007
0.490	507	Community	Ahupuaa o Molokai	Hoolehua	9/1/2003
0.036	502	Office	Partners in Development	Hoolehua	4/1/2005
9370.0	500	Pastoral	Molokai Homestead Livestock Association	Kalamaula	5/1/1995
542.5	503	Pastoral	Desmond & Christy Manaba	Hoolehua-Palaau	4/1/2007





Notice of Annual Hawaiian Homes Commission Regular Meeting

Monday, April 16, 2018 at 8:30 a.m.* and Tuesday, April 17, 2018 at 8:30 a.m.

at Kūlana 'Ōiwi 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 our website, dhhl.hawaii.gov/hhc

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

Hawaiian Homes Commission Meeting with the Moloka'i Homestead Communities

on Monday, April 16, 2018 from 6:30 p.m. - 8:30 p.m.

at Kūlana 'Ōiwi Halau 600 Maunaloa Highway, Kalama'ula, Moloka'i 96748

AGENDA

6:30 - 7:00 p.m.	DHHL Update
7:00 - 7:30 p.m.	Homestead Community Update
7:30 - 8:30 p.m.	Open House**
8:30 p.m.	Adjournment

**During Open House, representatives from DHHL divisions will be available for oneon-one consultation with beneficiaries. Community organizations will also present 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 16 & 17, 2018 Kalama'ula, Moloka'i

C-ITEMS OFFICE OF THE CHAIRMAN

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16 - 17, 2018

- TO: Chairman and Members, Hawaiian Homes Commission
- FROM: William J. Aila, Jr., Deputy to the Chair man
- SUBJECT: Adoption of Resolution No. 293 Honoring and Recognizing the Original Petitioners For a Water Management Area on Moloka'i

RECOMMENDEED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) adopts Resolution No. 293, as attached, honoring and recognizing the original petitioners for a water management area on Moloka'i.

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HAWAIIAN HOMES COMMISSION RESOLUTION NUMBER 293

HONORING AND RECOGNIZING THE ORIGINAL PETITIONERS FOR A WATER MANAGEMENT AREA ON MOLOKA'I

WHEREAS, ensuring that Hawaiian Home Lands are always usable and accessible, on Molokai and elsewhere, requires sufficient water; and

WHEREAS, resulting from decades of struggle, organizing, litigation, and the requirements of a Constitutional amendment, the state of Hawai`i enacted the State Water Code, HRS 174-C in 1987, in part to ensure that the rights of the Department of Hawaiian Home Lands to water would be protected; and

WHEREAS, the state Legislature further amended the Code in 1990 to further protect adequate reserves of water for the DHHL; and

WHEREAS, the rights to and reservations of water for the DHHL enjoy their highest level of protection in areas designated as water management areas; and

WHEREAS, Moloka'i has a long history of community organizing which is exemplified by those who petitioned to create a ground water management area; and

WHEREAS, thirty-nine Moloka'i residents submitted two petitions to designate the Island of Moloka'i as a water management area on February 8, 1990 and March 28, 1990, respectively, to the Commission on Water Resource Management (CWRM); and



HAWAIIAN HOMES COMMISSION

WHEREAS, the service and initiative of the thirty-nine Moloka'i petitioners was for benefit of not only DHHL and homesteaders but also the larger community; and

WHEREAS, the thirty-nine petitioners included Wilburt Kaimikaua, Sarah Sykes, Wayne Meyer, Chris Scott, Joseph Wampler, Jeanette Levi, Mr. and Mrs. William Viernes, Harriet Fukuoka, Henry Ayau, Jr., Harry Purdy III, Harvey Crivello, Josephine Aricayos, Kaimi Lindo, Loreen Manuel, Steven L. Arce, Thomas Arce, Kahalenani L. Kama, Georgina M. Kuahuia, Clara K. Gallager, Phillip Gallager, Davadeen Hoopai, Davalynn Hoopai, Joseph Kuahuia, Kathleen Larsen, Thomas Matayoshi, Nancy Lucido, Frank Lucido, Lorraine N. Meyer, Edwin L.P. Miranda, and Judy Caparida; and

WHEREAS, it is important to recognize the enormity and importance of community initiative and actions in protecting water resources; and

WHEREAS, the Hawaiian Homes Commission wishes to honor and recognize the thirty-nine petitioners who initiated the Moloka'i water management area designation process; and,

NOW, THEREFORE, BE IT RESOLVED, the undersigned, duly recognized as the chairman and members of the Hawaiian Homes Commission, on this 16th day of April 2018, set forth their hand in recognition of the thirty-nine petitioners, who initiated the Moloka'i water management area designation process, for their service to the communities of Moloka'i and across the pae 'āina.

BE IT FURTHER RESOLVED that copies of this Resolution be transmitted in its entirety to the thirty-nine petitioners;

ADOPTED THIS 16th day of April 2018, at Kalama'ula, Moloka'i, State of Hawaii, by the Hawaiian Homes Commission in Regular Meeting assembled.



HAWAIIAN HOMES COMMISSION

OFFERED BY:

Jobie M. K. Masagatani, Chair

David Kaapu, Member

Wallace A. Ishibashi, Member

Randy Kalei Awo, Member

Michael P. Kahikina, Member

Zachary Helm, Member

Wren Wescoatt III, Member

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16 & 17, 2018

TO:	Chairman and Members, Hawaiian Homes Commission
FROM:	Niniau Simmons, NAHASDA Manager Hokulei Lindsey, DHHL Rules Officer
SUBJECT:	 C-2 Adoption of Resolution No. 294 Thanking Gene Ross Davis for his Service To The Hawaiian Homes Commission C-3 Approval of the 2018-2019 Draft Native Hawaiian Housing Block Grant Annual Housing Plan

THE SUBMITTALS WILL BE DISTRIBUTED UNDER SEPARATE COVER or AT THE TABLE

ITEM NO. C-2, C-3

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- FROM: Hokulei Lindsey, Administrative Rules Officer
- SUBJECT: Update of Proposed Administrative Rules for the Planning System

RECOMMENDED MOTION/ACTION

None. For Information Only.

DISCUSSION:

On April 7, 2018, the Department of Hawaiian Home Lands conducted a public hearing pursuant to section 91-3, Hawaii Revised Statutes. Notice for the hearing was published statewide; on February 28 and March 7, 2018 in the Molokai Dispatch and on March 4 and 7, 2018 in the Honolulu Star-Advertiser, Maui News, Hawaii Tribune-Herald, West Hawaii Today, and Garden Island News. The public notice is attached as Exhibit A. Pursuant to section 10-5-23, Hawaii Administrative Rules, Kaleo Manuel was designated to preside over the public hearing (see Exhibit B). The hearing, and the April 9 deadline for written comments, were the public's opportunity to provide support, opposition, or otherwise offer input on the DHHL's proposed changes to Title 10, Hawaii Administrative Rules, related to the planning system.

The hearing was held at Hale Ponoi at the DHHL main office in Kapolei, Hawaii. Sixteen people signed the attendance sheet, thirteen self-identified as beneficiaries (see Exhibit C). An informational session was held at 10:30 a.m., immediately before the public hearing. Attendees were provided a copy of the informational presentation, and copies of the proposed rules, a timeline summary of the process to date, and related Hawaiian Homes Commission submittals to date were available for review. Comment sheets were also available for those who wanted to submit written comments. During the public hearing, two attendees stood to provide testimony and staff took notes to maintain a record of the oral testimony. Five written comments were submitted; four from individuals and one signed by nine of the attendees (see Exhibit D).

Since the hearing, staff has reviewed and provided responses to the comments received during the public comment period (see Exhibit D). Most of the comments submitted can be classified as clarification. One comment requested the specific addition to section 10-4-60 beneficiary consultation of language related to community based governance from section 201.6 of the Hawaiian Homes Commission Act. However, the rules cannot include the community based governance language from section 201.6 of the HHCA because that section is required to be but has not been adopted by the U.S. Congress and, therefore, is not considered part of the Act.

RECOMMENDATION:

None. For information only.

ITEM NO. C-4

2

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENTS TO TITLE 10, HAWAII ADMINISTRATIVE RULES

The Department of Hawaiian Home Lands (DHHL) will hold a public hearing for Hawaii Administrative Rules (HAR) amendments. The proposed amendments to Title 10, HAR, DHHL, includes amendments that would establish a planning system in new HAR sections 10-4-51 through 10-4-60; the proposed planning system creates a process through which the Hawaiian Homes Commission and DHHL can develop and adopt plans, policies, and strategies for the management of Hawaiian home lands and programs. The proposed amendments also include the amendment of HAR section 10-4-2, which would clarify that the plans, policies, and strategies developed through the proposed planning system guide the Hawaiian Homes Commission and the DHHL in land use planning decision-making, and the compilation of HAR chapter 10-4. An informational briefing will be held immediately before the public hearing.

Date:	Saturday, April 7, 2018
Location:	DHHL Main Office (Hale Ponoi), 91-5420 Kapolei Pkwy, Kapolei, HI 96707
Time:	Informational briefing: 10:30 a.m. – 11:00 a.m.
	Public hearing: 11:00 a.m. – 12:00 p.m.

All interested persons are urged to attend the public hearing to present relevant information and individual opinion for the DHHL to consider. Any person may file written comments or recommendations in support of or in opposition to the proposed rulemaking in person at the public hearing or by mail postmarked by April 9, 2018. Written testimony should be mailed to: ATTN: Administrative Rules, Department of Hawaiian Home Lands, P.O. Box 1879, Honolulu, HI 96805.

The Hawaiian Homes Commission shall take final action on this rulemaking at a future regularly scheduled commission meeting.

The proposed rule amendments are currently available for review through April 9, 2018 between the hours of 8:00 a.m. and 4:00 p.m. at the DHHL Main Office in Kapolei, Oahu (address listed above) and at any DHHL District Office: <u>East Hawaii</u>: 160 Baker Ave., Hilo, HI 96720; <u>West Hawaii</u>: 64-756 Mamalahoa Hwy, Kamuela, HI 96743; <u>Maui</u>: 655 Kaumualii St., Wailuku, HI 96793; <u>Molokai</u>: 600 Mauna Loa Hwy, Kaunakakai, HI 96748; <u>Kauai</u>: 3060 Eiwa St, Rm 203, Lihue, HI 96766. A copy of the proposed rule amendments will be mailed to any person who requests a copy in writing. The request must state the requestor's name and mailing address, and be delivered to the DHHL Main Office, P.O. Box 1879, Honolulu, HI 96805. For more information, email <u>dhhl.rules@hawaiianhomelands.org</u> or call (808) 620-9280. A copy of the proposed rule amendments is also available online: <u>http://dhhl.hawaii.gov/hhc/hawaii-administrative-rules/</u>.

To request a sign language interpreter or disabled parking at the public hearing, please contact the DHHL Information and Community Relations Office on Oahu at 808-620-9590 at least seven days in advance of the public hearing.

Jobie M. K. Masagatani, Chairman Hawailan Homes Commission February 16, 2018

EXHIBITA

DAVID Y. IGE GOVERNOR STATE OF HAWAII

DOUGLAS S. CHIN LT. GOVERNOR STATE OF HAWAII



JOBIE M. K. MASAGATANI CHAIRMAN HAWAIIAN HOMES COMMISSION

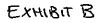
WILLIAM J. AILA, JR. DEPUTY TO THE CHAIRMAN

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS P. O. BOX 1879 HONOLULU, HAWAII 96805

April 5, 2018

Pursuant to section 10-5-23, Hawaii Administrative Rules (HAR), I designate Kaleo Manuel as the presiding officer in my absence over the public hearing for proposed amendments to Title 10, HAR, held pursuant to Chapter 91, Hawaii Revised Statutes on Saturday, April 7, 2018 at Hale Ponoi, 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707 from 11:00 a.m. to 12:00 p.m. or adjournment, whichever is later.

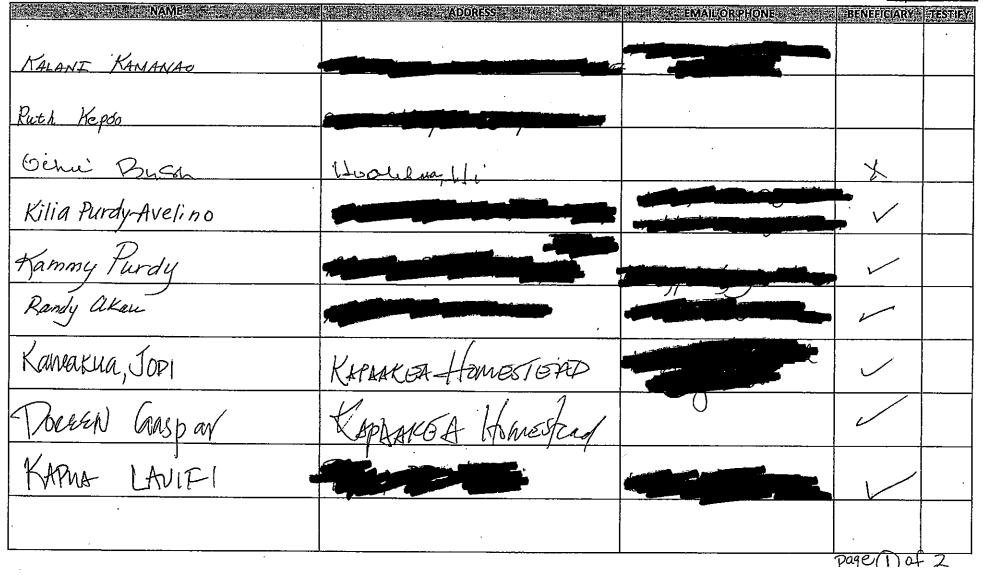
Jobie M. K. Masagatani Chairman, Hawaiian Homes Commission





PUBLIC HEARING FOR PROPOSED AMENDMENTS TITLE 10, HAWAII ADMINSTRATIVE RULES

LOCATION HALE Paue'



EXHIBIT

DEPARTMENT OF HAWAIIAN HOME LANDS

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PUBLIC HEARING FOR PROPOSED AMENDMENTS TITLE 10, HAWAII ADMINSTRATIVE RULES

LOCATION HALE PODOS DATE 4/7118

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Mahelle Lauhane	Larpia Diredocd		. X.	X
Iwalani MiBraye	Kaupea	hand have been	\checkmark	
Liberta Albas	Kanai		ч	
Clayla Haliniak		in the second	V	
Home Schaedel.	Malu'ohan		\checkmark	
Sybi) K. Lopu	Kalamania Mauka HA		\checkmark	
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Name	Written	Comment	Staff Response
		Oral Testimon	ý
Michelle Kauhane	Y	Kapolei, HI. Here as an individual beneficiary - given	<u>10-4-54</u> : the intent of this section is to allow response, which may
		on behalf of myself.	be inconsistent with the plans, to situations like natural disasters
		10-4-54 regarding declaration of emergency by	that pose imminent peril to the health, safety, or welfare of
		governor or mayor. Problematic that state or	homestead communities or Hawaiian home lands. The point that
		county can overrule without action by HHC. I	Hawaiian home lands should not be used for the general public to
		understand the intent is for natural disaster but	the detriment of beneficiaries of the Hawaiian Homes Commission
		would like record to reflect that "declared"	Act is appreciated. Staff notes these rules implement the HHCA,
		emergencies should not impact HHCA. Understand	only. Therefore, action inconsistent with the HHCA is beyond the
		the need, but don't want it to impact use by	scope and not authorized by these rules.
		beneficiaries.	<u>10-4-55 general plan</u> : Each plan will go through the planning
		General Plan: beneficiary consultation important to	process described in the proposed subchapter 4. That planning
		take place as process for "available lands" and	process includes beneficiary consultation under section 10-4-60.
		general leasing is established esp regarding the	The criteria required by 10-4-55(3)-(6) would be determined
		criteria to determine lands not needed for	through beneficiary consultation as part of the planning process.
		homesteading.	<u>10-4-58(d) land dispositions</u> : so noted.
		10-4-58 regarding land dispositions; note every	<u>10-4-60 beneficiary consultation</u> : this section was drafted to allow
		land disposition priority is to a small "n" native	flexibility in determining how consultation should be conducted in
		Hawaiian and, regradless of any plan, the primary	light of the topic as well as the island and communities directly
		purpose under the Act is for native Hawaiian, first.	impacted. This was something discussed at length in consultation
		That primary purpose should supercede any land	for these rules with no clear answer about how to balance input
		use or disposition.	and concerns from the specific impacted community and area with
		10-4-60 regarding beneficiary consultation; there is	that of the broader beneficiary group. Staff believes the current
		not one way but multiple strategies to do	language allows flexibility in approach and methodology while
		consultation that can be used with weight being	safeguarding the integrity of the substance intended to be derived
		given to beneficiaries of the region and/or to allow	from the process. The department's practice in recent years has
		for beneficiaries to provide testimony in different	been to strive to make as much information available as possible.
		forums.	

Sybil Lopez	Y	Kaunanakai, HI. Pres Kalamaula Mauka	10-4-60 beneficiary consultation: staff appreciates the value of
		In 10-4-60 requesting to add a number 4 for	community leadership, organizing, and empowerment. However,
		"community based governance" as in section 201.6	section 201.6 of the HHCA is required to but has not been adopted
		of HHCA. Quoting HHCA 201.6: "It is the policy of	by the U.S. Congress and therefore is not part of the HHCA.
		the state Criteria" I will submit written	Adminstrative rules can only implement what is authrorized by the
		testimony with the support of homestead	ннса.
		association.	
	I	Comment Shee	its
Sybil Lopez		Request for final administrative rules to be mailed	Yes.
Homelani Schaedel		10-4-54(c)(2): what will the application form look	<u>10-4-54(c)(2) interim amendments</u> : the application has not yet
		like and what is meant by "information prescribed	been developed. However, at minimum, the department likely
		by the dept."? What kind of information.	would require a description and explaination of the desired
		10-4-55(1)-(8): How will criteria be established and	amendment itself as well as why it was being requested, including
		when/how will beneficiaries be involved in the	some concrete information that would demonstrate the sincerity
		process?	of the request.
			10-4-55(1)-(8) general plan: see explanation above.
Kilia Purdy-Avelino	1	10-4-54(d)(3): understand the intent is for the	10-4-54(d)(3) declaration of an emergency: see explanation above.
		needs to service public in emergency however,	<u>10-4-58(d) land dispositions</u> : so noted.
		concerned that any "emergency" declared by	
		Governor without HHC approval could be negligent	
		and have a negative effect and misuse of our	
		HHLands.	
		10-4-58: land dispositionthat primary purpose of	
		"n" (beneficiaries) supercedes all	
Michelle Kauhane		10-4-58 re: land dispositions	10-4-58(d)(3) land dispositions: so noted.
	· ·	Every land disposition must give priority to native	
		Hawaiian beneficiary, the primary purpose and	
	}	intent of the act.	

Hale Ponoi 91-5420 Kapolei Pkwy Kapolei, HI 96707	April 7, 2018	Planning System Proposed Rules Public Hearing Testimony
Gayla Heliniak	Request to add to 10-4-60 Beneficiary Consultation, 10-5-60 beneficiary consultation: se	e explanation above.
Sybil Lopez	(4) "community based governance as relates to	
Stephanie Lauifi	HHCA 201.6 community based governance on	
Kilia Purdy-Avelino	Hawaii home lands" (such as homestead	
M. Kammy Purdy	associations)	
Doreen Gaspar		
Liberta Albao		ĺ
Iwalani McBraye		
Michelle Kauhane		

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- FROM: Hokulei Lindsey, Administrative Rules Officer
- SUBJECT: Adoption of Proposed Amendments to Title 10, Hawaii Administrative Rules, Related to the Planning System

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission adopt proposed amendments to Title 10, Hawaii Administrative Rules, related to the planning system, and approve proceeding with promulgation.

DISCUSSION:

Last April, the Department of Hawaiian Home Lands began its process for administrative rulemaking for proposed rules related to the planning system. The chart below contains a summary of the important actions taken by the HHC and the DHHL in that process.

Approval to proceed to beneficiary
consultation
Statewide beneficiary consultation
For information: presentation of
beneficiary consultation report
Acceptance of beneficiary consultation
report
Approval of recommended changes to proposed
rules for the planning system and to
proceed with rulemaking under ch. 91, HRS
Publication of statewide notice for public
hearing under ch. 91, HRS
Public hearing
For information: update of proposed
administrative rules for the planning
system

Staff recommends the proposed planning system rules be adopted without substantive amendment. Most of the comments submitted during the public comment period can be classified as clarification related to understanding intent and implementation of the planning process. One comment requested the specific addition to section 10-4-60 beneficiary consultation of language related to community based governance from section 201.6 of the Hawaiian Homes Commission Act. However, the rules cannot include the community based governance language from section 201.6 of the HHCA because that section is required to be but has not been adopted by the U.S. Congress and, therefore, is not considered part of the Act. Two technical errors were found, which have been corrected:

- 10-4-54 Adoption and amendment procedures. The subsections were misnumbered resulting in two subsections, "Consistency and conflicts" and "Repository" being numbered as (d). "Repository" has been renumbered as (e) to correct the mistake.
- 10-4-60 Beneficiary consultation. The "c" in "Consultation" in the title was capitalized in contradiction to formatting practice such that 'it read "Beneficiary Consultation"; it has been reformatted for compliance to read "Beneficiary consultation."

The proposed rules are attached in Standard and Ramseyer formats.

RECOMMENDATION:

Staff respectfully request approval of the motion as stated above.

ITEM NO. C-5

DEPARTMENT OF HAWAIIAN HOME LANDS

Amendment and Compilation of Chapter 10-4 Hawaii Administrative Rules

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SUMMARY

1. §10-4-2 is amended.

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- A new subchapter 4, consisting of \$\$10-4-51 through 10-4-60, is adopted.
- 3. Chapter 10-4 is compiled.

HAWAII ADMINISTRATIVE RULES

TITLE 10

DEPARTMENT OF HAWAIIAN HOME LANDS

CHAPTER 4

MANAGEMENT OF HAWAIIAN HOME LANDS

Subchapter 1 Land Management

\$10-4-1 Lease of lands \$10-4-2 Consistency with plans \$10-4-3 General lease; extension of term \$\$10-4-4 to 20 (Reserved)

Subchapter 2 Licenses

\$10-4-21 General provisions \$10-4-22 Licenses for easements and public purposes \$10-4-23 Repealed \$10-4-24 Licenses for mercantile establishments \$10-4-25 Licenses to the United States \$10-4-26 Licenses to churches \$\$10-4-27 to 30 (Reserved)

Subchapter 3 Parks

§10-4-31	Parks managed by the department
§10-4-32	Parks managed by other organizations on
	Hawaiian home lands
§10-4-33	Park advisory councils, established
§10-4-34	Use of parks
§10-4-35	Hours of operation
§10-4-36	Closure
§10-4-37	Permits

§10-4-38	Permit application
§10-4-39	Permit approval
\$10-4-40	Permit denial
\$10-4-41	Permit priorities
§10-4-42	Fees
§10-4-43	Penalties
§10-4-44	Commercial and private operations
§§10-4-45	to 50 (Reserved)

Subchapter 4 Planning System

§10-4-51	Purpose
§10-4-52	Definitions
§10-4-53	General framework
§10-4-54	Adoption and amendment procedures
§ 10−4−55	General plan (tier 1)
§10-4-56	Island and program plans (tier 2)
§ 10−4−57	Development, regional, and special area
	plans (tier 3)
§10-4-58	Implementation
§10-4-59	Evaluation
§10-4-60	Beneficiary consultation

<u>Historical Note</u>: Chapter 4 of Title 10, Hawaii Administrative Rules, is based substantially upon Parts III and V, Rules and Regulations, Department of Hawaiian Home Lands. [Eff 8/11/72; am 11/14/77; R 7/30/81]

SUBCHAPTER 1

LAND MANAGEMENT

§10-4-1 Lease of lands. The department may lease, license, or otherwise deal with any Hawaiian home lands as may not be immediately needed for the purposes of the act as provided by section 204(2) of the act and chapter 171, HRS, upon such terms and conditions as it may deem fair and reasonable. [Eff 7/30/81; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-2 Consistency with Plans. The department shall 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. [Eff 7/30/81; am and comp 10/26/98; am and comp] (Auth: HHC Act \$222) (Imp: HHC Act, all)

\$10-4-3 General lease; extension of term. (a) The department may extend the term of a general lease of Hawaiian home lands for commercial or multipurpose projects to make improvements to the lease property, or obtain financing for the improvement of the leased lands. Such extension requires approval by the department of a written agreement proposed by the general lessee, or the general lessee and developer, as provided in section 228 of the act.

(b) The general lessee, or the general lessee and general developer, shall meet and satisfy all requirements as referenced in Section 228 of the act.

(c) The lease extension shall be based upon the improvement made or to be made, shall be no more than twenty years, and shall be granted only once.

(d) Before the written agreement is approved, the lessee, or the lessee and developer, shall submit to the department the plans and specifications for the proposed development. The department shall review the plans, specifications, and the written agreement and determine:

- Whether the development is of sufficient value and meets the priorities of the commission to justify an extension of the lease;
- (2) The estimated time needed to complete the

improvements and expected date of completion of the improvements; and

(3) The minimum revised annual rent based on the fair market value of the lands to be developed, as determined by an appraiser for the Department, and percentage rent where gross receipts exceed a specified amount.

(e) The approval of any extension shall be subject to the following:

- (1) The demised premises are used in a manner substantially consistent with the use and purpose for which they were originally leased;
- (2) The rental shall not be less than the rental for the preceding term; and
- (3) Any additional terms and conditions set forth by the commission and deemed prudent and responsible. [Eff 11/29/14; comp] (Auth: HHC Act §222) (Imp: HHC Act §228)

§§10-4-4 to 10-4-20 (Reserved).

SUBCHAPTER 2

LICENSES

§10-4-21 General provisions. (a) Applications for licenses shall be made in writing and shall state the applicant's status, type and location of the land desired, proposed use of the land, the services or facilities to be provided and the term of the license.

(b) The department may negotiate the issuance of a license. The department shall determine such terms and conditions of a license as it deems prudent, reasonable, and proper and in accordance with this chapter and subject to the commission's approval.

(c) Except as provided in subsection (d), the applicant shall pay all costs incurred by the department for the processing of a license application, including but not limited to, costs of advertisement, survey, and appraisal. The applicant shall remit to the department, together with its application, a nonrefundable deposit in the sum of \$200. The applicant shall pay upon execution, the balance of the cost incurred by the department for processing the application in excess of the deposit.

(d) All processing costs may be reduced or waived when the department initiates action for license awards, or the department determines that the license benefits native Hawaiians or the department.

(e) The license rental rate shall be established by appraisal whenever prudent management so dictates. The department may:

- Require the licensee to hire an independent appraiser, provided the appraiser is mutually agreed upon by the department and the licensee;
- (2) Enter into contracts for appraisal; or
- (3) Make its own appraisal.

The licensee shall pay the cost of all appraisals, whether hired by the licensee or contracted for by the department. When a member of the department staff does the required appraisal, the applicant shall pay to the department a sum which is reasonably comparable to the current rate for similar appraisals contracted for in the private sector. Where prudent management does not dictate the rental rate be established by appraisal, the department may negotiate the rental rate of a license. If the proposed use benefits other than native Hawaiians, the department may grant the license and the annual rental shall be established by appraisal. If the use benefits the department or native Hawaiians, the department may set a nominal rental rate.

(f) If a survey of the requested licensed area is required by the department, the licensee shall have

the survey performed at the licensee's own cost. If the department is requested to provide the survey, the licensee shall pay all costs incurred by the department for the survey. The department may require an additional deposit in the amount of the estimated cost for such survey as determined by the department. [Eff 7/30/81; am 2/3/83; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §207(c))

§10-4-22 Licenses for easements and public purposes. Licenses as easements for railroads, telephone lines, electric power and light lines, gas mains and the like, and licenses for improvements for public purposes, including but not limited to schools, post offices, parks, beaches, fire stations, and other public facilities may be granted, in perpetuity or a specified term, subject to reverter to the department upon termination or abandonment, on such terms and conditions as may be prudently and reasonably set by the department. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98; comp (Auth: HHC Act 1 \$222) (Imp: HHC Act \$207(c))

\$10-4-23 REPEALED. [R 11/17/84]

§10-4-24 Licenses for mercantile establishments. (a) The department may issue licenses for mercantile establishments, all of which shall be owned by native Hawaiians or organizations formed and controlled by native Hawaiians as provided in section 207(c)(1)(B) of the act.

(b) Mercantile licenses offered upon department initiative shall be disposed of in the following manner:

(1) The department shall give notice, once in

each of two successive weeks in a newspaper of general circulation in the State, of its intention to license Hawaiian home lands for mercantile purposes setting forth the minimum conditions thereunder and the use for which the land will be licensed. Any native Hawaiian or organizations formed or controlled by native Hawaiians interested in securing the license shall file an application with the department not later than thirty days after the publication of the notice;

- (2) If there is only one applicant for the license, the department, after notice as provided in paragraph (1), may dispose of the license; and
- (3) If there are two or more applicants for the license, the department shall select the applicant who submits the highest offer contained in a sealed bid deposited with the department.

(c) The rental for the license to be issued shall be determined by the department, based on the flat rate per square foot, or appraisal, or on a percentage of the gross sales receipt of the licensee. Upon a request of a native Hawaiian, the department may negotiate the issuance of a mercantile license subject to the approval of the commission under section 10-4-21(b).

(d) Section 10-4-21(d) shall not apply to this section. Mercantile licensees shall pay all processing costs, including but not limited to advertisement, survey, and appraisal. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §207(c))

\$10-4-25 Licenses to the United States. (a) The department may grant licenses to the United States for reservations, roads, and other rights-of-way, water

storage and distribution facilities.

(b) Licenses issued or granted to the United States shall not restrict the area required by the department in carrying on its duties nor interfere in any way with the department's operation or maintenance activities.

(c) Licenses issued to the United States shall be at rentals as established by appraisal.

(d) The method of rental payment may include, but not be limited to, compensatory services rendered to the department. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$207(c))

§10-4-26 Licenses to churches. (a) The department may issue licenses to churches within a homestead district provided:

- (1) The aggregate number of churches in the homestead district does not exceed two per cent of the total number of lessees in the district; and
- (2) If land is available, a petition of those who wish to establish a church shall include names of at least twenty per cent of the lessees in the homestead district.

(b) Churches existing on Hawaiian home lands before November 14, 1977 shall be exempt from the requirements of subsection (a)(1).

(c) The annual rental for licenses issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater.

(d) For the purposes of this section, homestead districts are Hawaiian home lands which have been homesteaded within an ahupua'a or lesser subdivision thereof. [Eff 7/3/81; am 2/3/83; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$207)

\$\$10-4-27 to 10-4-30 (Reserved).

4-8

SUBCHAPTER 3

PARKS

§10-4-31 Parks managed by the department. The department, from time to time, may establish and manage parks on lands not immediately needed for the purposes of the act. The department, in accordance with the rules established in this chapter, shall make all decisions with respect to the operations of these parks. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-32 Parks managed by other organizations on Hawaiian home lands. The department may, from time to time, establish parks on lands not immediately needed for the purposes of the act. The department may license parks for other organizations to manage under such terms and conditions as the commission may deem necessary as provided by sections 204 and 207 of the act and chapter 171, HRS. (a) In cases where parks are licensed to county, state, or federal agencies for management, the applicable rules of the licensee, as limited by the license's terms and conditions, shall be used in the management of these parks; and it shall be the licensee's responsibility and duty to enforce the applicable rules.

(b) In cases where parks are licensed to other organizations, the rules of the licensee, as approved by the commission and as limited by the license's terms and conditions, shall be used in the management of these parks; and it shall be the licensee's responsibility and duty to enforce the applicable rules. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-33 Park advisory councils, established. There shall be established a park advisory council in each area where the department operates a district office. Each council shall meet at least once a year and shall be administratively attached to the district office in which the council is established. Each council shall consist of five members appointed by the chairman and confirmed by the commission; provided that each member shall be a native Hawaiian, at least eighteen years of age and a resident of the area served by the district office in which the council is established. Each member shall be appointed for a term of two years. Members of each park advisory council shall serve without compensation. The purpose of each park advisory council shall be to advise the department on rules, practices and activities on and affecting parks that are in the area where the park advisory council is established and are under the management of the department as provided in section 10-4-32. [Eff and comp 10/26/98; comp] (Auth: HHCA Act §222) (Imp: HHCA Act §204)

\$10-4-34 Use of parks. The following minimum restrictions apply to department parks:

- The use or possession of alcoholic beverages is prohibited;
- (2) Boating vessels or any similar buoyant devices are prohibited where posted;
- (3) The construction of any buildings, facilities, memorials, or other similar structures is strictly prohibited except with written permission from the department;
- (4) Fires may be built only in areas where the fire can be confined to fireplaces or grills. No person shall allow a fire to burn in a manner that surrounding shrubs, grasses, trees, or structures will be damaged. Fires shall not be left unattended. Portable stoves or warming devices may be used in designated camping

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and picnicking areas unless otherwise prohibited;

- (5) All geologic, historic, and archaeological features must be left undisturbed;
- (6) Unreasonably loud noises or unreasonably loud amplified music is prohibited. The decibel level standards shall comply with chapter 342F, HRS, state rules, and county ordinances;
- (7) Activities which may cause disturbances are prohibited unless generally allowed within specific areas of the park. A list of examples of prohibited activities, if any, shall be established by the department in consultation with the park advisory council. This list shall be posted within the district office;
- (8) Driving and parking of vehicles is allowed only on defined roads and in designated parking areas. Vehicles illegally parked or left unattended in closed areas may be impounded or towed to a place of storage, with towing and storage fines charged pursuant to Section 290-11, HRS.
- (9) Pets and other animals shall be leashed or otherwise under physical restrictive control at all times, and are not permitted where signs prohibiting animals are posted. Persons responsible for any animal on the premises shall also be responsible for the clean up and proper disposal of animal droppings and for restoration for any damage caused by the animal;
- (10) Except for maintenance authorized by the department, plants are to be left undisturbed. Where permitted by the department, reasonable quantities of plant material such as leaves, flowers, fruits and seeds may be gathered for personal use;
- (11) Skating, skateboarding, and golfing are prohibited unless otherwise posted;
- (12) Soliciting or panhandling is prohibited.

The sale of any goods, food, or services are prohibited unless specifically allowed in writing by the department; such permission will require the appropriate health and other public permits;

- (13) All waste must be placed in trash cans. Trash from large events must be bagged, securely tied, and disposed of appropriately. The department may require that trash from large events be removed from the premises by park users;
- (14) Wildlife and their habitats must be left undisturbed except where hunting and fishing are permitted subject to all applicable federal, state and county laws, rules, and regulations;
- (15) Picnicking. A person may picnic in the parks except in designated campgrounds and in those locations where prohibited; the department shall post appropriate signage. The department may also establish reasonable limitations on the length of time any person may use picnicking facilities; and
- (16) All criminal activities prohibited under federal and state laws or county ordinances are also prohibited on Hawaiian home lands. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-35 Hours of operation. The department shall establish the hours during which the parks will be open. Hours of operation shall be posted in each district office and may vary depending on the location of the park and the season of the year. Anyone using a park during the hours when the park is closed may be considered a trespasser and may be subject to prosecution. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204). **\$10-4-36 Closure.** At the discretion of the department, a park may be closed for renovation, for safety or for security purposes. The department shall post notice of closure at the district office in which the park is located and at the specific park. [Eff and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$204)

§10-4-37 Permits. The department shall post permit requirements in the applicable district office. The department shall attach a copy of permit requirements to approved permits. Park use permits are required for:

- (1) Any group with 26 or more park users;
- (2) Exclusive use of any pavilions; or
- (3) Overnight camping.

The department may require security, traffic control, portable toilets, extra trash receptacles, lifequards, insurance, security deposits or any other items that the department, in its sole discretion, may deem necessary, given the size and complexity of the event for which the permit is issued. The department shall determine the maximum size for any event and the maximum length of stay for overnight camping, and shall post those limits in the district offices. Anyone required to have a permit shall have the appropriate permit and identification at the park at all times and shall, upon request, show those items to law enforcement officers and other authorized representatives. Anyone without a required permit may be considered a trespasser and may be subject to prosecution. [Eff and comp 10/26/98; (Auth: HHC Act §222) (Imp: comp 1 HHC Act §204)

\$10-4-38 Permit application. An application for a park use permit may be obtained at the appropriate

district office, subject to the following minimum guidelines and any other additional provisions that the department may deem necessary:

- Permit applications may be filed from 8:00

 a.m. to 4:00 p.m., Monday through Friday,
 except holidays;
- (2) Permit applicants must be 18 years or older;
- (3) Permit applications must be in writing on a form provided by the department and contain all information required; and
- (4) Permit applications for events or exclusive use of facilities must be received at least fourteen calendar days before the event and no earlier than one calendar year in advance;
- (5) Camping permit applications must be received at least one working day before the requested date and no earlier than ninety days in advance. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-39 Permit Approval. Park use permits shall be approved or denied by the district office supervisor in whose jurisdiction the park is located. Persons who have been denied a permit may make written requests for reconsideration to the chairperson. Permits shall not be transferred. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

§10-4-40 Permit Denial. Permits may be denied when:

- (1) The premises or park facilities are closed;
- (2) The person applying for the permit has received a permit during the previous ninety days;
- (3) There are inadequate facilities to meet the

needs of the applicant for the permit;

- (4) The premises or facilities will be used by persons other than the person applying for the permit; or
- (5) The person applying for the permit has a prior record of noncompliance with permit conditions or has committed prior violations of this subchapter. [Eff and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$204)

\$10-4-41 Permit priorities. In general, permits
shall be issued on a first-come, first-served basis,
with preference given to native Hawaiian beneficiaries
and organizations. In no case, however, shall a
native Hawaiian be discriminated against because of
place of residence. [Eff and comp 10/26/98;
comp] (Auth: HHC Act §222) (Imp:
HHC Act §204)

\$10-4-42 Fees. The department, in consultation
with the park advisory council, may establish fees for
the use of park facilities. Special fees may be
charged for events that require unusual departmental
assistance. Fees charged by the department shall be
made known to the park user before a permit is issued.
Additionally, deposits may be required of any permit
recipient in order to ensure that rules are met and
the area is left in a clean and sanitary condition. A
notice listing any required fees or deposits shall be
posted in the applicable district office. [Eff and
comp 10/26/98; comp] (Auth: HHC Act
\$222) (Imp: HHC Act \$204)

§10-4-43 Penalties. (a) All permittees shall, upon request, show the permit to any law enforcement

officer or authorized representative. Anyone using the park without a required permit may be asked to leave. Any such person who refuses to leave may be considered a trespasser and may be subject to prosecution.

(b) Anyone violating the provisions of this subchapter may be required to repair or pay for any damage to public or private property, may be subject to confiscation of equipment used in the violation, and may be subject to applicable charges under the law. All plants, objects, or artifacts removed illegally from the premises shall be returned to the department. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp:

HHC Act §204)

§10-4-44 Commercial and private operations. The following activities are prohibited in department parks:

- (1) Engaging in or soliciting business;
- (2) Displaying, posting or distributing notices or advertisements; and
- (3) Filming, photographing, video and audio recording, or any other media production that involves the use of professional casts, models, setting, or crews, by any person other than legitimate newspaper or television news personnel.

Exceptions to the above may be granted in writing by the chairperson subject to any terms, conditions, and fees deemed by the chairperson to be fair and reasonable. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

§§10-4-45 to 10-4-50 (Reserved).

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

direct outreach to lessees, applicants, and native Hawaiians as defined by the act 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, legislation, 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)

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\$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.

- 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;
- (2) Tier 2. The plans in tier 2 shall be reviewed every eight years and updated at the discretion of the department if an update is justified.
- (3) Tier 3. The plans in tier 3 shall be reviewed every four years and updated at the discretion of the department if an update is justified.

(c) Interim amendments. Between comprehensive updates, tier 1 and tier 2 plans 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 shall 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; or

- (2) A beneficiary may submit an application form requesting the chairman to initiate an interim amendment. 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.
- 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.

(e) 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:

- Establish a uniform system of land use designations that all island plans shall use;
- (2) Establish the relationship between land use designations and the applicable types of land dispositions;
- (3) Establish criteria to identify suitable lands for homesteading;
- (4) Establish criteria to determine available lands not required for homesteading within the planning period;
- (5) Establish criteria to identify lands for revenue generation;
- (6) Establish criteria to identify lands for community use and policies to govern how the community could manage such lands for community building;
- (7) Establish level of service standards for infrastructure and community facilities, or specify a program plan or methodology to develop such standards; and
- (8) 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:

- 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) Analyze state and county plans to identify potential impact on department land use and infrastructure.

(b) Program plans. Program plans are statewide plans that inform or carry out general plan policies and priorities for specific functional areas, such as but not limited to affordable housing, native Hawaiian development, energy, disaster preparedness, community resiliency, agriculture, 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 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.

Regional plans. (b) 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, analyze state and county plans to identify potential impact on homestead areas, and identify a prioritized list of projects important to the community and the department. The chairman may prepare a regional plan with the support of a majority vote of the commission.

(c) Special area plans. Where an island plan designates special districts, the chairman may prepare a special area plan with the support of a majority vote of the commission. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

\$10-4-58 Implementation. (a) Budgets, legislation, 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. The overall strategy should: link budgets to policies, programs, and plans; establish homestead and revenue-generation development priorities; identify disposition strategies for unencumbered lands; and identify high priority regional plan projects that are likely to be implemented within the timeframe covered by the strategy.

(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 consistent with the plans and overall strategy. The 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, and aligned with the land uses identified in the island lands. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

\$10-4-59 Evaluation. The purpose of an evaluation system is to improve the planning system and implementation effectiveness. The chairman shall present an 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 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. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

\$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. Placebased 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)

4-25

Amendments and compilation of chapter 10-4, Hawaii Administrative Rules, on the Summary page dated [], were adopted on [], following a public hearing held on April 7, 2018, after public notice was given in the Honolulu Star Advertiser, Hawaii Tribune-Herald, West Hawaii Today, the Maui News, and the Garden Island News on March 4 and March 7, 2018, and in the Molokai Dispatch on February 28, 2018 and March 7, 2018.

These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

JOBIE M. K. MASAGATANI Chairman Hawaiian Homes Commission

APPROVED AS TO FORM:

Deputy Attorney General

DAVID Y. IGE Governor State of Hawaii

Date:

Filed

DEPARTMENT OF HAWAIIAN HOME LANDS

Amendment and Compilation of Chapter 10-4 Hawaii Administrative Rules

]

[

1. Chapter 10-4, Hawaii Administrative Rules, entitled "Management of Hawaiian Home Lands", is amended and compiled to read as follows:

"HAWAII ADMINISTRATIVE RULES

TITLE 10

DEPARTMENT OF HAWAIIAN HOME LANDS

CHAPTER 4

MANAGEMENT OF HAWAIIAN HOME LANDS

Subchapter 1 Land Management

\$10-4-1 Lease of lands \$10-4-2 Consistency with plans \$10-4-3 General lease; extension of term \$\$10-4-4 to 20 (Reserved)

Subchapter 2 Licenses

§10-4-21	General provisions					
\$10-4-22 [.]	Licenses for easements and public purposes					
§10-4-23	Repealed					
§10-4-24	Licenses for mercantile establishments					
§10-4-25	Licenses to the United States					

\$10-4-26 Licenses to churches \$\$10-4-27 to 30 (Reserved)

Subchapter 3 Parks

§10-4-31	Parks managed by the department
§10-4-32	Parks managed by other organizations on
	Hawaiian home lands
§10-4-33	Park advisory councils, established
§10-4-34	Use of parks
§10-4-35	Hours of operation
§10-4-36	Closure
§10-4-37	Permits
§10-4-38	Permit application
§10-4-39	Permit approval
§10-4-40	Permit denial
§10-4-41	Permit priorities
§10-4-42	Fees
§10-4-43	Penalties
§10-4-44	Commercial and private operations
§§10-4-45	to 50 (Reserved)

Subchapter 4 Planning System

§1	0-	4 –	51	Purpose
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§10-4-53	General	framewor
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\$10-4-54 Adoption and amendment procedures

§10-4-55	General	plan	(tier	1)	
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\$10-4-56 Island and program plans (tier 2)

\$10-4-57 Development, regional, and special area
plans (tier 3)

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- \$10-4-58 Implementation
- \$10-4-59 Evaluation
- \$10-4-60 Beneficiary consultation

<u>Historical Note</u>: Chapter 4 of Title 10, Hawaii Administrative Rules, is based substantially upon Parts III and V, Rules and Regulations, Department of Hawaiian Home Lands. [Eff 8/11/72; am 11/14/77; R 7/30/81]

SUBCHAPTER 1

LAND MANAGEMENT

\$10-4-1 Lease of lands. The department may lease, license, or otherwise deal with any Hawaiian home lands as may not be immediately needed for the purposes of the act as provided by section 204(2) of the act and chapter 171, HRS, upon such terms and conditions as it may deem fair and reasonable. [Eff 7/30/81; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$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)

\$10-4-3 General lease; extension of term. (a) The department may extend the term of a general lease of Hawaiian home lands for commercial or multipurpose projects to make improvements to the lease property, or obtain financing for the improvement of the leased lands. Such extension requires approval by the department of a written agreement proposed by the general lessee, or the general lessee and developer, as provided in section 228 of the act.

(b) The general lessee, or the general lessee and general developer, shall meet and satisfy all requirements as referenced in Section 228 of the act. (c) The lease extension shall be based upon the improvement made or to be made, shall be no more than twenty years, and shall be granted only once.

(d) Before the written agreement is approved, the lessee, or the lessee and developer, shall submit to the department the plans and specifications for the proposed development. The department shall review the plans, specifications, and the written agreement and determine:

- Whether the development is of sufficient value and meets the priorities of the commission to justify an extension of the lease;
- (2) The estimated time needed to complete the improvements and expected date of completion of the improvements; and
- (3) The minimum revised annual rent based on the fair market value of the lands to be developed, as determined by an appraiser for the Department, and percentage rent where gross receipts exceed a specified amount.

(e) The approval of any extension shall be subject to the following:

- The demised premises are used in a manner substantially consistent with the use and purpose for which they were originally leased;
- (2) The rental shall not be less than the rental for the preceding term; and
- (3) Any additional terms and conditions set forth by the commission and deemed prudent and responsible. [Eff 11/29/14; comp] (Auth: HHC Act §222) (Imp: HHC Act §228)

\$\$10-4-4 to 10-4-20 (Reserved).

SUBCHAPTER 2

LICENSES

\$10-4-21 General provisions. (a) Applications for licenses shall be made in writing and shall state the applicant's status, type and location of the land desired, proposed use of the land, the services or facilities to be provided and the term of the license.

(b) The department may negotiate the issuance of a license. The department shall determine such terms and conditions of a license as it deems prudent, reasonable, and proper and in accordance with this chapter and subject to the commission's approval.

(c) Except as provided in subsection (d), the applicant shall pay all costs incurred by the department for the processing of a license application, including but not limited to, costs of advertisement, survey, and appraisal. The applicant shall remit to the department, together with its application, a nonrefundable deposit in the sum of \$200. The applicant shall pay upon execution, the balance of the cost incurred by the department for processing the application in excess of the deposit.

(d) All processing costs may be reduced or waived when the department initiates action for license awards, or the department determines that the license benefits native Hawaiians or the department.

(e) The license rental rate shall be established by appraisal whenever prudent management so dictates. The department may:

- Require the licensee to hire an independent appraiser, provided the appraiser is mutually agreed upon by the department and the licensee;
- (2) Enter into contracts for appraisal; or
- (3) Make its own appraisal.

The licensee shall pay the cost of all appraisals, whether hired by the licensee or contracted for by the

department. When a member of the department staff does the required appraisal, the applicant shall pay to the department a sum which is reasonably comparable to the current rate for similar appraisals contracted for in the private sector. Where prudent management does not dictate the rental rate be established by appraisal, the department may negotiate the rental rate of a license. If the proposed use benefits other than native Hawaiians, the department may grant the license and the annual rental shall be established by appraisal. If the use benefits the department or native Hawaiians, the department may set a nominal rental rate.

(f) If a survey of the requested licensed area is required by the department, the licensee shall have the survey performed at the licensee's own cost. If the department is requested to provide the survey, the licensee shall pay all costs incurred by the department for the survey. The department may require an additional deposit in the amount of the estimated cost for such survey as determined by the department. [Eff 7/30/81; am 2/3/83; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §207(c))

\$10-4-22 Licenses for easements and public purposes. Licenses as easements for railroads, telephone lines, electric power and light lines, gas mains and the like, and licenses for improvements for public purposes, including but not limited to schools, post offices, parks, beaches, fire stations, and other public facilities may be granted, in perpetuity or a specified term, subject to reverter to the department upon termination or abandonment, on such terms and conditions as may be prudently and reasonably set by [Eff 7/30/81; am 11/17/84; am and the department. comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$207(c))

§10-4-23 REPEALED. [R 11/17/84]

\$10-4-24 Licenses for mercantile establishments. (a) The department may issue licenses for mercantile establishments, all of which shall be owned by native Hawaiians or organizations formed and controlled by native Hawaiians as provided in section 207(c)(l)(B) of the act.

(b) Mercantile licenses offered upon department initiative shall be disposed of in the following manner:

- (1) The department shall give notice, once in each of two successive weeks in a newspaper of general circulation in the State, of its intention to license Hawaiian home lands for mercantile purposes setting forth the minimum conditions thereunder and the use for which the land will be licensed. Any native Hawaiian or organizations formed or controlled by native Hawaiians interested in securing the license shall file an application with the department not later than thirty days after the publication of the notice;
- (2) If there is only one applicant for the license, the department, after notice as provided in paragraph (1), may dispose of the license; and
- (3) If there are two or more applicants for the license, the department shall select the applicant who submits the highest offer contained in a sealed bid deposited with the department.

(c) The rental for the license to be issued shall be determined by the department, based on the flat rate per square foot, or appraisal, or on a percentage of the gross sales receipt of the licensee. Upon a request of a native Hawaiian, the department may negotiate the issuance of a mercantile license subject to the approval of the commission under section 10-4-21(b).

(d) Section 10-4-21(d) shall not apply to this section. Mercantile licensees shall pay all processing costs, including but not limited to advertisement, survey, and appraisal. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §207(c))

§10-4-25 Licenses to the United States. (a) The department may grant licenses to the United States for reservations, roads, and other rights-of-way, water storage and distribution facilities.

(b) Licenses issued or granted to the United States shall not restrict the area required by the department in carrying on its duties nor interfere in any way with the department's operation or maintenance activities.

(c) Licenses issued to the United States shall be at rentals as established by appraisal.

(d) The method of rental payment may include, but not be limited to, compensatory services rendered to the department. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$207(c))

§10-4-26 Licenses to churches. (a) The department may issue licenses to churches within a homestead district provided:

- (1) The aggregate number of churches in the homestead district does not exceed two per cent of the total number of lessees in the district; and
- (2) If land is available, a petition of those who wish to establish a church shall include names of at least twenty per cent of the lessees in the homestead district.

(b) Churches existing on Hawaiian home lands before November 14, 1977 shall be exempt from the requirements of subsection (a)(1).

(c) The annual rental for licenses issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater.

(d) For the purposes of this section, homestead districts are Hawaiian home lands which have been homesteaded within an ahupua'a or lesser subdivision thereof. [Eff 7/3/81; am 2/3/83; am 11/17/84; am and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$207)

\$\$10-4-27 to 10-4-30 (Reserved).

SUBCHAPTER 3

PARKS

\$10-4-31 Parks managed by the department. The department, from time to time, may establish and manage parks on lands not immediately needed for the purposes of the act. The department, in accordance with the rules established in this chapter, shall make all decisions with respect to the operations of these parks. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-32 Parks managed by other organizations on Hawaiian home lands. The department may, from time to time, establish parks on lands not immediately needed for the purposes of the act. The department may license parks for other organizations to manage under such terms and conditions as the commission may deem necessary as provided by sections 204 and 207 of the act and chapter 171, HRS. (a) In cases where parks are licensed to county, state, or federal agencies for management, the applicable rules of the licensee, as limited by the license's terms and conditions, shall be used in the management of these parks; and it shall be the licensee's responsibility and duty to enforce the applicable rules.

(b) In cases where parks are licensed to other organizations, the rules of the licensee, as approved by the commission and as limited by the license's terms and conditions, shall be used in the management of these parks; and it shall be the licensee's responsibility and duty to enforce the applicable rules. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-33 Park advisory councils, established. There shall be established a park advisory council in each area where the department operates a district office. Each council shall meet at least once a year and shall be administratively attached to the district office in which the council is established. Each council shall consist of five members appointed by the chairman and confirmed by the commission; provided that each member shall be a native Hawaiian, at least eighteen years of age and a resident of the area served by the district office in which the council is established. Each member shall be appointed for a term of two years. Members of each park advisory council shall serve without compensation. The purpose of each park advisory council shall be to advise the department on rules, practices and activities on and affecting parks that are in the area where the park advisory council is established and are under the management of the department as provided in section 10-4-32. [Eff and comp 10/26/98; comp] (Auth: HHCA Act §222) (Imp: HHCA Act §204)

\$10-4-34 Use of parks. The following minimum restrictions apply to department parks:

- The use or possession of alcoholic beverages is prohibited;
- (2) Boating vessels or any similar buoyant devices are prohibited where posted;
- (3) The construction of any buildings, facilities, memorials, or other similar structures is strictly prohibited except with written permission from the department;
- (4) Fires may be built only in areas where the fire can be confined to fireplaces or grills. No person shall allow a fire to burn in a manner that surrounding shrubs, grasses, trees, or structures will be damaged. Fires shall not be left unattended. Portable stoves or warming devices may be used in designated camping and picnicking areas unless otherwise prohibited;
- (5) All geologic, historic, and archaeological features must be left undisturbed;
- (6) Unreasonably loud noises or unreasonably loud amplified music is prohibited. The decibel level standards shall comply with chapter 342F, HRS, state rules, and county ordinances;
- (7) Activities which may cause disturbances are prohibited unless generally allowed within specific areas of the park. A list of examples of prohibited activities, if any, shall be established by the department in consultation with the park advisory council. This list shall be posted within the district office;
- (8) Driving and parking of vehicles is allowed only on defined roads and in designated parking areas. Vehicles illegally parked or left unattended in closed areas may be impounded or towed to a place of storage, with towing and storage fines charged pursuant to Section 290-11, HRS.

- (9) Pets and other animals shall be leashed or otherwise under physical restrictive control at all times, and are not permitted where signs prohibiting animals are posted. Persons responsible for any animal on the premises shall also be responsible for the clean up and proper disposal of animal droppings and for restoration for any damage caused by the animal;
- (10) Except for maintenance authorized by the department, plants are to be left undisturbed. Where permitted by the department, reasonable quantities of plant material such as leaves, flowers, fruits and seeds may be gathered for personal use;
- (11) Skating, skateboarding, and golfing are prohibited unless otherwise posted;
- (12) Soliciting or panhandling is prohibited. The sale of any goods, food, or services are prohibited unless specifically allowed in writing by the department; such permission will require the appropriate health and other public permits;
- (13) All waste must be placed in trash cans. Trash from large events must be bagged, securely tied, and disposed of appropriately. The department may require that trash from large events be removed from the premises by park users;
- (14) Wildlife and their habitats must be left undisturbed except where hunting and fishing are permitted subject to all applicable federal, state and county laws, rules, and regulations;
- (15) Picnicking. A person may picnic in the parks except in designated campgrounds and in those locations where prohibited; the department shall post appropriate signage. The department may also establish reasonable limitations on the length of time any person may use picnicking facilities; and
- (16) All criminal activities prohibited under

federal and state laws or county ordinances are also prohibited on Hawaiian home lands. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-35 Hours of operation. The department shall establish the hours during which the parks will be open. Hours of operation shall be posted in each district office and may vary depending on the location of the park and the season of the year. Anyone using a park during the hours when the park is closed may be considered a trespasser and may be subject to prosecution. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-36 Closure. At the discretion of the department, a park may be closed for renovation, for safety or for security purposes. The department shall post notice of closure at the district office in which the park is located and at the specific park. [Eff and comp 10/26/98; comp] (Auth: HHC Act \$222) (Imp: HHC Act \$204)

\$10-4-37 Permits. The department shall post permit requirements in the applicable district office. The department shall attach a copy of permit requirements to approved permits. Park use permits are required for:

- (1) Any group with 26 or more park users;
- (2) Exclusive use of any pavilions; or
- (3) Overnight camping.

The department may require security, traffic control, portable toilets, extra trash receptacles, lifeguards, insurance, security deposits or any other items that the department, in its sole discretion, may

deem necessary, given the size and complexity of the event for which the permit is issued. The department shall determine the maximum size for any event and the maximum length of stay for overnight camping, and shall post those limits in the district offices. Anyone required to have a permit shall have the appropriate permit and identification at the park at all times and shall, upon request, show those items to law enforcement officers and other authorized representatives. Anyone without a required permit may be considered a trespasser and may be subject to prosecution. [Eff and comp 10/26/98; (Auth: HHC Act §222) (Imp:] comp HHC Act §204)

\$10-4-38 Permit application. An application for a park use permit may be obtained at the appropriate district office, subject to the following minimum guidelines and any other additional provisions that the department may deem necessary:

- (1) Permit applications may be filed from 8:00
 a.m. to 4:00 p.m., Monday through Friday,
 except holidays;
- (2) Permit applicants must be 18 years or older;
- (3) Permit applications must be in writing on a form provided by the department and contain all information required; and
- (4) Permit applications for events or exclusive use of facilities must be received at least fourteen calendar days before the event and no earlier than one calendar year in advance;

(5) Camping permit applications must be received at least one working day before the requested date and no earlier than ninety days in advance. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204) \$10-4-39 Permit Approval. Park use permits shall be approved or denied by the district office supervisor in whose jurisdiction the park is located. Persons who have been denied a permit may make written requests for reconsideration to the chairperson. Permits shall not be transferred. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-40 Permit Denial. Permits may be denied when:

- (1) The premises or park facilities are closed;
- (2) The person applying for the permit has received a permit during the previous ninety days;
- (3) There are inadequate facilities to meet the needs of the applicant for the permit;
- (4) The premises or facilities will be used by persons other than the person applying for the permit; or
- (5) The person applying for the permit has a prior record of noncompliance with permit conditions or has committed prior violations of this subchapter. [Eff and comp 10/26/98; comp } (Auth: HHC Act \$222) (Imp: HHC Act \$204)

\$10-4-41 Permit priorities. In general, permits shall be issued on a first-come, first-served basis, with preference given to native Hawaiian beneficiaries and organizations. In no case, however, shall a native Hawaiian be discriminated against because of place of residence. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

§10-4-42 Fees. The department, in consultation with the park advisory council, may establish fees for the use of park facilities. Special fees may be charged for events that require unusual departmental assistance. Fees charged by the department shall be made known to the park user before a permit is issued. Additionally, deposits may be required of any permit recipient in order to ensure that rules are met and the area is left in a clean and sanitary condition. Α notice listing any required fees or deposits shall be posted in the applicable district office. [Eff and comp 10/26/98; comp 1 (Auth: HHC Act \$222) (Imp: HHC Act \$204)

\$10-4-43 Penalties. (a) All permittees shall, upon request, show the permit to any law enforcement officer or authorized representative. Anyone using the park without a required permit may be asked to leave. Any such person who refuses to leave may be considered a trespasser and may be subject to prosecution.

(b) Anyone violating the provisions of this subchapter may be required to repair or pay for any damage to public or private property, may be subject to confiscation of equipment used in the violation, and may be subject to applicable charges under the law. All plants, objects, or artifacts removed illegally from the premises shall be returned to the department. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$10-4-44 Commercial and private operations. The following activities are prohibited in department parks:

- (1) Engaging in or soliciting business;
- (2) Displaying, posting or distributing notices or advertisements; and

(3) Filming, photographing, video and audio recording, or any other media production that involves the use of professional casts, models, setting, or crews, by any person other than legitimate newspaper or television news personnel.

Exceptions to the above may be granted in writing by the chairperson subject to any terms, conditions, and fees deemed by the chairperson to be fair and reasonable. [Eff and comp 10/26/98; comp] (Auth: HHC Act §222) (Imp: HHC Act §204)

\$\$10-4-45 to 10-4-50 (Reserved).

SUBCHAPTER 4

PLANNING SYSTEM

<u>\$10-4-51</u> 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)

<u>§10-4-52</u> <u>Definitions.</u> As used in this subchapter, unless context clearly provides otherwise: <u>"Beneficiary consultation" means the department's</u> <u>direct outreach to lessees, applicants, and native</u> <u>Hawaiians as defined by the act as part of the</u> <u>department's or commission's decision-making process.</u> <u>"Implementing action" means those actions that</u> implement the plans and the overall planning strategy of the department, including but not limited to, budgeting, legislation, 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)

<u>§10-4-53</u> <u>General framework.</u> 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)

<u>\$10-4-54</u> 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

<u>department at its discretion may initiate</u> the update sooner than the twenty years;

- (2) <u>Tier 2. The plans in tier 2 shall be</u> reviewed every eight years and updated at the discretion of the department if an update is justified.
- (3) Tier 3. The plans in tier 3 shall be reviewed every four years and updated at the discretion of the department if an update is justified.

(c) Interim amendments. Between comprehensive updates, tier 1 and tier 2 plans 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 shall 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; or
- (2) A beneficiary may submit an application form requesting the chairman to initiate an interim amendment. 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.

(e) 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)

<u>§10-4-55</u> <u>General plan (tier 1).</u> <u>Based on the</u> 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) Establish the relationship between land use designations and the applicable types of land dispositions;
- (3) Establish criteria to identify suitable lands for homesteading;
- (4) Establish criteria to determine available lands not required for homesteading within the planning period;
- (5) Establish criteria to identify lands for revenue generation;
- (6) Establish criteria to identify lands for

community use and policies to govern how the community could manage such lands for community building;

- (7) Establish level of service standards for infrastructure and community facilities, or specify a program plan or methodology to develop such standards; and
- (8) Specify indicators to measure progress and evaluate effectiveness in meeting policy goals. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

<u>\$10-4-56</u> 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) Analyze state and county plans to identify potential impact on department land use and infrastructure.

(b) Program plans. Program plans are statewide plans that inform or carry out general plan policies and priorities for specific functional areas, such as but not limited to affordable housing, native Hawaiian development, energy, disaster preparedness, community resiliency, agriculture, 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 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)

<u>\$10-4-57</u> 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. Тο 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, analyze state and county plans to identify potential impact on homestead areas, and identify a prioritized list of projects important to the community and the department. The chairman may prepare a regional plan with the support of a majority vote of the commission. (c) Special area plans. Where an island plan designates special districts, the chairman may prepare a special area plan with the support of a majority vote of the commission. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

<u>\$10-4-58</u> Implementation. (a) Budgets, legislation, 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. The overall strategy should: link budgets to policies, programs, and plans; establish homestead and revenue-generation development priorities; identify disposition strategies for unencumbered lands; and identify high priority regional plan projects that are likely to be implemented within the timeframe covered by the strategy.

(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 consistent with the plans and overall strategy. The 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, and aligned with the land uses identified in the island lands. [Eff and comp] (Auth: HHC Act §222) (Imp: HHC Act, all)

§10-4-59 Evaluation. The purpose of an evaluation system is to improve the planning system and implementation effectiveness. The chairman shall present an 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 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. [Eff and] (Auth: HHC Act §222) (Imp: comp HHC Act, all)

<u>§10-4-60</u> <u>Beneficiary consultation. (a)</u> 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. Placebased 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.
- Ad hoc. Ad hoc consultation consists of the (3) 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)

2. Material, except source notes and other notes, to be repealed is bracketed and stricken. New material is underscored.

3. Additions to update source notes and other notes to reflect these amendments and compilation is not underscored.

4. These amendments to and compilation of chapter 10-4, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules drafter in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on [] and filed with the Office of the Lieutenant Governor.

> JOBIE M. K. MASAGATANI, Chairman Hawaiian Homes Commission

APPROVED AS TO FORM:

Deputy Attorney General

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DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION April 16 & 17, 2018 Kalama'ula, Moloka'i

D-ITEMS HOMESTEAD SERVICES DIVISION

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

From: Dean T. Oshiro, Acting HSD Administrator $\sqrt{\Lambda}$

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

April 16, 2018

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through March 31, 2018

	As of 2/28/18	Add	Cancel	As of 3/31/18
Residential	8,373	0	0	8,373
Agriculturual	1,095	1	0	1,096
Pastoral	410	0	0	410
Total	9,878	1	0	9,879

The number of Converted Undivided Interest Lessees represents an increase of 416 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

As of 2/28/18	Converted	Surrendered/	As of 3/31/18
=			
908	1	1	906
	1,434		
	7		
	110		
	5		
	3		
	417		
	906		
	2/28/18	2/28/18 Converted 908 1 1,434 7 110 5 3 417	2/28/18 Converted Cancelled 908 1 1 1,434 7 110 5 3 417

Lease Report For the Month Ending March 31, 2018

		RESIDE	NCE			AGRIC	ULTURE			PAS	TURE			TOTAL	L LEASE	5
	Last Month	Add C	ancel	70TAL	Last Month	Add C	ancel	TOTAL	Last Month	Add C	ancel	TOTAL	Last Month	Add	Cancel	TOTAL
OAHU		•	0	70		•	<u>ہ</u>	~	•	0	•		70	0	0	70
Hootimalima	70 7	0 0	0 0	70 7	0	0 0	0	0	0	0	0	0 0	70	0		70
Kakaina Kalawahine	91	0	0	91	0	Ő	Ő	ŏ	Ő	Ő	ŏ	ů	91	Ő	ŏ	91
Kanehili	359	0	0	359	0	0	Ő	ŏ	ů 0	õ	Ő	0	359	ő		359
Kapolei	255	Ŭ	Ő	255	õ	ů	ŏ	ő	ů	õ	ŏ	0	255	õ		255
Kaupea	325	õ	õ	325	ő	õ	õ	ŏ	Ō	õ	ů	ů.	325	0		325
Kaupuni	19	Ō	õ	19	ů 0	0	Ő	0	ō	Ō	0	Ő	19	Ō	-	19
Kewalo	249	ŏ	õ	249	0	0	ő	0	Ő	Ő	ō	Č	249	Ō		249
Kumuhau	52	Ō	Ō	52	0	ō	ō	D	Ō	Ó	Ď	0	52	0		52
Lualúalei	149	Ō	õ	149	31	Ō	ō	31	0	Ō	0	0	180	0	0	180
Malu'ohai	156	D	0	156	0	0	Ó	0	0	0	0	0	156	0	0	156
Nanakuli	1,048	0	0	1,048	0	0	0	0	0	0	0	0	1,050	0	0	1,048
Papakolea	64	0	0	64	0	0	0	0	0	0	0	0	64	0	0	64
Princess Kahanu Estates	271	0	0	271	0	0	0	0	0	0	0	0	271	0	0	271
Waiahole	0	0	0	Ð	16	0	0	16	0	0	0	0	16	0	0	16
Waianae	420	0	0	420	11	0	0	11	0	0	0	0	431	0	0	431
Waimanalo	738	0	0	738	2	0	0	2	0	Û	0	0	740	0	0	740
TOTAL	4,273	0	0	4,273	60	0	0	60	0	٥	0	0	4,335	0	0	4,333
MAUI	9A	0	0	30	0	0	0	0	0	Û	0	0	30	0	0	30
Hikina Kabikinui	30 0	0	0	3U 0	0	0	0	U O	75	0	U O	75	75	0		30 75
Kahikinui Keokea	0	U Q	0	0	65	0 0	0	65	/5 0	0	0	/3 0	65	0		65
Keokea Lealii	104	0	0	104	03	0	0	65	0	0	Ŭ	0	104	0		104
Paukukalo	180	0	0	180	0	Ő	0	0	0	0 0	0	0	180	0		180
Waishu 1	39	0	0	39	0	0	0	0	0	Ő	ŏ	0	39	0		39
Waiehu 2	109	0	Ő	109	0	Ő	Ď	Ŭ	0	0 0	0	Ŭ	109	Ő		109
Walehu 3	114	0	õ	114	õ	õ	Ő	ů	õ	ŏ	õ	ů Ú	114	õ		114
Waiehu 4	97	õ	ŏ	97	ů	Õ	0	ů 0	0	Ő	Õ	Ö	97	Ō		97
Waiohuli	593	Ō	Ō	593	Ő	Ō	Ō	0	Ō	D	0	Ō	593	0		593
TOTAL	1,266	Ō	Ō	1,266	85	ō	Ō	65	75	Ō	Ō	75	1,406	Ō		1,406
EAST HAWAII																
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0		2
Kamaoa	0	0	0	0	0	0	0	0	25	0	0	25	25	0		25
Kaumana	43	0	0	43	0	0	0	0	0	0	0	Ö	43	0		43
Keaukaha	473	0	0	473	0	0	0	0	0	0	0	0	473	0		473
Kurtistown	3	0	0	3 0	0	0 0	0 0	0	0	0 0	0	0	3	0 0	-	3
Makuu	0	0 0	0 0	ບ D	121	0	0	121	0	0	0	U D	121 262	0		121 262
Panaewa	0 17	0	0	17	262 0	0	0	262 0	0	0	0	0	202	0		202
Plihonua Puueo	0	0	0	0	12	0	0	12	0	0	0	0	12	0		12
	4	0	0	4	12	0	0	12	0	0	0	0	4	0		4
University Heights Waiakea	298	0	0	298	0	ŏ	0	0	0	0	0	ŏ	298	Ő		298
TOTAL	250	ŭ	0	230 840	395	ŏ	õ	395	25	ŏ	0	25	1,260	D		1,260
	040					· · · ·			~~	v	Ŷ	20	1,200			1,200
WEST HAWAII																
Honokala	0	0	0	Q	0	0	0	0	24	Q	0	24	24	0	-	24
Humuula	0	0	0	0	0	0	0	0	5	0	0	5	5	0		5
Kamoku	0	Q	0	0	0	0	0	0	16	0	0	16	16	0		16
Kaniohale	224	0	0	224	0	0	0	0	0	0	0	0	224	0	-	224
Kawaihae	186	0	0	186	0	0	0	0	1	0	0	1	187	0		187
Laiopua	284	0	0	284	0	0	0	0	0	0	0	0	284	0		284
Lalamilo	30	0	0	30	0	0	0	0	0	0	0	0	30	0		30
Nienie	0	0	0	0	0	0	0	0	21	0	0	21	21	0		21
Puukapu/Waimea/Kuhio Vil	115	0	0	115	110	0	0	110	215	0	0	215	440	0		440
Puopulehu	33	0	0	33	0	0	0 0	0	0	0	Ŭ D	0	33	0 0		33
TOTAL	872	Û	0	872	110	U	U	110	282	0	U	282	1,264	Ű	0	1,264
KAUAI																
Anahola	534	0	0	534	46	0	0	45	0	0	0	0	580	0	0	580
Hanapépé	47	0	0	47	0	0	0	0	0	0	0	D	47	0	0	47
Kekana	117	0	0	117	0	0	0	0	0	0	0	0	117	0	0	117
Рии Орае	0	0	0	0	0	0	0	0	1	0	0	1	1	0) 0	1
TOTAL	698	0	0	698	46	0	0	46	1	0_	0	1	745	0	0	745
MOLOKA		^	•		245		^			^	•	~	E00		•	504
Hoolehua	157	0	0 0	157	345	1 0	0 0	346	21 3	0	0 0	21 3	523 237	1		524 237
Kalamaula	163	0		163	71			71								237
Kapaakea	47	0	0	47	0	0 0	0	0	3	0	0 0	3	50			
Moomomi O'aa Alii	0 28	0 0	0 0	0 28	3 0	0	0 0	3 0	D 0	0 0	0	0 0	3 28			3 28
O'ne Alii	28 395	0	0	28 395	419	0	0	420	27	0	0	27	25 841	1		28 842
TOTAL	123	<u> </u>	<u>v</u> .	333	419			420	21	v	v	21	041	1		042
LANAI																
L .	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0 (29
Lanai				**										-		
Lanai TOTAL	29	0	0	29	0	0	0	0	0	Q	0	0	29	0	0	29
	29 8,373	0	0	8,373	1,095	0	0	1,095	410	0	0	0 410	9,878			29

HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING March 31, 2018

AREA WAITING LIST

		RESID	ENCE		7	GRICL	ILTURE			PAS	IURE		
DISTRICT AREA	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL
Oahu District	1,015	0	1	1,014	3	0	0	3	0	0	0	0	1.017
Maui District	73	0	0	73	4	0	0	4	5	0	D	5	82
Hawaii District	134	0	0	134	15	0	0	15	59	Ō	ō	59	208
Kauai District	56	0	0	56	3	Ó	0	3	29	ō	ō	29	88
Molokai District	20	0	0	20	19	0	0	19	1	0	D		40
TOTAL	1,298	Û	1	1,297	44	Û	0	44	94	Ū	0	94	1,435

ISLANDWIDE WAITING LIST

		RESIC	ÊNCE			AĞRICUL	TURE			PAST	TÜRE		
ISLAND	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL
Oahu	9,668	5	4	9,669	3,689	3	5	3,687	0	0	0	0	13,356
Maui	3,779	6	1	3,784	4,646	5	3	4,648	602	1	1	602	9,034
Hawaii	5,712	5	4	5,713	7,136	6	3	7,139	1,872	1	1	1,872	14,724
Kauai	1,608	3	1	1,610	2,212	3	· 4	2,211	298	0	1	297	4,118
Molokai	792	0	2	790	1048	0	1	1047	198	0	0	198	2,035
Lanai	. 86	0	· 0	86	0	0	0	0	0	0	0	0	86
TOTAL	21,645	19	12	21,652	18,731	17	16	18,732	2,970	2	3	2,969	43,353

AREA AND ISLANDWIDE LISTS

	RES	AG	PAS	TOTAL	ADDITIONS	
OAHU	10,683	3,690	0	14,373	New Applications	31
MAUI	3,857	4,652	607	9,116	Application Transfers	7
HAWAII	5,847	7,154	1,931	14,932	Lease Rescissions	0
KAUAI	1,666	2,214	326	4,206	App Reinstatements	0
MOLOKAI	810	1,066	199	2,075	HHC Adjustments	0
LANAI	86	0	0	86	TOTAL	38
TOTAL	22,949	18,776	3,063	44,788		

CANCELLATIONS	
New Lease Awards	2
Application Transfers	7
Succ'd and Cancel Own	0
Public Notice Cancel	0
Voluntary Cancellations	1
Lease Successorships	0
HHC Adjustments	0
Dec'd No Successor	· 22
Additional Acreage	0
NHQ Unqualified	0
TOTAL	32

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					Marc	h 31, 20	18						
		RESIDE	NCE		A	GRICUL	TURE			PAST	URE		
OAHU DISTRICT	Last Month	Add (Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL.
Nanakuli	177	0	0	177	0	0	0	0	0	0	0	0	177
Waianae	159	0	Q	159	0	0	.0	0	0	0	0	0	159
Lualualei	0	0	0	0	3	0	0	3	0	0	0	0	3
Papakolea/Kewalo	72	0	0	72	0	0	0	0	0	0	0	0	72
Waimanalo	601	0	1	600	0	0	0	0	0	0	0	0	600
Subtotal Area	1,015	0	1	1,014	3	0	0	3	0	0	0	0	1,017
lslandwide	9,668	5	4	9,669	3,689	3	5	3,687	0	0	0	0	13,356
TOTAL OAHU APPS	10,683	5	5	10,683	3,692	3	5	3,690	0	0	0	0	14,373
MAUI DISTRICT													
Paukukalo	73	0	0	73	0	0	0	0,	0	0	0	0	73
Kula	0	0	0	0	4	0	0	4	5	0	0	5	9
Subtotal Area	73	0	0	73	4	0	0	4	5	0	0	5	82
Islandwide	3,779	6	1	3,784	4,646	5	3	4,648	602	1	1	602	9,034
TOTAL MAULAPPS	3,852	6	1	3,857	4,650	5	3	4,652	607.	1	1	607	9,116
HAWAII DISTRICT													
Keaukaha/Waiakea	72	0	0	72	0	0	0	0	1	0	0	1	73
Panaewa	0	0	0	0	15	0	0	15	0	0	0	. 0	15
Humuula	0	0	0	0	0	0	0	0	0	0	0	0	C
Kawaihae	19	0	0	19	0	0	0	0	0	0	0	0	19
Waimea	43	0	0	43	0	0	0	0	58	0	0	58	101
Subtotal Area	134	0	0	134	15	0	0	15	59	0	0	59	208
Islandwide	5,712	5	4	5,713	7,136	6	3	7,139	1,872	1	1	1,872	14,724
TOTAL HAWAII APPS	5,846	5	4	5,847	7,151	6	3	7,154	1,931	1	1	1,931	14,932
			1										· · · · ·
KAUAI DISTRICT	10	•	•	40		•	•	•		~	•		
Anahola	48	0	0	48	3	0 D	0	- 3 0	21 8	0	0	21 8	72 16
Kekaha/Puu Opae	8	0	0	8 56	•	0	0	3	29	0	0	29	88
Subtotal Area	56	0	0		3	3	4		29	0	1	29	4,118
islandwide	1,608	3	1	1,610	2,212	3	4	2,211	327	0	<u> </u>	326	4,118
TOTAL KAUAI APPS	1,004	3	1	1,000	4,210	3	4	2,214	327	0	•	320	4,200
MOLOKAI DISTRICT	_	-	_		•			•	n	~	0	o	
Kalamaula	4	0	0	4	0	0	0	0	U	0	0	U	4 27
Hoolehua	1	0	0		19	0	-	19	1	0	0	0	27
Kapaakea	8	0	0	8	0	0	0	0	0	0	0	0	0
One Alii	1	0	.0	1	0	-	-	0	0	0	0	0	40
Subtotal Area	20	0	0	20 790	19	0	0	19 1 ,04 7	198	0	ő	198	2,035
Islandwide	792	0	2		1,048		1		195	0	0	198	2,035
TOTAL MOLOKAI APPS	812	0	2	810	1,067	0	1	1,066	199	U	U	199	2,015
LANAI DISTRICT						-		-	_	-	-	-	
Islandwide	86	0	0	86	0	0	0	0		0	0	0	86
TOTAL LANA! APPS	86	0	Û	86	0	0	0	0	0	Û	0	0	86
TOTAL AREA ONLY	1,298	0	1	1,297	44	0	0	44	94	0	0	94	1,435
TOTAL ISLANDWIDE	21,645	19	12	21,652	18,731	17	16	18,732	2,970	2	3	2,969	43,353
TOTAL STATEWIDE	22,943	19	13	22,949	18,775	17	16	18,776	3,064	2	3	3,063	44,788

HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING

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<u>ITEM_NO.</u> EXHIBIT

NO. D-1 3IT A

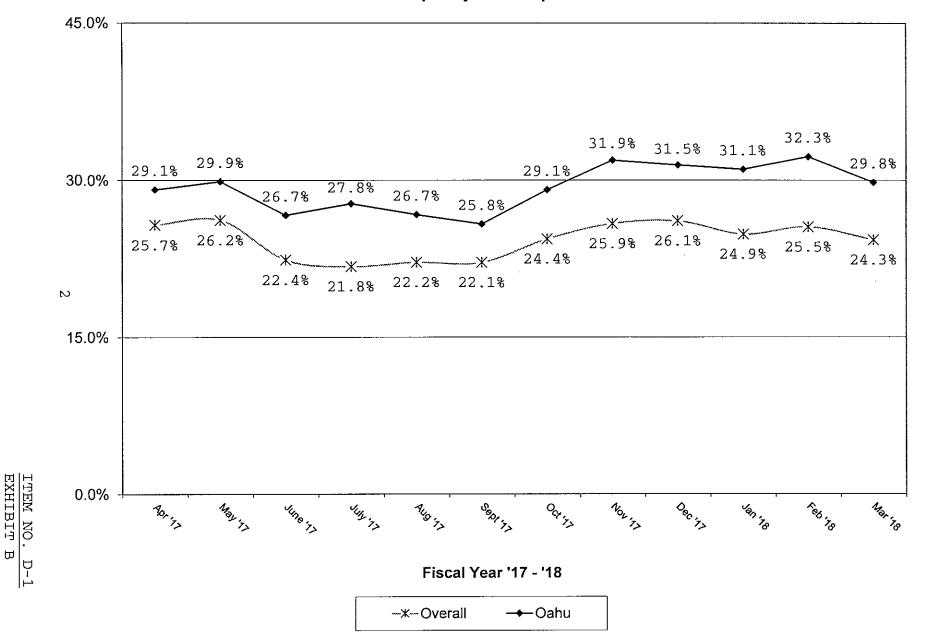
DELINQUENCY REPORT - STATEWIDE April 16, 2018 (\$Thousands)

	Total Outs	standing (000s)	Total Deli	nquency (000s)	30 Days	s (low) (000s)	60 Days (ISK 90 Days	(High) (000s)	180 Days (Severe) (000s)	% of To 3/31/2	
DIRECT LOANS	<u>No.</u> 407	<u>Amt.</u> 34,891	<u>No.</u> 103	<u>Amt.</u> 10,40 2	<u>No.</u> 15	<u>Amt.</u> 1,200	<u>No.</u> 10	<u>Amt.</u> 875	<u>No.</u> 24	<u>Amt.</u> 2,246	<u>No.</u> 54	<u>Amt.</u> 6,082	<u>No.</u> 25.3%	<u>\$</u> 29.8%
EAST HAWAII	223	13,823	62	3,819	11	465	2	68	10	306	39	2,980	27.8%	27.6%
WEST HAWAII	80	8,016	10	574	2	97	0	0	1	132	7	346	12.5%	7.2%
MOLOKAI	87	6,110	22	722	6	184	2	30	1	40	13	468	25.3%	11.8%
KAUAI	103	7, 2 02	18	1,157	5	357	1	3	3	178	9	618	17.5%	16.1%
MAUI	<u>88</u>	<u>10,093</u>	<u>20</u>	<u>2,805</u>	<u>1</u>	<u>309</u>	<u>3</u>	<u>409</u>	<u>5</u>	<u>752</u>	<u>11</u>	<u>1,334</u>	<u>22.7%</u>	<u>27.8%</u>
TOTAL DIRECT	988 100.0%	80,135 100.0%	235 23.8%	19,479 24.3%	40 4.0%	2,612 3.3%	18 1.8%	1,385 1.7%	44 4.5%	3,654 4.6%	133 13.5%	11,827 14.8%	23.8%	24.3%
Advances (including RPT)	241	7,910	241	7,910	0	0	0	0	241	7,910			100%	100%
DHHL LOANS & Advances	1,229	88,045	476	27,390	40	2,612	18	1,385	285	11,565	133	11,827	38.7%	31.1%
LOAN GUARANTEES as of June 30	. 2017													
SBA	1	1 01	0	0	0	0	0	0	0	0			0.0%	0.0%
USDA-RD	297	39,078	50	6,142	0	0	0	0	50	6,142			16.8%	15.7%
Habitat for Humanity	74 5	3,295 74	29 0	1430 0	0 0	0 0	0 0	0	29 0	1,430 0			39.2% 0.0%	43.4% 0.0%
Maui County Nanakuli NHS	5 1	74	1	7	0	0	0	0	1	7			100.0%	100.0%
City & County	18	313	14	289	Ő	0 0	Ő	0	14	289			77.8%	92.3%
FHA Interim	7	1,334	0	0	õ	Ő	Õ	õ	0	0			0.0%	0.0%
OHA	48	481	1	6	0	0	0	0	<u>1</u>	<u>6</u>			2.1%	1.2%
TOTAL GUARANTEE	<u>451</u>	<u>44,683</u>	<u>95</u>	<u>7,874</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95</u>	<u>7,874</u>			<u>21.1%</u>	<u>17.6%</u>
PMI Loans	2 04	33,824	15	2,994	7	1,524	3	582	5	888			7.4%	8.9%
HUD REASSIGNED for Recovery	140	18,073	118	16,888	1	72	Ō	0	4	327	113	16,489	84.3%	93.4%
FHA Insured Loans	<u>2,795</u>	425,941	<u>216</u>	27,392	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>216</u>	<u>27,392</u>			<u>7.7%</u>	<u>6.4%</u>
TOTAL INS. LOANS	<u>3,139</u>	477,838	<u>349</u>	<u>47,274</u>	<u>0</u> <u>8</u>	<u>1,596</u>	<u>3</u>	<u>582</u>	<u>225</u>	<u>28,607</u>	<u>113</u>	<u>16,489</u>	<u>11.1%</u>	<u>9.9%</u>
OVERALL TOTALS(EXC Adv/RP	4,578	602,656	679	74,628	48	4,208	21	1,967	364	40,135	246	28,317	14.8%	12.4%
ADJUSTED TOTALS	4,819	610,567	920	82,538	48	4,208	21	1,967	605	48,046	246	28,317		13.5%

Note: HUD 184A loan program has 441 loans, with a total outstanding principal balance of \$98,859,810.92 as of June 30, 2017. 18 loans, totalling \$4,145,021.64 are delinquent.

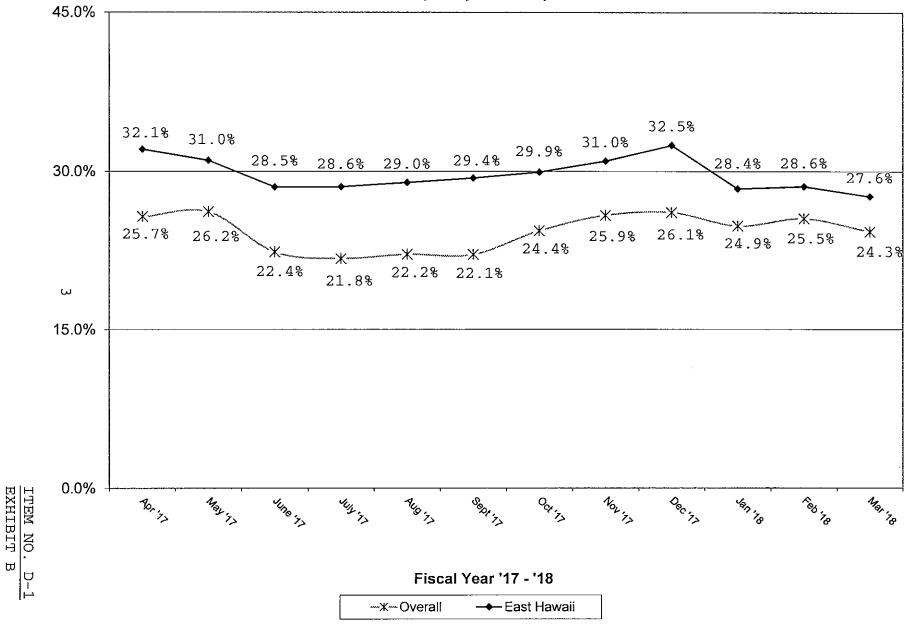
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OAHU **Direct Loans Delinquency Ratio Report**



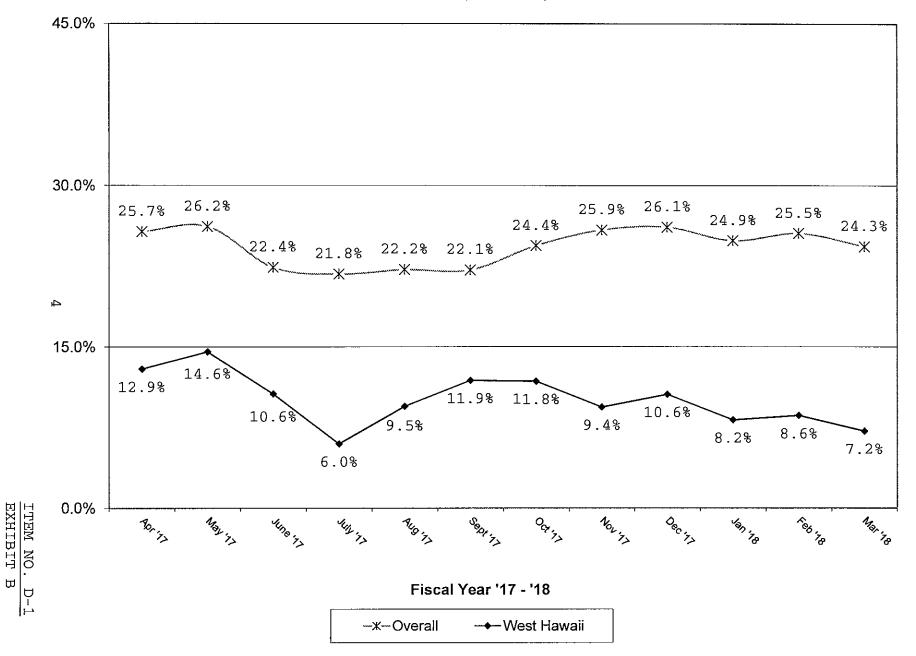
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EAST HAWAII **Direct Loans Delinquency Ratio Report**



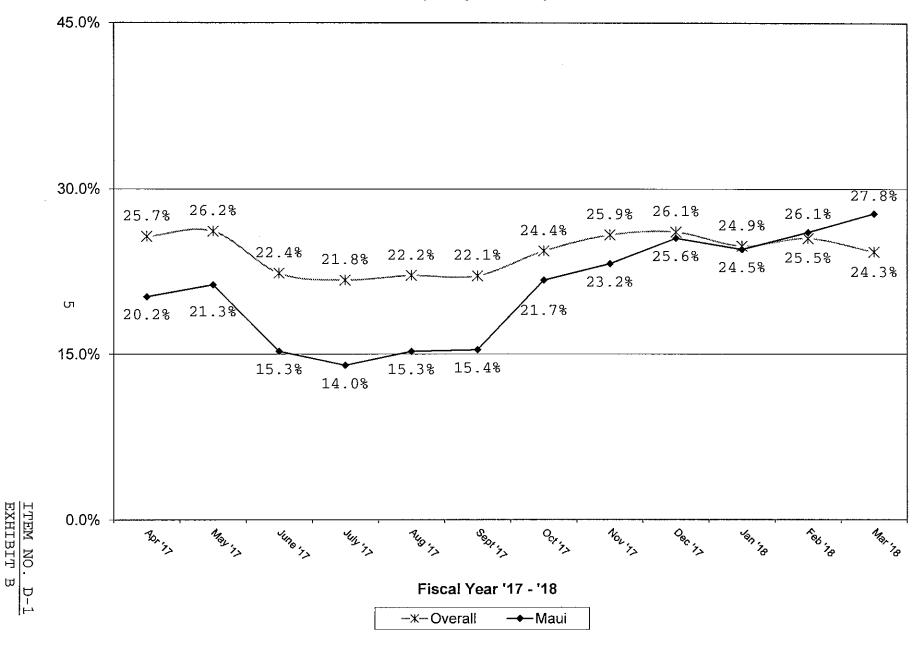
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WEST HAWAII **Direct Loans Delinquency Ratio Report**



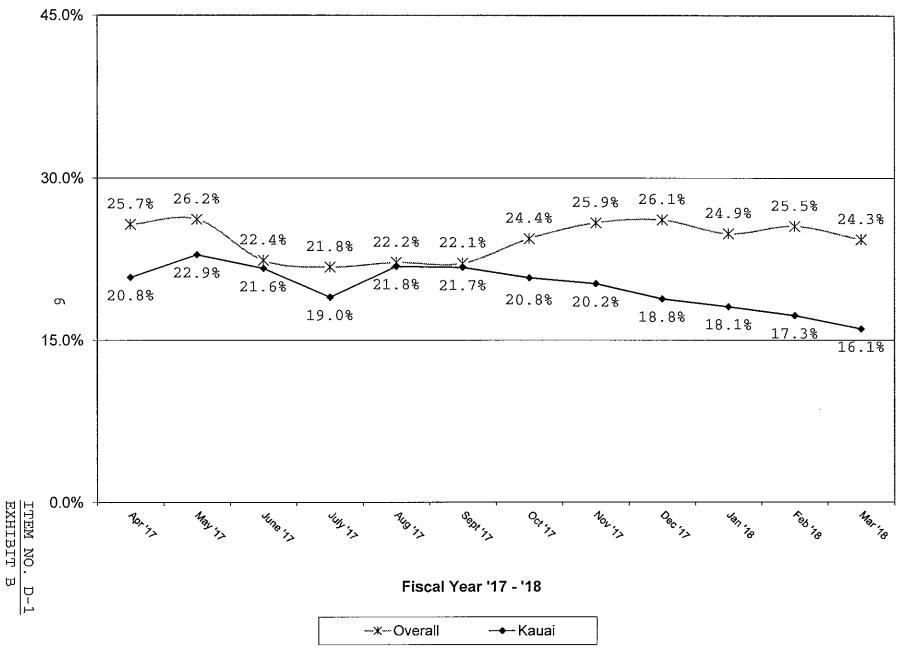
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MAUE **Direct Loans Delinquency Ratio Report**

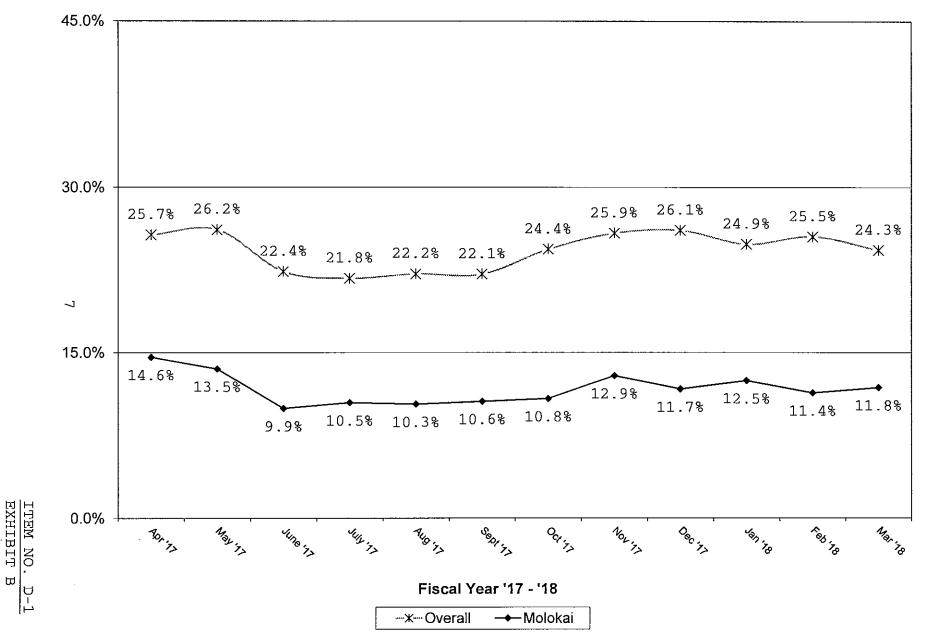


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KAUAI Direct Loans Delinquency Ratio Report



MOLOKAI Direct Loans Delinquency Ratio Report



STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator

SUBJECT: Ratification of Loan Approvals

RECOMMENDED MOTION/ACTION

To ratify the approval of the following loan previously approved by the Chairman, pursuant to section 10-2-17, Ratification of chairman's action, of the Department of Hawaiian Home Lands Administrative Rules.

LESSEE	LEASE NO. & AREA	LOAN TERMS
Leaver, Novell	a 3958, Waimanalo	NTE \$103,600 @ 4.5% interest per annum, NTE \$525 monthly, repayable over 30 years
Loan Purpose:	Refinance contract of loa co-lessee Germaine K.W. M amount of \$118,434 at 9.2	ook. Original loan

monthly, repayable over 30 years.

REFINANCE	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	7 2 <u>1</u> 3	\$ 590,494 289,135 103,600 \$ 392,735
REPAIR	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	0 0 0 0	\$ -0- -0- <u>-0-</u> \$ -0-
HOME CONSTRUCTION	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	0 2 0 0	\$ -0- 368,000 -0- \$ -0-
FARM	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	0 0 0	\$ -0- -0- <u>-0-</u> \$ -0-
TRANSFER WITH LOAN		LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	0 0 0 0	\$ -0- -0- <u>-0-</u> \$ -0-
AWARD	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	4 0 0 0	\$ 741,286 -0- -0- \$ -0-
OTHER	NO.	LOAN AMOUNT
FY Ending 6/30/17 Prior Months This Month Total FY '17-'18	0 0 0	\$ -0- -0- -0- \$ -0-

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator

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

PROPERTY	LESSEE	LENDER	LOAN AMOUNT
OAHU			
Nanakuli Lease No. 4551 TMK: 1-8-9-010:016	NUUANU, Edward (Purchase) HUD 184A	HomeStreet Bank	\$ 204,676
Nanakuli Lease No. 5129 TMK: 1-8-9-013:014	BROWN, Rosalyn K. H. K. (Cash Out Refi)FHA	Hightechlend ing Inc.	\$ 189,000
Kalawahine Lease No. 9613 TMK: 1-2-4-043:017	CHANG, Frangeline H. K. (Cash Out Refi)FHA	Mann Mortgage	\$ 186,840

OAHU

Kanehili Lease No. 12564 TMK: 1-9-1-153:121	KANEHAILUA, Valentine K. (Cash Out Refi)FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 309,000
Lualualei Lease No. 5559 TMK: 1-8-6-023:020	KALAHIKI, Alton A. N. (Purchase)HUD 184A	HomeStreet Bank	\$ 266,564
Waimanalo Lease No. 7549 TMK: 1-4-1-029:081	JARDINE, Paulette C.(Cash Out Refi)FHA	Mann Mortgage	\$ 202,410
Waimanalo Lease No. 2831 TMK: 1-4-1-019:024	CARROLL, Karen L. (Purchase)FHA	Guild Mortgage Co.	\$ 268,000
Maluohai Lease No. 9776 TMK: 1-9-1-119:051	SIMMONS, Joy K. (Purchase)FHA	Guild Mortgage Co.	\$ 243,000
Kanehili Lease No. 11758 TMK: 1-9-1-153:038	KALEIKINI, Lopaka (Cash Out Refi)FHA	Guild Mortgage Co.	\$ 391,000
Maluohai Lease No. 9777 TMK: 1-9-1-119:038	SANG, Anthony H., Jr. (Cash Out Refi)FHA	Guild Mortgage Co.	\$ 210,000
Nanakuli Lease No. 4537 TMK: 1-8-9-010:099	KING, John G. (Cash Out Refi)FHA	Aries Loans Inc., dba Leaf Funding Mortgage	\$ 269,000

OAHU

Aries Loans \$ 343,000 Kanehili ALULI, Shavon N. (Cash Out Inc., dba Lease No. 12594 Leaf Funding TMK: 1-9-1-153:116 Refi)FHA Mortgage Mann \$ 550,000 MOSES, Kaupea Shaylla-Ann R. H. Lease No. 12146 Mortgage TMK: 1-9-1-140:034 (Purchase) FHA Department \$ 187,313 KALANI, Kewalo of Veterans Kevin K. Lease No. 4415 (Purchase)VA Affairs TMK: 1-2-5-021:006 Aries Loans \$ 306,000 Kalawahine AKANA, Nicole D. K. (Cash Inc., dba Lease No. 9582 Leaf Funding Out Refi)FHA TMK: 1-2-4-043:074 Mortgage \$ 296,000 Waimanalo ALBERT, Mann Lease No. 2462 Mary K. P. (Cash Out Mortgage ТМК: 1-4-1-019:023 Refi)FHA \$ 534,891 HomeStreet Kanehili BAUTISTA, Lease No. 12602 Chaz A. K. R. Bank (Purchase)FHA TMK: 1-9-1-152:072 FARIAS, Hightechlend \$ 314,000 Nanakuli ing Inc. Lease No. 8158 Gerri H. (Cash Out TMK: 1-8-9-015:024 Refi)FHA HomeStreet \$ 302,058 HALEMANO, Kaupea Lease No. 11981 John C., III(Cash Bank Out Refi)FHA TMK: 1-9-1-140:137

OAHU

Nanakuli Lease No. 7295 TMK: 1-8-9-017:017	AKAU, HomeStreet Mark L., Jr.(Cash Bank Out Refi)HUD 184A		\$ 202,000
Princess Kahanu Estates Lease No. 8345 TMK: 1-8-7-042:054	CRABBE, Kamanaopono M. (Purchase)VA	Department of Veterans Affairs	\$ 414,999
MAUI			
Waiehu 3 Lease No. 10070 TMK: 2-3-2-024:041	ALVES, Edward K. (Cash Out Refi)FHA	Mason McDuffie Mortgage Corp.	\$ 100,000
Waiehu 2 Lease No. 9533 TMK: 2-3-2-023:039	BOTEILHO, Renee G. (Cash Out Refi)FHA	HomeStreet Bank	\$ 269,880
Waiohuli Lease No. 7703 TMK: 2-2-2-028:146	KALAMA, Kapono T. (Purchase)FHA	Mann Mortgage	\$ 333,000
KAUAI			
Anahola Lease No. 11154 TMK: 4-4-8-022:076	HARAGUCHI, Randall T. N.(Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 305,020
Anahola Lease No. 11061 TMK: 4-4-8-003:003 <u>HAWAII</u>	KAAIHUE, Robert K. (Construction)VA	Department of Veterans Affairs	\$ 393,720
Keaukaha Lease No. 4247 TMK: 3-2-1-022:077	VICTOR, Nikki K. I. (Permanent Take- Out)FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 186,000

HAWAII

Kaumana Lease No. 11301 TMK: 3-2-5-004:028	FERNANDEZ, Rodney K. (Cash Out Refi)HUD 184A		\$ 214,625
Kawaihae Lease No. 7088 TMK: 3-6-1-010:004	WHITEHEAD, Mew Lin (Cash Out Refi)FHA	Bank of Hawaii	\$ 184,245
Keaukaha Lease No. 5655 TMK: 3-2-1-023:050	WHITNEY, Delbert A. (Cash Out Refi)FHA	Mann Mortgage	\$ 174,124
Waiakea Lease No. 6393 TMK: 3-2-2-062:058	FONG, Simon K. O. (Cash Out Refi)FHA	Aries Loans Inc., dba Leaf Funding Mortgage	\$ 193,000
Kaniohale Lease No. 9221 TMK: 3-7-4-022:008	SOO, Michael A. (Cash Out Refi)FHA	Aries Loans Inc., dba Leaf Funding Mortgage	\$ 244,000

RECAP	NO.	FHA <u>AMOUNT</u>	<u>NO.</u>	VA <u>AMOUNT</u>	NO.	USDA-RD AMOUNT
FY Ending 6/30/17	300	\$ 72,689,610	8	\$3,021,043	9	\$1,695,424
Prior Months This Month Total FY '17-'18	24	\$ 52,462,347 6,598,448 \$ 45,863,899	<u>3</u>	\$3,405,000 <u>996,032</u> \$4,401,032	<u>0</u>	\$2,035,413 0 \$2,035,413
HUD 184A FY Ending 6/30/17	105	\$25,483,508				
Prior Months This Month Total FY '17-'18		\$15,363,803 <u>1,192,885</u> \$16,556,688				

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator

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:

LESSEE	LEASE NO. & AREA	REFINANCING LOAN TERMS		
Chong, Andrew M	.J. 8547,PKE	NTE \$306,000 @4.5% interest per annum, NTE \$1,551 monthly, repayable over 30 years.		
Loan Purpose:	Purpose: Refinance Contract of Loan no. 18743. Original loan amount of \$329,400 at 6% per annum, \$1,975 monthly, repayable over 30 years. No Contested Case Hearing was held for this account.			

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

- TO: Chairman and Members, Hawaiian Homes Commission
- FROM: Dean Oshiro, Acting HSD Administrator
- 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:

Lessee	Lease <u>No.</u>	Area	Loan <u>No.</u>	Monthly Payment	Amount <u>at 3/18</u>	Balance At 3/18
<u>Oahu</u>						
Ellis, Timothy	5544	Lualualei	19501 (FHA Buyback)	\$TBD	\$TBD	\$TBD
Rillon, Cisco & Chelsey	2256	Waimanalo	19500 (FHA Buyback)	\$TBD	\$TBD	\$ T BD
Tavares, Duwayne & Leroy	8315	PKE	19502 (FHA Buyback)	\$TBD	\$TBD	\$ T BD
Alapai, Whitmore K. K.	11755	Kanehili	19507 (HUD 184A Buyback)	\$TBD	\$TBD	\$TBD
Hopfe-Smith, Colleen D.K.	11829	Kanehili	19508 (HUD 184A Buyback)	\$TBD	\$TBD	\$ T BD

Lessee	Lease <u>No.</u>	Area	Loan <u>No.</u>	Monthly Payment	Amount at 3/18	Balance <u>At 3/18</u>
<u>Oahu (Cont'd)</u>						
Lockett, Tasia M.	11845	Kanehili	19506 (HUD 184A Buyback)	\$TBD	\$TBD	\$TBD
Kauai						
Reyes, Barrett	4344	Anahola	19499 (FHA Buyback)	\$TBD	\$TBD	\$TBD
Kauahi, Tammi L.	11092	Anahola	19463 (HUD 184A Buyback)	\$TBD	\$TBD	\$TBD
Maui						
Leauanae, Raenel	7616	Waiohuli	19498 (FHA Buyback)	\$TBD	\$TBD	\$TBD

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STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator igvee

FROM: Ross K. Kapeliela, Application Officer Nhith fr. 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

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1. Requests of Applicants to Transfer

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

RAWLINS, Makaala J.	11/12/2010	HAWAII	AGR	12/01/2017
OAHU ISLANDWIDE RESIDENTIAL	LEASE LIST			
LONTAYAO, Cora Lee N.	05/28/2013	KAUAI	RES	06/21/2017
RAWLINS, Makaala J.	11/12/2010	HAWAII	RES	12/01/2017
MAUI ISLANDWIDE AGRICULTURAI	LEASE LIST			
KALEIOHI, Teri Ann K.K.	05/15/2017	KAUAI	AGR	11/22/2017
MAUI ISLANDWIDE RESIDENTIAL	LEASE LIST			
HICKS, Heather K.	05/02/2016	OAHU	RES	12/22/2017
KALEIOHI, Teri Ann K.K.	05/15/2017	KAUAI	RES	11/22/2017

HAWAII ISLANDWIDE RESIDENTIA	L LEASE LIST			
KAHIAMOE, William L., Jr.	04/20/2004	OAHU	RES	12/28/2017
MAKAHANALOA, Anthony J.	02/09/2007	OAHU	RES	01/03/2018
SIMEONA, Autumn Jade Ú.	07/09/2012	OAHU	RES	06/20/2017

2. Deceased Applicants

; 1

NONE FOR SUBMITTAL

3. Awards of Leases

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

CUBAN, Roblyn U.	Assigned Residential Lease #5187, Lot 50 in Nanakuli, Oahu dated 02/21/2018. Remove application dated 11/15/1999.
LUKE, Clarence H.K.S.	Assigned Residential Lease #11919, Lot 17222 in Kaupea, Oahu dated 01/06/2016. Remove application dated 09/10/2014.
ONTAI, Susanna L.	Assigned Residential Lease #11435, Lot 17144 in Kaupea, Oahu dated 01/29/2016. Remove application dated 07/25/2014.

HAWAII ISLANDWIDE AGRICULTURE LEASE LIST

LEE, Alicia Rose M.M.L.L.	Assigned Agriculture Lease #6897, Lot 49-A in Panaewa, Hawaii dated 03/21/2016. Remove application dated 04/29/2010.
WELLER, Corinne K.N.	Assigned Agriculture Lease #4762, Lot 2 in Waimea, Hawaii dated 11/30/2015. Remove application dated 06/25/1986.

ECKART, Tennille M.

1 . L

Assigned Pastoral Lease #6240, Lot 30-B in Panaewa, Hawaii dated 11/22/2017. Remove application dated 05/08/1998.

KUNISHIGE, Natasha H.

Assigned Pastoral Lease #8009, Lot 34 in Puukapu, Hawaii dated 09/03/2015. Remove application dated 12/09/2004.

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HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

ELVENIA, Judy A.	Assigned Residential Lease #9312, Lot 99 in Kaniohale, Hawaii dated 11/22/2017. Remove application dated 12/05/2006.
MOLLER, Haliaka C.	Assigned Residential Lease #6288, Lot 20-A in Keaukaha, Hawaii dated 01/04/2018. Remove application dated 09/14/1993.
PELEKAI, Russell K.	Assigned Residential Lease #12603, Lot 18362 in Kanehili, Oahu dated 05/02/2016. Remove application dated 02/28/2002.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

NONE FOR SUBMITTAL

7. Additional Acreage

: :

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL

Last Month's Transaction Total	32
Last Month's Cumulative FY 2017-2018 Transaction Total	236
Transfers from Island to Island	9
Deceased	0
Cancellations:	
Awards of Leases	10
NHQ	0
Voluntary Cancellations	0
Successorship	0
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	19
This Month's Cumulative FY 2017-2018 Transaction Total	255

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

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 Sudcessors 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.

*See attached list of Lessee.

<u>Leasehold Interest:</u> Ratified for April 2018 Previous FY 2017 - 2018 FY 2017 - 2018 Total to Date	5 <u>65</u> 70
Ratified for FY `16 - `17	104
<u>Net Proceeds</u> Ratified for April 2018 Previous FY 2017 - 2018 FY 2017 - 2018 Total to Date	0 _1 _1
Ratified for FY `16 - `17	2

LIST OF LESSEES WHO DESIGNATED SUCCESSORS TO THEIR LEASEHOLD INTEREST FOR MONTH OF APRIL 2018

Deceased Lessee

 Dora K. Bright Lot No.: 50 Area: Waimanalo, Oahu Lease No. 3657 Designated Successor

PRIMARY: Edwina U. Bright, Daughter

ALTERNATE James K. Bright, Son

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

2. Louisiana A. Hatchett Lot No.: 80 Area: Nanakuli, Oahu Lease No. 7310 PRIMARY: Joint Tenants Keanuhea P. Sofa-Calarruda, Grandson Sharlena L. U. Sofa, Granddaughter

ALTERNATE: N/A

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

3. John K. Kaai
Lot No.: 133
Area: Waianae, Oahu
Lease No. 4440

PRIMARY: Gwendolyn M. Kaai, Wife

ALTERNATE N/A

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

Deceased Lessee

4. David K. Lima Lot No.: 9 Area: Kapaakea, Molokai Lease No. 3634 Designated Successor

PRIMARY: Sharon K. Wise, Niece

ALTERNATE: Walter Wise, Nephew

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

5. Olivia J. Nenio Lot No.: UNDV134 Area: Laiopua, Hawaii Lease No. 10760 PRIMARY: Lawrence C. Nenio, Jr., Son

ALTERNATE:

Michelle D. Orita, Daughter, Omit due to lack of genealogy document to determine eligibility to successorship.

DESIGNEE TO RECEIVE NET PROCEEDS:

Lawrence C. Nenio, Sr., Husband, Omit due to lack of genealogy document to determine eligibility to successorship.

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- THROUGH: Dean Oshiro, Acting Administrator
- 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-Five (25) assignments of lease.

LESSEE

TRANSFEREE

1. Name: Jason K. N. M. Akaka Name: Jo-Dean K. M. Akaka
Agr. Lease No.: 3887A Relationship: Mother
Lease Date: 4/23/1971 Loan Assump: No
Lot No.: 26A-2 Applicant: No
Area/Island: Hoolehua,
Molokai
Property Sold: Yes
Amount: \$81,920.00
Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

TRANSFEREE

2. Name: Jo-Dean K. M. Akaka Name: Jason K. N. M. Akaka Relationship: Son Res. Lease No.: 3148 Lease Date: 2/7/1958 Loan Assump: No Applicant: No Lot No.: 31-A Area/Island: Hoolehua, Molokai Property Sold: Yes Amount: \$15,880.00 Improvements: 3 bedroom, 1 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. 3. Name: Simeon J. K. Alo Name: Lorraine N. K. A. Alo Res. Lease No.: 10297 Relationship: Mother Lease Date: 12/15/2005 Loan Assump: No Lot No.: 269 Applicant: No Area/Island: Waiohuli, Maui Property Sold: Yes Amount: \$220,000.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. 4. Name: Williamjames M. K. Name: Williamjames M. K. Aoki Aoki & Haven H. P. Aoki Res. Lease No.: 9596 Relationship: Lessee & Lease Date: 9/15/2000 Brother Lot No.: 7 Loan Assump: No Area/Island: Kalawahine, Applicant: No Oahu Property Sold: No Amount: N/A Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "To be a co-lessee with my brother, Haven Aoki".

TRANSFEREE

Name: Bellerina H. K. 5. Name: Meinette K. Castro Res. Lease No.: 5632 Kaleikini Relationship: None Lease Date: 6/3/1985 Lot No.: 130 Loan Assump: No Area/Island: Lualualei, Oahu Applicant: Yes, Oahu IW Res., Property Sold: Yes 4/20/2006 Amount: \$370,000.00 Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Downsizing" Special Condition: Transferee to obtain funds to pay purchase price. 6. Name: Charles A. Kaahanui, Name: Charles A. Kaahanui, Jr. TTT Agr. Lease No.: 2082 Relationship: Son Lease Date: 3/18/1949 Loan Assump: No Lot No.: 33-E-1&2 Applicant: No Area/Island: Hoolehua, Molokai Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative." Name: Michelle A. Williams & Name: Lisa A. N. Kahihikolo 7. Annette M. Kahihikolo Relationship: Sister & Mother Res. Lease No.: 3943 Loan Assump: No Lease Date: 2/15/1972 Applicant: No Lot No.: 62 Area/Island: Waimanalo, Oahu Property Sold: Yes Amount: \$8,826.00 Improvements: 2 bedroom, 1-1/2 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price.

TRANSFEREE

Name: Louis R. Kalani Name: Kevin K. Kalani 8. Res. Lease No.: 4415 Relationship: Son Lease Date: 3/14/1977 Loan Assump: No Lot No.: 147 Applicant: No Area/Island: Kewalo, Oahu Property Sold: Yes Amount: \$149,594.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Moving off island." Special Condition: Transferee to obtain funds to pay purchase price. 9. Name: Clement K. Mahiai Name: Shayne O. Kahuanui Relationship: Nephew Res. Lease No.: 11415 Loan Assump: No Lease Date: 5/25/2007 Applicant: Yes, Oahu IW Res., Lot No.: 17214 Area/Island: Kaupea, Oahu 9/29/2005 Property Sold: Yes Amount: \$325,000.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Selling to relative." Special Condition: Transferee to obtain funds to pay purchase price. 10. Name: Ronald H. Niau Name: Haunani D. Lawther Res. Lease No.: 2033 Relationship: Sister Lease Date: 11/29/1948 Loan Assump: No Lot No.: 183 Applicant: Yes, Kauai IW Area/Island: Kewalo, Oahu Res., 7/15/1985 Property Sold: No Amount: N/A Improvements: 3 bedroom, 1 bath dwelling

Reason for Transfer: "Giving lease to relative." See simultaneous transfer below.

TRANSFEREE

11. Name: Haunani D. Lawther Name: Haunani D. Lawther & Res. Lease No.: 2033 Lehua M. Lawther Lease Date: 11/29/1948 Relationship: Lessee & Lot No.: 183 Daughter Area/Island: Kewalo, Oahu Loan Assump: No Property Sold: No Applicant: No Amount: N/A Improvements: 3 bedroom, 1 bath dwelling Reason for Transfer: " Adding relative to lease." 12. Name: George E. Puaoi Name: Kamaile K. Puaoi Res. Lease No.: 6542 Relationship: Daughter Lease Date: 4/26/1990 Loan Assump: No Lot No.: 2 Applicant: No Area/Island: Anahola, Kauai Property Sold: No Amount: N/A Improvements: 3 bedroom, 1-1/2 bath dwelling Reason for Transfer: "Giving lease to relative". 13. Name: Claudette M. Reis-Name: Claudette M. Reis-Moniz Moniz & Keoki D. K. Reis-Moniz Res. Lease No.: 2561 Relationship: Lessee & Son Lease Date: 9/19/1951 Loan Assump: No Lot No.: 95 Applicant: No Area/Island: Waimanalo, Oahu Property Sold: No Amount: N/A Improvements: 6 bedroom, 2 bath dwelling Reason for Transfer: "Son as a joint lessee."

TRANSFEREE

14. Name: Darryn-Lee K. Renshaw Name: Kamanaopono M. Crabbe Res. Lease No.: 8345 Lease Date: 7/1/1996 Lot No.: 54 Area/Island: PKE, Oahu Property Sold: Yes Amount: \$414,999.00 Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "Sharing new home with daughter." Special Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

15. Name: Kamanaopono M. Crabbe Res. Lease No.: 10345 Lease Date: 6/18/2005 Lot No.: UNDV048 Area/Island: Waiohuli, Maui Property Sold: No Amount: N/A Improvements: None

Reason for Transfer: "Giving lease to relative."

16. Name: Shannon K. Ako Res. Lease No.: 10733 Lease Date: 12/3/2005 Lot No.: UNDV107 Area/Island: Laiopua, Hawaii Property Sold: No Amount: N/A Improvements: None

Reason for Transfer: "I want my daughter to have my lease."

TRANSFEREE

17. Name: Heine A. English Resr. Lease No.: 12388 Lease Date: 12/6/2008 Lot No.: UNDV069 Area/Island: Kapolei, Oahu Property Sold: No Amount: N/A Improvements: None

Reason for Transfer: "Giving lease to relative."

18. Name: Doreen K. Grace Res. Lease No.: 12442 Lease Date: 12/6/2008 Lot No.: UNDV123 Area/Island: Kapolei, Oahu Property Sold: No Amount: N/A Improvements: None

Reason for Transfer: "Giving lease to relative."

19. Name: Lyndon Dela Cruz Res. Lease No.: 5837 Lease Date: 8/1/1985 Lot No.: 51 Area/Island: Kalamaula, Molokai Property Sold: No Amount: N/A Improvements: None Name: Nancy P. Dela Cruz-McKee Relationship: Sister Loan Assump: No Applicant: No

Reason for Transfer: "Giving to my sister because I love her." Special Condition: One year to build and occupy.

TRANSFEREE

Name: Richard K. Mariano 20. Name: Charlotte N. Kakaio Res. Lease No.: 6069 Relationship: Nephew Lease Date: 10/1/1985 Loan Assump: No Lot No.: 39 Applicant: Yes, Molokai IW Area/Island: Kalamaula, Res., 6/10/2013 Molokai Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative." 21. Name: Joleen Lehua K. K. C. Name: Brian K. Haia R. Kamalamalama Relationship: Uncle Agr. Lease No.: 7396 Loan Assump: No Lease Date: 3/16/2010 Applicant: Yes, Maui IW Agr., Lot No.: 51 10/27/2015 Area/Island: Keokea, Maui Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative." 22. Name: Alexander C. Kane, Jr. Name: Dylan J. A. Kane Agr. Lease No.: 7425 Relationship: Grandson Lease Date: 3/16/2010 Loan Assump: No Lot No.: 53 Applicant: No Area/Island: Keokea, Maui Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative."

Name: Owana K. M. Salazar

23.

TRANSFEREE

Name: Chauncey K. Pang Res. Lease No.: 7477 Relationship: None Lease Date: 2/7/2002 Loan Assump: No Lot No.: 150 Applicant: No Area/Island: Waiohuli, Maui Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Aloha nui." See simultaneous transfer below. 24. Name: Chauncey K. Pang Name: Mahina K. Goodness Res. Lease No.: 7477 Relationship: Daughter Lease Date: 2/7/2002 Loan Assump: No Lot No.: 150 Applicant: No Area/Island: Waiohuli, Maui Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Aloha nui." 25. Name: Frank K. Waipa & Name: Susan K. Waipa Patricia A. Waipa Relationship: Daughter & Agr. Lease No.: 6266 Sister Lease Date: 11/1/1985 Loan Assump: No Lot No.: 161-B Applicant: Yes, Hawaii IW Area/Island: Panaewa, Hawaii Ag., 5/23/1985 Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Transfer lease to Susan to give her a chance to have a good productive life here on our Hawaii Island." Assignments for the Month of April `18 25 Previous FY '17 - '18 balance 197 FY '17 - '18 total to date 222 Assignments for FY '16 - '17 229

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator

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

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Ten (10) amendments of lease.

1.	Lessee: Res. Lease No.: Lot No., Area, Island: Amendment:	Peter K. Akiona, Jr. 3129 102, Waimanalo, Oahu To amend the lease title and lessor's name, to update the property description, 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.
2.	Lessee: Res. Lease No.: Lot No., Area, Island: Amendment:	Dora K. Bright 3657 50, Waimanalo, Oahu To amend the lease title and lessor's name, to update the property description, and to incorporate the currently used terms, covenants, and conditions in the lease.

ITEM NO. D-9

- 3. Lessee:
 Res. Lease No.:
 Lot No., Area, Island:
 Amendment:
- 4. Lessee:

5.

Res. Lease No.: Lot No., Area, Island: Amendment:

Res. Lease No.:

Lessee:

Lot No., Area, Island: Amendment:

- 6. Lessee: Res. Lease No.: Lot No., Area, Island: Amendment:
- 7. Lessee:
 Res. Lease No.:
 Lot No., Area, Island:
 Amendment:

10, Nanakuli, Oahu To amend the lease to release a reservation of life interest. Francis T. Hosaka, Shawn T. Hosaka & Dawn L. Hosaka 3371 65, Kekaha, Kauai To amend the tenancy to reflect the death of a joint tenant lessee, to amend the tenancy from joint tenants to tenants in common, and to incorporate the currently used terms, covenants, and conditions in the lease. Jade K. Bush, Lydell T. B. Kaupu & Kaden K. Jacobs 2801 140-A-4, Hoolehua, Molokai To amend the lease title and lessor's name, and to extend the lease term to an aggregate term of

Miriam N. Carnate

4948

Charlotte N. Kakaio 6069 39, Kalamaula, Molokai To update the property description and amend the commencement date due to final subdivision.

Hiram K. Kamana 430 203, Nanakuli, Oahu 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.

ITEM NO. D-9

199 years.

8. Lessee: David K. Lima Res. Lease No.: 3634 Lot No., Area, Island: 9, Kapaakea, Molokai Amendment: To amend the lease title and lessor's name, and to incorporate the currently used terms, covenants, and conditions in the lease. 9. Lessee: Beverly N. Pauole-Moore Agr. Lease No.: 115-A-3 Lot No., Area, Island: 65-B-4, Hoolehua, Molokai Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants, and conditions in the lease, update the property description, and to extend the lease term to an aggregate term of 199 years. 10. Lessee: Samuel L. Rawlins Res. Lease No.: 3531 Lot No., Area, Island: 43, Kapaakea, Molokai Amendment: To amend the lease title and lessor's name, and to incorporate the currently used terms, covenants, and conditions in the

lease.

7

Amendments for the Month of April `18	10
Previous FY '17 - '18 balance	166
FY '17 - '18 total to date	176
Amendments for FY '16 - '17	193

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- THROUGH: Dean Oshiro, Acting HSD Administrator
- FROM: Juan Garcia, Oahu District Office Supervisor Homestead Services Division
- SUBJECT: Approval to Issue a Non-Exclusive License for Rooftop Photovoltaic Systems for Certain Lessees

RECOMMENDED MOTION/ACTION

Permittee:

To approve the issuance of a non-exclusive license to allow the Permittee to provide adequate services related to the installation, maintenance, and operation of a photovoltaic system on the premises leased by the respective Lessees.

The non-exclusive license is necessary as the Lessee cannot issue his/her own licenses.

Sunrun Inc.

DISCUSSION

Four (4) non-exclusive licenses.

1.	Lessee: Res. Lease No.: Lot No., Area, Island: Permittee:	Shaughna M.K.K. Aloua 8939 5, Waianae, Oahu Sunrun Inc.
2.	Lessee: Res. Lease No.: Lot No., Area, Island: Permittee:	John N. Campbell 9870 13851, Maluohai, Oahu Sunrun Inc.
3.	Lessee: Res. Lease No.: Lot No., Area, Island:	Harold K. Crowell, III 3697 34, Waimanalo, Oahu

4. Lessee: Darryl F. Dudoit and Darryl-Lynn L.K. Dudoit Res. Lease No.: 9876 Lot No., Area, Island: 13850, Maluohai, Oahu Permittee: Sunrun Inc.

	for the Month of April '18	4
Previous FY '17 - '18 FY '17 - '18 total to		<u>82</u> 86
Non-Exclusive License	for FY '16 - '17	69

ITEM NO. D-10

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

TO: Jobie Masagatani, Chairman Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Homestead Services Division Administrator

FROM: Erna A. Kamibayashi, Kauai District Office Supervisor

SUBJECT: Request to Hold a Contested Case Hearing -Yolanda N. KALEIOHI, Related to Residential Lease No. 4313, Lot No.62, Anahola, Kauai, Hawaii

RECOMMENDED MOTION/ACTION

I stand on my recommendation to deny the request to schedule a contested case hearing for Yolanda N. Kaleiohi regarding Lease No. 4313, Lot No. 62 situated at Anahola, Kauai, Hawaii previously held by Ellsworth Abraham Kaleiohi, Deceased.

DISCUSSION

Mrs. Yolanda N. Kaleiohi was married to Ellsworth Abraham Kaleiohi. In a letter dated December 18, 2017, submitted in her behalf by her attorney Kai Lawrence, Mrs. Yolanda Kaleiohi request seeking a contested case hearing to challenge the validity of her husband's designated successorship to their son Kevin. Her complaint states that Kevin placed a pen in his dad's hand, and then lifted his dad's hand to a new successor designation paper, and essentially moved his dad's hand and the pen in a signing motion on said designation paper. She further stated that through undue influence, fraud, duress, and/or mistake forced his father to sign the successorship document to Lease No. 4313, Lot 62, Anahola, Kauai, Hawaii (see exhibit A).

Ellsworth Kaleiohi was awarded Residential Lease No. 4313 to Lot No. 62 at Anahola, Kauai, Hawaii with a lease commencement date of June 28, 1977.

On June 30, 2016, Mrs. Yolanda Kaleiohi called the Kauai District Office and requested the staff person to come to her home to assist her husband to fill out paperwork relating to his Hawaiian Homestead Lease. The staff person went to the home and assisted Mr. Ellsworth Abraham Kaleiohi with his designation of successorship. (see exhibit B)

Mr. Ellsworth Abraham Kaleiohi named his son Kevin Kaohimaunu Kaleiohi, as the person to succeed to all of his rights, title and interest in and to the Lease, together with all of his interest in and to all of the improvements on the land.

On July 4, 2016, Mr. Ellsworth Abraham Kaleiohi passed away.

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The designation of successorship was approved by or for the chairman, Hawaiian Homes Commission on May 2, 2017 and ratified by the Hawaiian Homes Commission on May 22, 2017.

Pursuant to section 209 of the Hawaiian Homes Commission Act, 1920, as amended, the rights, title and interest of the decedent Ellsworth Abraham Kaleiohi transferred to the successor, Kevin Kaohimaunu Kaleiohi. Mr. Kevin Kaleiohi executed the transfer through successorship documents on July 13, 2017 and the lease was recorded on July 27, 2017.

RECOMMENDATION

The department requests the Hawaiian Homes Commission deny Mrs. Yolanda Kaleiohi's request for a Contested Case Hearing based on HAR §10-5-32 Decision to hold hearing, scheduling: (2) There is reason to believe that a law or of rule of the commission has been violated. With the fact that Mr. Kevin Kaohimauni Kaleiohi was not present during the time the Designation of successorship form was filed, we believe that no law or rule of the commission was violated and thus, the request for a hearing should be denied.

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION April 16 & 17, 2018 Kalama'ula, Moloka'i

F-ITEMS LAND MANAGEMENT DIVISION

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

 To: Chairman and Members, Hawaiian Homes Commission
 Through: Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division
 Kalei Youn Danager Land Management Division
 From: Shelly Carreira, Land Agent & Land Management Division
 Subject: Approval to Terminate Church License No. 269 and Issuance of a New Church License to Molokai Congregation of Jehovah's Witnesses, Kalamaula, Molokai, TMK: (2) 5-2-009:020

APPLICANT:

Molokai Congregation of Jehovah's Witnesses "LICENSEE"

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) grant its approval to Terminate Church License No. 269 and issuance of a new Church License to the Molokai Congregation of Jehovah's Witnesses, for the purpose of conducting religious activities on the subject parcel.

Approval of the Church License is subject, but not limited to the following conditions:

- 1. Authorize the issuance of a Church License to the Molokai Congregation of Jehovah's Witnesses covering the subject area under the terms and conditions cited below, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current license form, as may be amended from time to time;
 - B. The term of the Church License shall be thirty (30) years, commencing upon full execution of the Church License document.;
 - C. The fee for the term of this Church License shall be Two Hundred Dollars (\$200.00) per annum in annual payment;
 - D. Such other terms and conditions as may be prescribed by the Hawaiian Homes Commission to best serve the interest of the Hawaiian Home Lands Trusts;

2. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR this project will probably have minimal or no significant effect on the environment.

LOCATION:

Parcel of Hawaiian home lands situated in Kalamaula, Island of Molokai, identified as Lot No. 88, TMK: (2) 5-2-009:020 and encompasses 23,783.7 sq. ft. (See Exhibit "A")

<u>AREA</u>: Kalamaula, Molokai

BACKGROUND/DISCUSSION

The Molokai Congregation of Jehovah's Witnesses (Congregation) has been situated on the subject parcel and conducting religious activities since 1955, initially under terminated Church License No. 78 and currently under Church License No. 269, which commenced on July 1, 1990 and will terminate on June 30, 2020.

Through a letter dated July 14, 2017 (Exhibit "B"), the Congregation is requesting a new license agreement. The Congregation is planning to invest over \$150,000 on improvements to their existing Kingdom Hall. The improvements involve installation of air conditioning, adding ceiling and wall insulation, adding new windows and doors and other minor renovations. There will be no change to the existing footprint or elevation. The letter includes a request to expand the lot size but consideration for expansion will be addressed at a later date.

Since the existing license does not allow for an extension to the term and the Congregation is planning to invest over \$150,000 in improvements to the Kingdom Hall, prudent management requires Land Management Division recommend issuance of a new land disposition with a longer term versus making such an investment under the existing license that has only two years remaining on the term.

On March 1, 2018, Department of Hawaiian Home Lands, Planning Office conducted a beneficiary consultation on the island of Molokai to discuss issuance of the new license. The beneficiaries present at this meeting expressed overwhelming testimony in support of issuance of the new church license.

The proposed fee of \$200 per annum is consistent with Hawaii Administrative Rules, Section 10-4-26(c), which states "The annual rent for license issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater." Fee calculation as follows:

Proposed Land Area: 23,783 square feet multiplied by $\frac{1}{2}$ cent = \$118.91 or \$200, whichever is greater. Therefore, \$200 per annum would be the annual fee imposed.

PLANNING SYSTEM

CHARACTER OF USE:

Existing Use: Church (Community Use)

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Department of Hawaiian Home Lands Comprehensive Exemption List as Reviewed and Concurred Upon by the Environmental Council on June 30, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class #1, which states "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."

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

The recommended disposition is consistent with the following plans, policies, and programs:

1) DHHL General Plan (2002) goals and objectives:

Land Use Planning

Goals:

- 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.

Objectives:

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

Land and Resource Management

Goals:

 Be responsible, long –term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

Objectives:

- Preserve and protect significant natural, historic and community resources on Trust lands.
- 2) Molokai Island Plan (June 2005)
 - Land Use Designation: Community, Figure 5.2, Kalamaula Preferred Land Use Plan
- 3) Island of Molokai Regional Plan (April 2010)
 - Regional Land and Development: Kalamaula 76 acres of community use area includes Church Row.

AUTHORITY

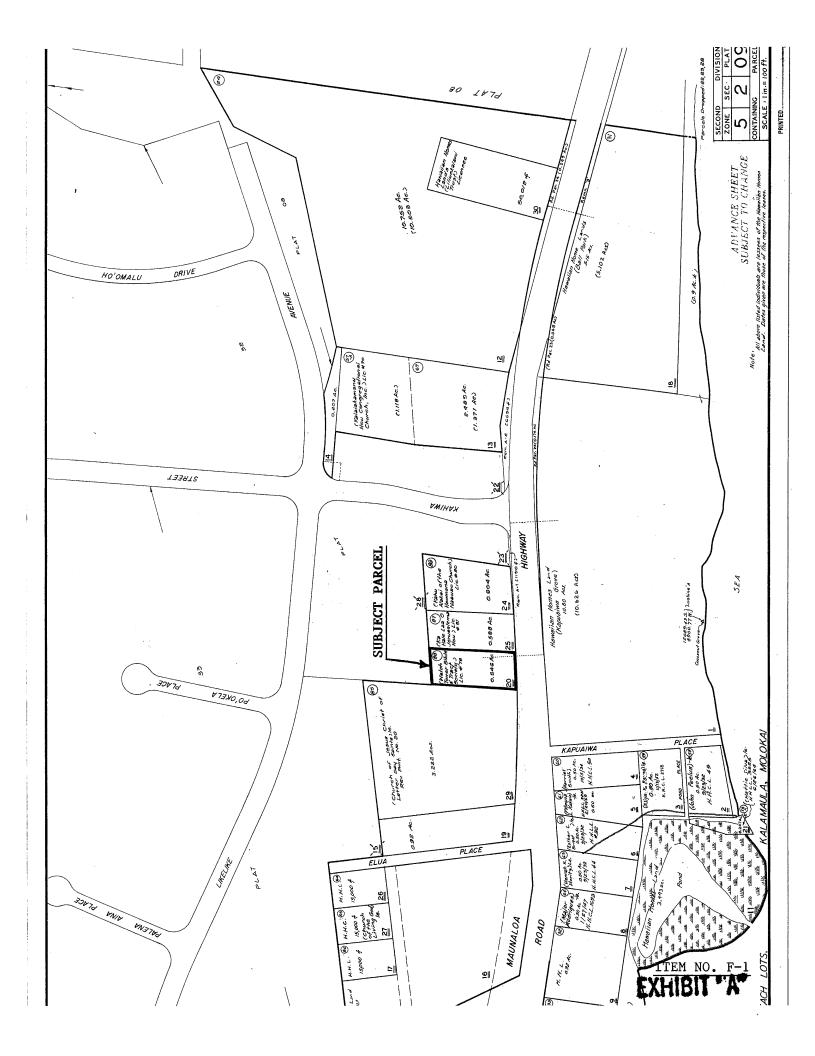
Section 207(c)(1)(B), HHC as amended, states "The department is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The department is also authorized to grant licenses for lots within a district in which lands are leased under the provisions of this section, for:

(A) Churches, hospitals, public schools, post offices, and other improvements for public purposes."

Section 10-4-26(c), states "The annual rent for license issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater."

RECOMMENDATION

Land Management Division recommends approval of the requested motion/action as stated.



MOLOKAI CONGREGATION OF JEHOVAH'S WITNESSES P.O. BOX 44 KAUNAKAKAI, HAWAII 96748

Hawaiian Home Lands Land Management Division Attn: Jobie Masagatani, Chairman 91-5420 Kapolei Parkway Kapolei, HI 96707

Hawaiian Home Lands Land Management Division Attn: Shelly Carreira, Land Agent P.O. Box 1879 Honolulu, HI 96805

Subject: <u>Request for New License to Replace License Number 269 and New</u> License for Rear Adjacent Lot for Parking

Date: July 4, 2017

Dear Jobie Masagatani and Shelly Carreira:

We are writing to request a 25 and preferably up to a 50 year extension on our license #269. Our Kingdom Hall is located at tax key #: 2-5-2-09-20, lot #88, Church Row, Maunaloa Hwy, Kaunakakai, HI. (See attached Map "A")

Our current building is due for renovation and upgrades. We plan to invest well over \$150,000.00 improving the existing building. Our plans will not require any change to the footprint or elevation of the building. We will be primarily focused on making the building ready to install air conditioning, adding ceiling and wall insulation, new windows and doors. We will also be replacing carpeting and removing old ceiling fans and wall fans. Since the building will be insulated, we will also do new exterior siding and replace internal sheetrock. These upgrades will allow us to remove any termite damage and replace as necessary.

We will not require any loans to complete this project. The project will last for several months and will be fully permitted and compliant with Maui County.

In addition, our current lot has a paved parking area with lighting, which is at the front of the property. Our congregation completely fills the parking area on a



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regular basis. On special occasions, we have to park along Maunaloa Highway. This is not the safest arrangement. Considering the fact that we will be making substantial improvements to our existing facility, and safety is currently an issue, we would like to request that you grant us a license for a portion of the vacant lot immediately behind our Kingdom Hall. (See attached Map "B") Our plan would be to create access from our current property and properly grade and prepare a suitable area for overflow parking needs. We would also install safety lighting.

We understand from numerous phone conversations that the new licenses should not be a problem, but before we can move forward with the needed renovation project, we need your formal commitment to the new licenses including the rear vacant property for extra parking. Please let us know if this formal request is sufficient to meet your needs to extend our license.

If you have questions, please feel free to call or e-mail me, 978-471-0482, jmnpg@yahoo.com.

Sincerely,

James F. Foster, Elder and Project Coordinator Molokai Congregation of Jehovah's Witnesses

Molokai Congregation of Jehovah's Witnesses, Kaunakakai, Hawaii

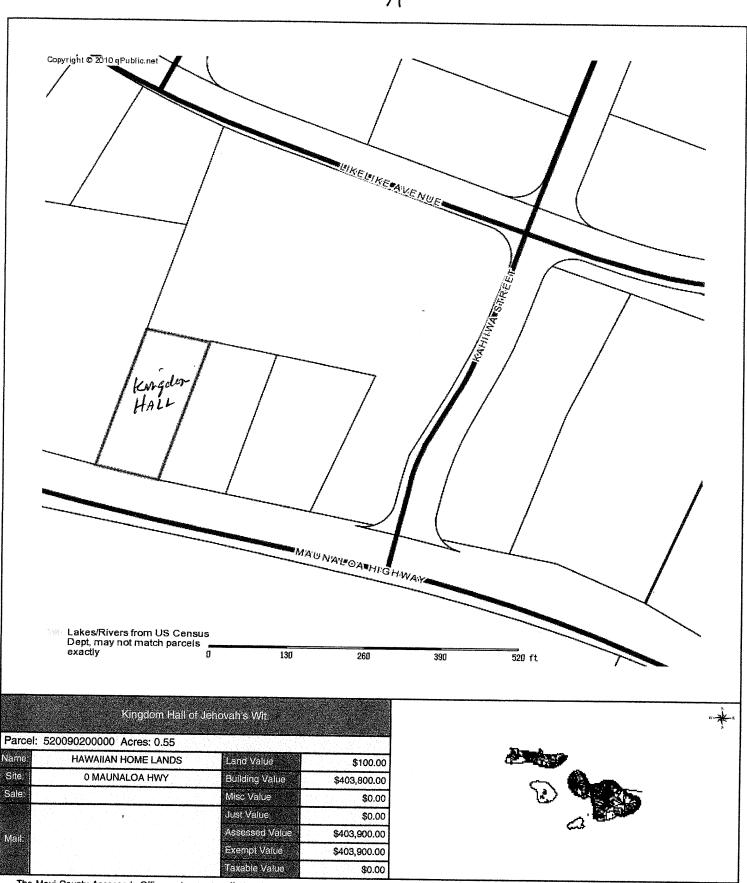
BV: Theorem K (Poste

Acting Coordinator of the Body of Elders

Bv: Secretah the Congregation

Trustees of the Molokai Congregation of Jehovah's Witnesses:

Jeffrey K. Pidot Patricio Sanchez, Jr. Theodore R. Pastrana, Jr. <u>Fleodon R Posticon</u>

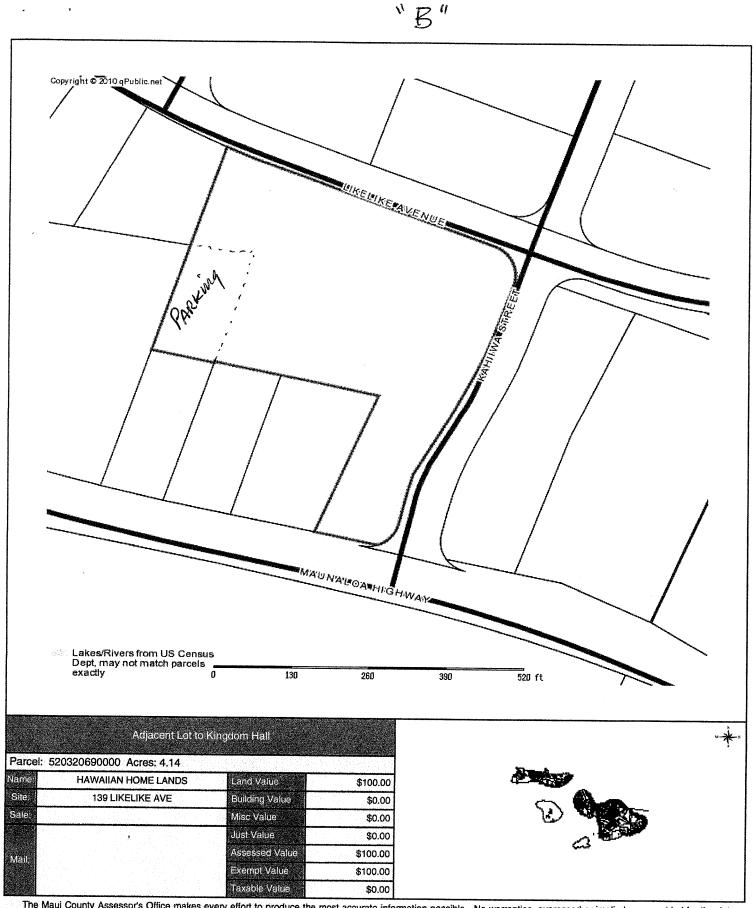


The Maui County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER MAUI COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS ---THIS IS NOT A SURVEY---

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The Maui County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER MAUI COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS ---THIS IS NOT A SURVEY---

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DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

To:	Chairman and Members, Hawaiian Homes Commission
Through:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division Kalei Young, Manager Land Management Division
From:	Shelly Carreira, Land Agent Land Management Division
Subject:	Approval to Terminate Church License No. 261 and Issuance of a New Church License to Ierusalema Pomaikai Church, Kalamaula, Molokai, TMK: (2) 5-2-009:017, 026, and 027.

APPLICANT:

Ierusalema Pomaikai Church "LICENSEE"

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) grant its approval to terminate Church License No. 261 and issuance of a new Church License to Ierusalema Pomaikai Church, for the purpose of conducting religious activities on the subject parcel.

Approval of the Church License is subject, but not limited to the following conditions:

- 1. Authorize the issuance of a Church License to the Ierusalema Pomaikai Church covering the subject area under the terms and conditions cited below, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current license form, as may be amended from time to time;
 - B. The term of the Church License shall be thirty (30) years, commencing upon full execution of the Church License document.:
 - C. The fee for the term of this Church License shall be Two Hundred Twenty-Five Dollars (\$225.00) per annum in annual payment;
 - D. Such other terms and conditions as may be prescribed by the Hawaiian Homes Commission to best serve the interest of the Hawaiian Home Lands Trusts;

2. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR this project will probably have minimal or no significant effect on the environment.

LOCATION:

Parcel of Hawaiian home lands situated in Kalamaula, Island of Molokai, identified as Lot Nos. 54,55,56, further described as TMK: (2) 5-2-009:017, 026, and 027 and encompasses 45,000 sq. ft. (See Exhibit "A")

<u>AREA</u>: Kalamaula, Molokai

BACKGROUND/DISCUSSION

Historical background information provided by the Licensee states the original church building was constructed in 1928. The Licensee was issued Church License No. 71 in 1978 and is currently operating under Church License No. 261, which commenced on April 1, 1990 and will terminate on March 31, 2020.

With expiration of the existing license coming up within the next couple years, the Licensee expressed interest in securing a new church license. The Licensee has constructed a new church building and is in the planning process for demolishing the old church structure and making improvements at the site. Since the existing license does not allow for an extension to the term, issuance of a new church license is recommended.

On March 1, 2018, Department of Hawaiian Home Lands, Planning Office conducted a beneficiary consultation on the island of Molokai to discuss issuance of the new license. The beneficiaries present at this meeting expressed overwhelming testimony in support of issuance of the new church license.

The proposed fee of \$225 per annum is consistent with Hawaii Administrative Rules, Section 10-4-26(c), which states "The annual rent for license issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater." Fee calculation as follows:

Proposed Land Area: 45,000 square feet multiplied by $\frac{1}{2}$ cent = \$225 or \$200, whichever is greater. Therefore, the annual fee imposed would be \$225.00.

PLANNING SYSTEM

CHARACTER OF USE:

Existing Use: Church (Community Use)

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the Department of Hawaiian Home Lands Comprehensive Exemption List as Reviewed and Concurred Upon by the Environmental Council on June 30, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class #1, which states "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."

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

The recommended disposition is consistent with the following plans, policies, and programs:

1) DHHL General Plan (2002) goals and objectives:

Land Use Planning

Goals:

- 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.

Objectives:

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

Land and Resource Management

Goals:

 Be responsible, long –term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

Objectives:

- Preserve and protect significant natural, historic and community resources on Trust lands.
- 2) Molokai Island Plan (June 2005)
 - Land Use Designation: Community, Figure 5.2, Kalamaula Preferred Land Use Plan
- 3) Island of Molokai Regional Plan (April 2010)
 - Regional Land and Development: Kalamaula 76 acres of community use area includes Church Row.

AUTHORITY

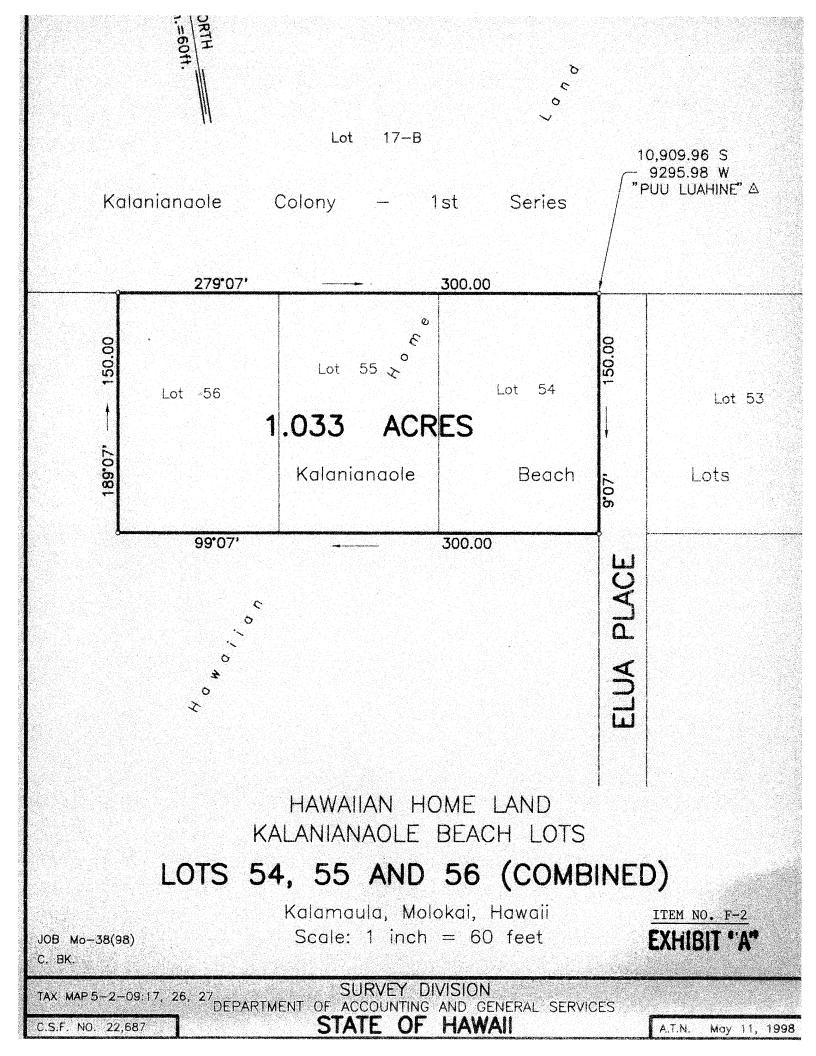
Section 207(c)(1)(B), HHC as amended, states "The department is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The department is also authorized to grant licenses for lots within a district in which lands are leased under the provisions of this section, for:

(A) Churches, hospitals, public schools, post offices, and other improvements for public purposes."

Section 10-4-26(c), states "The annual rent for license issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater."

RECOMMENDATION

Land Management Division recommends approval of the requested motion/action as stated.



STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

То:	Chairman and Members, Hawaiian Homes Commission
Through:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division
From:	Allen G. Yanos, Property Development Agent Land Management Division
Subject:	REQUEST TO APPROVE RIGHT-OF-ENTRY PERMITS FOR RENEWABLE ENERGY PROJECTS Kalaeloa, Island of Oahu, TMK No. (1) 9-1-013:038, 040, 117 & 118; Kahikinui, Island of Maui, TMK No.: (2) 1-9-001:003 (portion); and Kalaoa, Island of Hawaii, TMK No.: (3) 7-3-010:007(portion)

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission ("HHC") approves the issuance of Right-of-Entry ("ROE") permits to the qualified applicants selected through the Department of Hawaiian Home Lands ("DHHL") renewable energy projects solicitation to enter Hawaiian home lands for due diligence activities and other preparatory tasks to assess the potential for their respective proposed projects.

DISCUSSION:

On February 27, 2018, the Hawaiian Electric Companies, comprised of the Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., ("HECO") issued Request for Proposals ("RFP") for various renewable energy generation on Oahu, Maui, and Hawaii Island with the state Public Utilities Commission ("PUC") in Docket No. 2017-0352.

Due to the deadline for prospective developers to respond to HECO's RFP by April 30, 2018, it was imperative for DHHL's solicitation to be issued on an expedited basis to take advantage of the opportunity to lease Hawaiian home lands for renewable energy projects. To make efficient use of DHHL staff time and resources, only a limited number of parcels was offered as reported in Land Management Division's informational briefing to the HHC at its March 20, 2018 meeting. Land Management Division, in consultation with the Planning Office and Chairman's Office, issued the public notices regarding the solicitation for renewable energy projects on March 9, 2018 for Oahu and Maui parcels with a deadline for applications to be submitted by April 2, 2018. The HHC requested that the Kalaoa parcel, on Hawaii Island, also be offered so a separate solicitation was issued on March 23, 2018 with the deadline for applications to be submitted for consideration by April 6, 2018. Table 1 reflects all the Hawaiian home lands offered for renewable energy projects through the solicitation.

ISLAND	ТМК	ACRES	LOCATION	NOTES
Oahu	9-1-013:038	97.54	Kalaeloa	
Oahu	9-1-013:040	49.18	Kalaeloa	
Oahu	9-1-013:117	57.51	Kalaeloa	
Oahu	9-1-013:118	43.62	Kalaeloa	
Maui	1-9-001:003 (portion)	15,620	Kahikinui	Up to 1000 acres for due diligence purposes; up to 500 acres under general lease
Hawaii	7-3-010:007	200	Kalaoa	Up to 100 acres in the Southern half of the parcel to be under general lease

*Approximate

The solicitation documents in the form of "information packets", included a copy of the public notices published in the daily newspapers statewide pursuant to Section 171-95.3, HRS; details about the solicitation; the parcels being offered for projects; application requirements; and the basis for selection, among other things. An application could cover only one type of project (e.g., solar, wind, biomass, hydropower, etc.) covering one or more parcels of land. Each application also had to be accompanied by a non-refundable application review fee of \$1,000.00. There was no limit to the number of projects for which an applicant could submit an application. Copies of the information packets were posted to DHHL's Procurement web page at www.dhhl.hawaii.gov/procurement/ for easy reference by the public and were also available to the public for pick-up at DHHL's Kapolei headquarters during the application period.

DHHL's solicitation provided that once all applications for projects were submitted by their respective deadlines and evaluated, DHHL would have the right to select one or more qualified applicants for each site and issue a Letter of Intent for an ROE to provide evidence satisfying the RFP's project site control requirement. HECO's RFP requirement for site control allowed that a Letter of Intent did not need to be exclusive and may be contingent upon selection of the qualified applicant's proposal to HECO's Final Award Group.

Applications were received from:

KALAELOA, OAHU PARCELS Applicant	Site	Project Type
DESRI Renewables, LLC/Arion Energy, LLC	Kalaeloa Parcels 117 & 118	Solar
SunStrong LLC	Kalaeloa Parcels 38 & 40	Solar
Elemental Energy (US), Inc.	Kalaeloa Parcels 117 & 118	Solar

Applicant	Site	Project Type
Hawaiian Electric Company	Kalaeloa Parcels 117 & 118	Solar
Hawaiian Electric Company	Kalaeloa Parcel 38	Solar
Longroad Development Company, LLC	Kalaeloa Parcels 38, 40, 117 & 118	Solar
Virginia Peak Power Partners, LLC	Kalaeloa Parcels 117 & 118	Solar
Cypress Creek Renewables, LLC	Kalaeloa Parcels 117 & 118	Solar

KALAELOA, OAHU PARCELS (continued)

[Note: Cypress Creek's application was disqualified for not meeting the April 2, 2018 submission deadline for Oahu and Maui.]

KAHIKINUI, MAUI PARCEL

Applicant	Site	Project Type
Sempra Renewables, LLC	Kahikinui-West	Wind
Virginia Peak Power Partners, LLC	Kahikinui-Area not specified	Solar

KALAOA, HAWAII PARCEL

Applicant	Site	Project Type
Cypress Creek Renewables, LLC	Kalaoa-100 acres not specified	Solar
O'oma Homestead Alliance, LLC	Kalaoa-Area not specified	Solar

An Evaluation Committee comprised of DHHL staff with some background in energy matters, each from the Land Management Division, Land Development Division, and the Planning Office, along with two nongovernmental members from DHHL's renewable energy consulting firm, SPS Energy & Financial, LLC, reviewed the applications and made recommendations for the HHC Chairman's approval. Recommendations were based on the criteria and guidelines described in the information packets, a summary of which is reflected in Exhibit "A" attached hereto. Ultimately, DHHL reserved the right, in its sole discretion, to determine the best qualified applicants for each site or select more than one qualified applicant for each site to proceed with the leasing process. A major consideration by the Evaluation Committee was to determine which applicants would have the best chance of satisfying HECO's rigorous RFP requirements and succeed in being selected to the Final Award Group to develop their proposed projects and thereby be able to generate the long-term revenue for DHHL under their general leases that was the primary purpose of the solicitation.

The selected applicants were as follows:

KALAELOA, OAHU PARCELS <u>Applicants Selected</u>	Site	Project Type
Elemental Energy (US), Inc.	Kalaeloa Parcels 117 & 118	Solar
Hawaiian Electric Company	Kalaeloa Parcels 117 & 118	Solar
[Note: Hawaiian Electric Company ha PUC and additional specific informati		ected pending clarification from the
Hawaiian Electric Company	Kalaeloa Parcel 38	Solar
[Note: Hawaiian Electric Company ha PUC and additional specific informati		ected pending clarification from the
Longroad Development Company, LLC	Kalaeloa Parcels 38, 40, 117 & 118	Solar
KAHIKINUI, MAUI PARCEL	<u></u>	
Applicant Selected	Site	Project Type
Sempra Renewables, LLC	Kahikinui-West	Wind
KALAOA, HAWAII PARCEL		
Applicant Selected	Site	Project Type
Cypress Creek Renewables, LLC	Kalaoa	Solar
O'oma Homestead Alliance, LLC	Kalaoa	Solar

Hawaiian Electric Company's applications for proposed solar projects in Kalaeloa will be handled via the process for public utilities under Section 171-95, HRS. This process would be subject, however, to the receipt of additional specific information and confirmation that the PUC will allow HECO to directly negotiate with DHHL for its land in support of a self-build option despite its exemption from participation in Stage 1 of HECO's RFP for Oahu.

The other applicants that were selected for further consideration to be the Lessee of the sites for their proposed projects, were issued preliminary letters of intent for the issuance of an ROE. The ROE would be preliminary to the potential issuance of a general lease processed under Sections 171-95, Hawaii Revised Statutes ("HRS") for public utilities or governmental entities, or 171-95.3, HRS, for renewable energy producers. The ROE fees would be based on the selected applicant's proposed fees and term desired for the due diligence activities.

Issuance of an ROE was conditioned on the following:

- 1. Approval of the ROE by the HHC during the HHC's monthly meeting;
- 2. Payment of a non-refundable deposit of \$10,000.00 within seven (7) working days of written confirmation by DHHL that the HHC approved the ROE. The deposit shall be credited towards the qualified applicant's proposed annual ROE fees.
- 3. The ROE issued to the qualified applicant may be non-exclusive. In the event that DHHL issues ROEs to others for the same site, the qualified applicant agrees to obtain consent from DHHL in advance of any equipment, staking or other work to be installed or done on the site to prevent conflicts with other permittees.
- 4. The qualified applicant shall notify DHHL in writing within five (5) working days of HECO's announcement of its selection to the Short List as defined in HECO's RFP issued February 27, 2018. In the event a qualified applicant is not selected for the Short List, DHHL will terminate the ROE.
- 5. Upon satisfaction of certain conditions, including the following, a general lease may be issued to the qualified applicant:
 - Compliance with Chapter 343, HRS
 - Certificate of Insurance issued to DHHL as an additional insured
 - Written notification to DHHL exercising the option for a general lease and selection of the qualified applicant's proposed project to the Final Award Group as defined in HECO's RFP
 - Completion of the process for the issuance of a general lease pursuant to Section 171-95.3 or 171-95, HRS, as may be appropriate
 - Issuance of a Power Purchase Agreement ("PPA") by HECO
 - Completion of DHHL's beneficiary consultation process and approval by the HHC for the issuance of the general lease

According to the HECO RFP schedule, those developers whose projects have been selected on the "Short List" on May 30, 2018 will undergo more detailed evaluation by HECO for consideration of a final award on September 17, 2018 and the eventual execution of the PPA. At that point, DHHL's qualified applicants will have more definitive information about their projects and general lease terms and conditions to share for the public hearings and for approval by the HHC prior to issuance of a general lease.

LEGAL AUTHORIZATION:

Section 204(a)(2) of the Hawaiian Homes Commission Act, 1920, as amended, reads in part..."In the management of any retained available lands not required for leasing under Section 207(a), the department may dispose of such lands to the public, including native Hawaiians, on the same terms, conditions, restrictions and uses applicable to the disposition of public lands as provided in Chapter 171, Hawaii Revised Statutes, provided that the Department may not sell or dispose of such land in fee simple...." The parcels that are the subject of this action are not planned or required for leasing under Section 207(a).

Pursuant to Section 202 of the Hawaiian Homes Commission Act, 1920, as amended, "the Commission may delegate to the chairman such duties, powers, and authority, or so much thereof, as may be lawful or proper for the performance of the functions vested in the Commission...."

Section 220.5 of the Hawaiian Homes Commission Act, 1920, as amended, also authorizes DHHL to enter into project developer agreements with a qualified developer for commercial or multi-purpose projects, subject to Section 171-60(a)(3), HRS.

Section 10-4-1 of the DHHL's Administrative Rules, as amended, also states in part that... "The department may lease, license or otherwise deal with any available lands as may not be immediately needed for the purposes of the Act as provided by Section 204(a)(2) of the act and Chapter 171, HRS, upon such terms and conditions as to it may deem fair reasonable."

Section 171-95, HRS, as amended, authorizes disposition to public utilities and renewable energy producers of public lands for terms up to, but not in excess of, sixty-five years at such rental and on such other terms and conditions as the Board may determine. For the purposes of this section, "renewable energy producer" means "any producer or developer of electrical or thermal energy produced by wind, solar energy hydropower, geothermal resources, landfill gas, waste-to-energy; ocean thermal energy conversion, cold seawater, wave energy, biomass, including municipal solid waste...that sell all of the net power produced from the demised premises to an electric utility company regulated under Chapter 269...."

Section 171-95.3, HRS, authorizes the lease or renewal of a lease of public lands "to renewable energy producers, as defined in section 171-95, without public auction only pursuant to a public process that includes public notice under Section 1-28.5 providing other interested renewable energy producers opportunity to participate in the process...."

<u>RECOMMENDATION</u>:

Land Management Division recommends approval of the motion as stated.

SUMMARY OF CRITERIA FOR SELECTION

Submission Requirements (one application per project):

- Submission deadline met
- Five (5) hard copies of application provided
- One CD or thumb drive with PDF copy of application provided
- Completed application form and signed certification provided
- \$1,000 non-refundable application fee included

Minimum Qualifications and Experience Requirements:

- Must be a "Renewable Energy Producer" or utility/government entity
- No arrears in taxes or rents/not a minor/or no disposition with DHHL canceled in five years since solicitation issued
- Successfully completed/placed in service AT LEAST FIVE (5) solar or wind projects one of which 1MW in size <u>AND ANY TWO</u> of the following:
 - Total cost of projects exceeds \$10 Million
 - Total book value of Applicant's company exceeds \$5 Million
 - Written evidence of ample funding for proposed project

Additional Experience Information:

- List and provide brief description of renewable energy projects developed and their sizes
- Describe role of the Applicant in developing the listed renewable energy projects
- If applicable, a description of all the renewable energy projects or facilities owned and operating
- Previous experience performing relevant work in the State of Hawaii, if any

Project Information

- Description of the conceptual design of the project
- Timeline for completion of the project
- Description of the financial plan for project financing
- Description of the business concept for the project
- Description of the landscape and acreage requirements, including public and private lands
- Why the project being proposed would be advantageous for the site unless a solar facility

Proposal and other Qualifications Information:

- The proposed non-refundable annual ROE fee(s) during the due diligence period
- The proposed lease rent(s) under the general lease
- The proposed "breakage fee" at any point during the ROE period
- The proposed community benefits to be provided by Lessee to HHCA beneficiaries
- Complete copy of most recent audited financial statements or filed copies of federal income tax returns for past two years provided
- Current Certificate of Good Standing from DCCA
- Current Tax Clearance from both Hawaii Department of Taxation and IRS
- At least three (3) references from Applicant's past
- If applicable, statement of the Applicant's past or current involvement with DHHL
- Statement included agreeing to cooperate with and support DHHL's HOAP (HALE) Program

Exhibit "A"

The selection of qualified applicants will be made following the evaluation of their completed applications. If DHHL determines that there is more than one qualified applicant, then DHHL may require, at its sole discretion, further review of said qualified applicants that may include, but is not limited to, fulfillment of additional criteria and/or submission of additional information. DHHL reserves the right, in its sole discretion, to determine the best qualified applicant for each site or select more than one qualified applicant for each site to proceed with the leasing process.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

- To: Chairman and Members, Hawaiian Homes Commission
- Through: Kahana Albinio, Acting Administrator Land Management Division
- Through: Kaleo Manuel, Acting Manager Planning Office
- From: Kaipo Duncan, Land Agent Land Management Division
- From: Nancy McPherson, Planner
- Subject: Approval to the Issuance of a Non-Exclusive License Easement to the County of Kauai-Engineering Division, Aliomanu Road Erosion Repair, Anahola, Kauai, TMK: (4) 4-8-018:032 (por.)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) approve a perpetual Non-Exclusive License Easement to the County of Kauai for the use of approximately 2,028 square feet of Department of Hawaiian Home Lands (DHHL) off Aliomanu Road in Anahola, Kauai, subject to the following conditions:

- Licensee shall provide a survey map and description of the easement as described above according to State Department of Accounting and General Services (DAGS) standards;
- 2. Licensee shall remit a non-refundable processing and documentation fee in the amount of \$275.00;
- 3. Fee for the easement shall be gratis.
- License easement will be issued in perpetuity, and shall become effective upon execution of the License Easement document;
- 5. The License shall not be assignable to a third party;

- 6. Licensee's work shall conform to Federal, State, and County (All government agencies) standards. Licensee shall obtain applicable permits and approvals from the government agencies prior to the commencement of any work on the property that requires such permits and approvals;
- 7. Any construction or alteration of the easement area shall require DHHL approval;
- The Licensed area shall be used for vehicular and utility access only;
- The license easement document shall be subject to other standard terms and conditions of similar licenses issued by DHHL;
- 10. The Chairman of the HHC is authorized to impose such other conditions deemed prudent and necessary; and
- 11. The License Easement document will contain the standard terms and conditions and shall be subject to review and approval by the Department of the Attorney General.

DISCUSSION

A hazardous condition has arisen on Aliomanu Road at Anahola Bay, Anahola, Kauai. The condition was caused by large storm waves washing out soil underlying Aliomanu Road and collapsing the road pavement. Over the last 15 years ocean waves generated from the north move easterly causing damage to the road located next to the shoreline.

The original Aliomanu Road was a two (2) lane County roadway servicing approximately 24 fee simple homes to the north (see Exhibit A). DHHL owns land to the South and West of the eroded site. The Pacific Ocean is to the East and a hillside with the County land use designation agricultural is to the immediate West. The road has been compromised down to a narrow one (1) lane roadway making it dangerous for motorists.

It is important for Kauai County to maintain a two (2) lane roadway for public health and safety purposes. It is also best to have a two (2) land road during the construction phase to provide more room for heavy equipment. They have determined that the only way to repair the road and fix the erosion is to use approximately 2,028 square feet of DHHL lands. A plan to repair the damaged road and construct a shoreline protection system is being implemented to control future wave damage.

Kauai County has determined the 2,028 square feet of DHHL lands used will be permanent. Once the erosion is fixed Aliomanu Road will again be a two (2) lane roadway.

DHHL'S Kauai Island Plan (2004) has prioritized these agricultural lands in Anahola for future homestead development but not the hillside abutting the Aliomanu Road erosion site. The Anahola Regional Plan (2010) recognized the need to improve traffic flow in the Anahola area and the County's road repair project fits into current DHHL planning objectives.

The County of Kauai, Department of Public Works (DPW) has addressed the Hawaii Revised Statutes (HRS) 343 Chapter requirements and retained Oceanit Laboratories, Inc. as its Engineering Consultant to complete the necessary requirements (see February 2018 Final Environmental Assessment). The Final Environmental Assessment(FEA) has been completed and the Kauai County DPW has declared a 'Finding of No Significant Impact' (FONSI) for this Project dated February 8, 2018 with no legal challenges filed.

DHHL assisted the County with two (2) public information meetings involving the DHHL homestead community. There were four (4) development alternatives discussed with the community which involved increasing the amounts of Hawaiian Home Lands used to reroute the road from its current location. The homestead community voted against allowing more Hawaiian Home Lands be used to reroute the road as was required by the other three (3) options. They voted for and supported the current road repair plan because of its minimal impact of 2,028 square feet of DHHL lands (see Exhibit B).

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 of the DHHL Administrative Rules requires the applicant to pay for all costs incurred by the department for the processing of a license application, including a non-refundable processing and documentation fee of \$275.00. It also allows for a rental to be charged should the use benefit other than the department or native Hawaiians.

§10-4-22 of the DHHL Administrative Rules authorizes the issuance of licenses for public purposes, as easements in perpetuity or shorter term, subject to the easement being reverted to the department upon termination or abandonment.

RECOMMENDATION

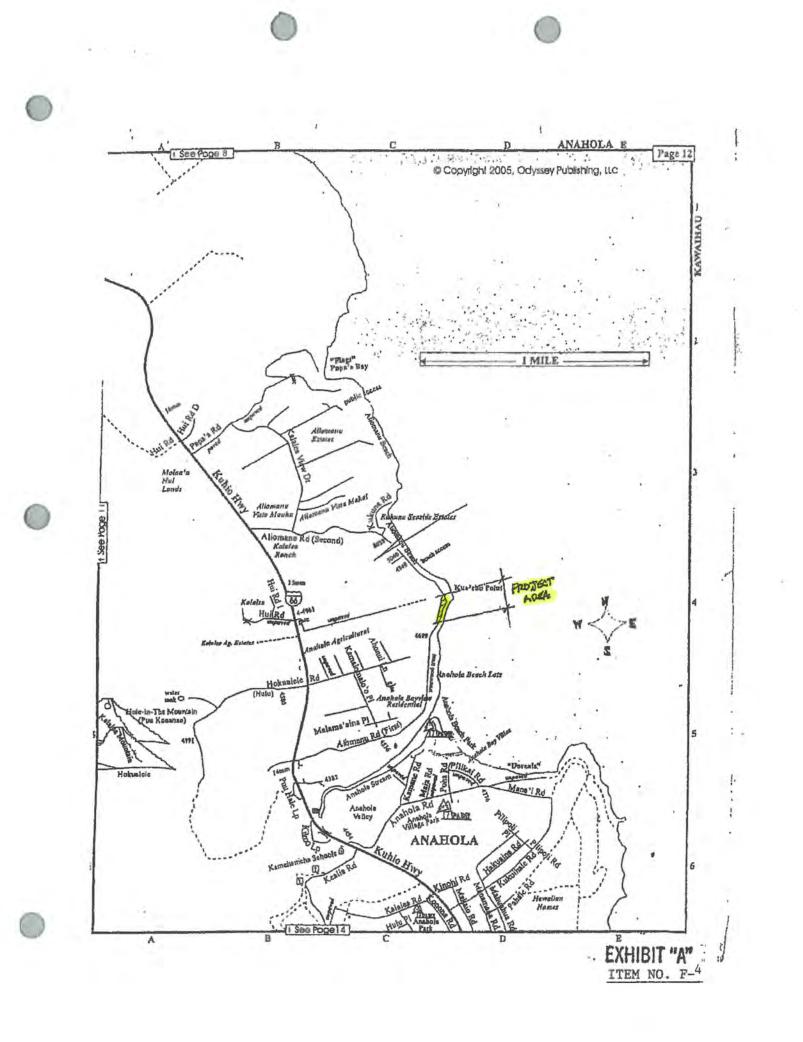
The County of Kauai is requesting a perpetual License Easement for a portion of DHHL land the Aliomanu Road currently sits on (see Exhibit C). When Aliomanu Road was originally built in the 1940's a small portion was inadvertently built on DHHL lands. This type of encroachment is not unusual due to survey methods that were not precise at the time the road was constructed. The requested piece of land has been used as a roadway for over 70 years and the purpose of this request is to allow the County to continue to utilize and maintain the roadway.

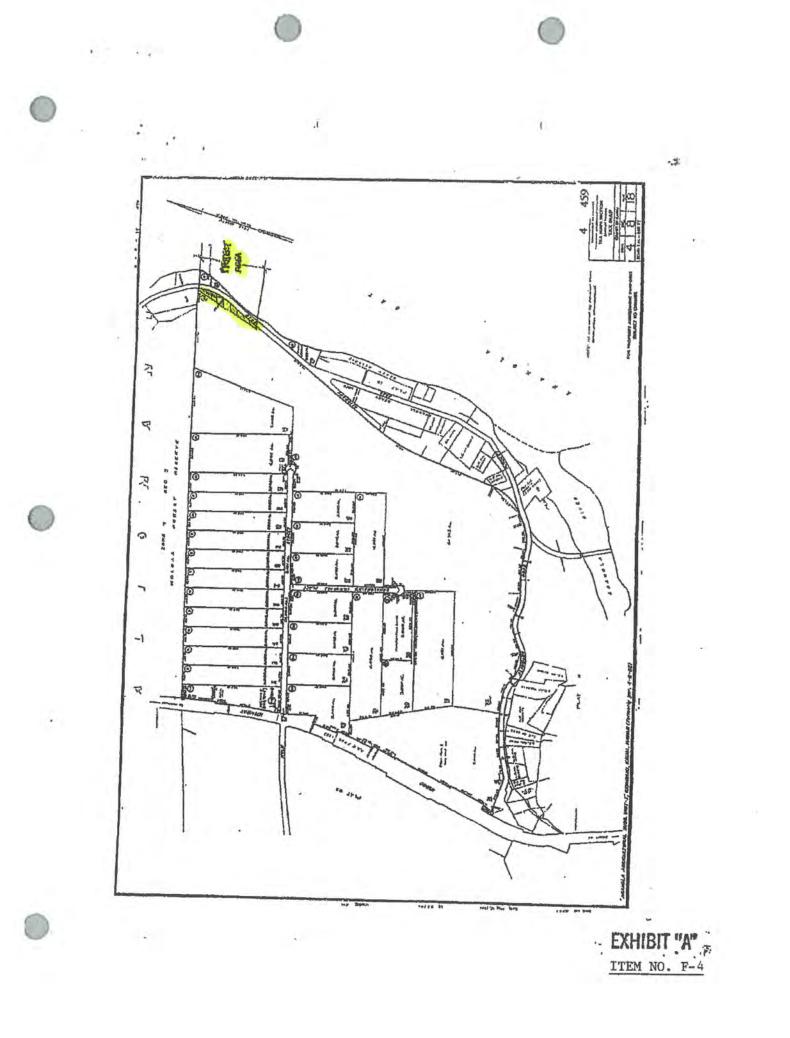
The DHHL land is defined in the legal description and map prepared in June 2017 showing the proposed designation of easement AU-1(see Exhibit D). The proposed easement contains an area of 2,028 square feet within parcel 32 which is designated as DHHL lands with the County land use designation agricultural.

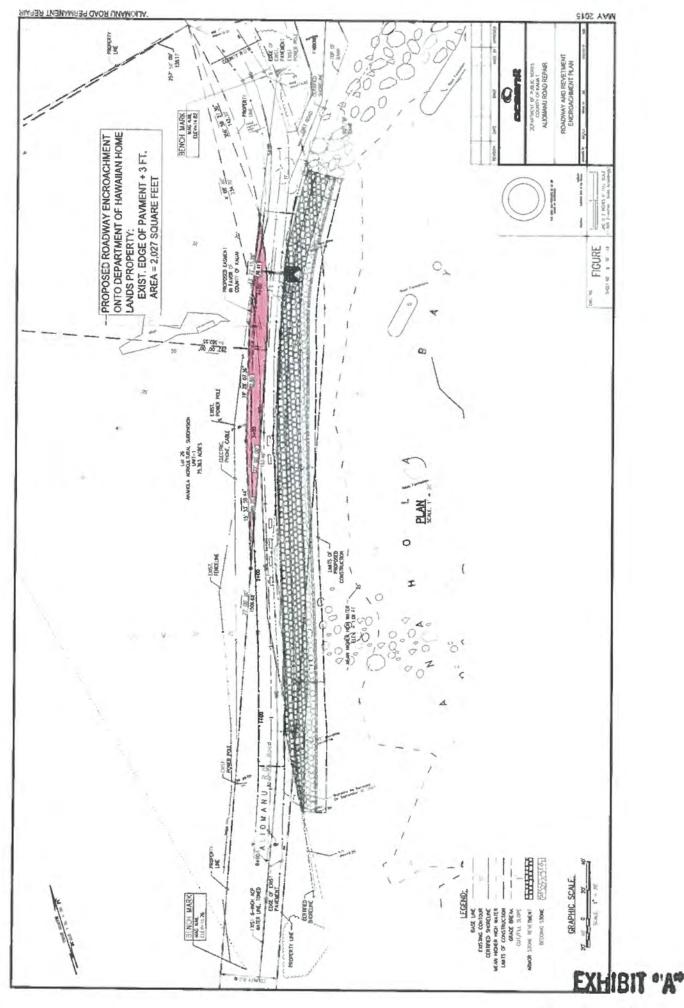
The County intends to move approximately 300 cubic yards of sand a year from the Anahola River mouth to the Aliomanu Road erosion repair site to prevent future erosion. This will benefit DHHL by keeping the river mouth open and redistributing the sand. During prior heavy rain events and large waves DHHL lessees and non-lessees living along Anahola river have had their homes inundated with water from the overflowing river.

Because the County is investing \$2 to \$3 million dollars to repair the road they are seeking to protect their investment by formalizing the use of DHHL lands.

In August 2017 at the HHC meeting on Kauai Island, Land Management Division (LMD) and the Planning Office (PO) staff presented a 'For Information Only' submittal on this matter with favorable comments from the HHC. Now LMD and PO kindly request the recommended action as stated.









Meeting Notes

Date: April 25, 2017

Time: 6:00 p.m.

Location: Anahola Clubhouse, Kauai

Project: 'Aliomanu Road Repair

Subject: Public information meeting for the Anahola Community on the alternatives for repairing the Aliomanu Road

Attendees:

Kauai County:

Michael Moule (Kauai County, MM), Don Fujimoto (Kauai County, DF), Oceanit:

Mike Foley (Oceanit, MF)

DHHL:

Robert Freitas (RF), Nancy McPherson (NM), Erna Kamibayashi (EK) Community members (Sign In Sheet Attached):

Lily Yamamoto, Armin Rapaport, Tilly Kanekolani, Kim Kain, Mark Pomstouh, Terilynn Makanani, Chad Rapozo, Sal Marti V, Leiola Kamalani Oliver, Wehi Nakano, Nick Wilke, Lindyl Laniham, Nalani Kaneakua, Jeff Fremine, Candace Kleven, Kimo Aluli, Jim Liesse, Sat Rattan Khalsa, Maybelle K Kaia'a, Franth Coatride, Yvonne Stoner, Steve Stoner, Clyde & Oma, Aggie Marti-Kimi, Lahaina Grance, Joseph H Kaaukiai, Cindy Griffin, Gary Dueret, Luella Lemn, Colleen Kohlsaat, Hari Khaisa, Robin Young, Rich Young, Vaclav Burger, Iris Caycayon, Mahealani Hookane, Larry Arruoa, Donna Bodine, Joel Madrazo, Wini Smith, Jesse Reiff, Dan Kallai, Kuulei W, Sue Strickland, Greg Strickland, Malia Locey, Bonnie Morris, D Manaka, Kaee Ahloo

Discussion Items:

- Introduction by MM and DF to state that the reason for this public information meeting is to discuss the alternatives that the County has considered during the design phase of this road repair project and to review the proposed repair plan including a rock revetment along the shoreline.
- 2. MF presents about the history of the project, existing site conditions and issues, and alternatives evaluated (presentation slides attached).
- 3. Comments and questions from the community members present at the meeting are received by MM, DF and MF.

EXHIBIT "B"

4. Consensus reached among the community members in attendance that the proposed road repair is their preferred alternative. A brief discussion of the associated design parameters ensued, mainly focusing on whether the County should repair the road to have one or two lanes.

Comments/Questions:

- A community member commented that he does not believe the County should use public funds to fix the road when the homeowners in the area do not allow him access the lands at the end of the road and the river. He believes the landowners should be responsible for the road repairs. He then left the meeting without awaiting a response.
- 2. Q: How wide does a road need to be?A: Minimum ~10 feet for safe access, however, the County intends to replace the

roadway to its original width. With the width that remains now, access for emergency vehicles and garbage trucks still exists, however, if we do nothing and let it continue to erode then the passage of larger trucks becomes dangerous.

3. Q: Has the County done archaeological surveys?

A: The proposed construction will include an archaeological monitoring plan. The soils immediately beneath the existing road are fill material are unlikely to contain items of archaeological significance. If the County pursues another option such as rerouting the road mauka, additional archaeological studies will be required.

- 4. Q: The County published the original EA in 2009, what has happened since then? A: The County has worked to secure funds for the repair project and has conducted additional studies as part of the environmental permit requirements. Temporary sandbag will be installed as necessary until the repairs are complete.
- 5. A community member suggested that the County use sand from the north side of the Anahola river mouth for the beach nourishment plan associated with this project because flooding is a concern. She stated that the roadway adjacent to the stream flooded after the County used sand from the south portion of the stream mouth for the last emergency erosion response project (sand bags).
- 6. A community member asserted that the alternative to relocate the road mauka is on Hawaiian Homelands property. The County acknowledged that an agreement would need to be in place for any alternatives that include the use of Hawaiian Homelands.
- 7. A discussion ensued on the alternative to replace the bridge. Reconstructing the bridge would be a lengthy process that would likely involve land acquisition and studies on the previous bridge failure, environmental setting, and the hydrology and

EXHIBIT "B" ITEM NO. F-4 hydraulics of the stream. The County would likely abandon the eroding portion of the road. The bridge alternative would likely be more costly and the timeline would be much longer than the repair project. An initial assessment for the bridge replacement alternative was included in the 2009 Environmental Assessment. A community member questioned the figures given in this study because he stated that another recent bridge replacement project at the Arboretum in Kauai only took 1.5 years and \$2 million and, thus, the figures for this alternative may be an overestimate. A: The estimated time to completion includes obtaining funds, environmental study, land accusation, engineering, flood studies, and construction. The estimated cost was based on a recent bridge replacement project. MF said he would look back at the mentioned Arboretum bridge project.

Note: Oceanit has since reviewed the Keahua Bridge project in the Keahua Arboretum. The State of Hawaii Department of Land and Natural Resources website (http://dlnr.hawaii.gov/blog/2016/11/23/nr16-224/) *says the bridge is will be constructed in 2017 for an expected construction cost of \$2.5 million. The design has capacity of 20-tons. This information will be included in the draft SEA.*

- 8. The community was not in favor of the changing the character of the area by extending the Hokulele Rd through DHHL property. Cutting a road through the steep hillside would be expensive and involve major grading and retaining walls.
- 9. Q: Can we make this road repair a single lane because there are only 28 homes past this point in the road?

A: Yes, the County is considering that option.

10. The County took a survey of the public support for each alternative by a show of hands. Results:

Alternative 1, Repairing the road: majority in support (see photo in Figure 1);

Alternative 2, Realignment of the road mauka: No support;

Alternative 3, Bridge: A few were in support;

Alternatives 4 & 5, Roads inland through DHHL/private property: No support

11. There was discussion on repairing the road to have one-lane vs two-lanes. Another suggestion was to use one-lane for traffic and a second lane as a pedestrian walkway/bike path. The County responded that the cost for a one-lane vs two-lane road repair is similar. While a one-lane road may deter speeding, two-lanes are preferable for emergencies.

Q: Is installing speed bumps an option?

A: The County stated that there is a separate process for a community to request speed bumps for County roads.

EXHIBIT "B"



Figure 1: Show of hands vote in support of the proposed option of repairing the Aliomanu road, which includes coastal armoring.

Action Items:

- Oceanit will summarize the community feedback from this meeting in the Supplementary Environmental Assessment (SEA). The SEA will be completed and published with the State Office of Environmental Quality Control (OEQC).
- The County will take into account all comments and will decide on a one-lane vs twolane final repair design.

EXHIBIT "B"

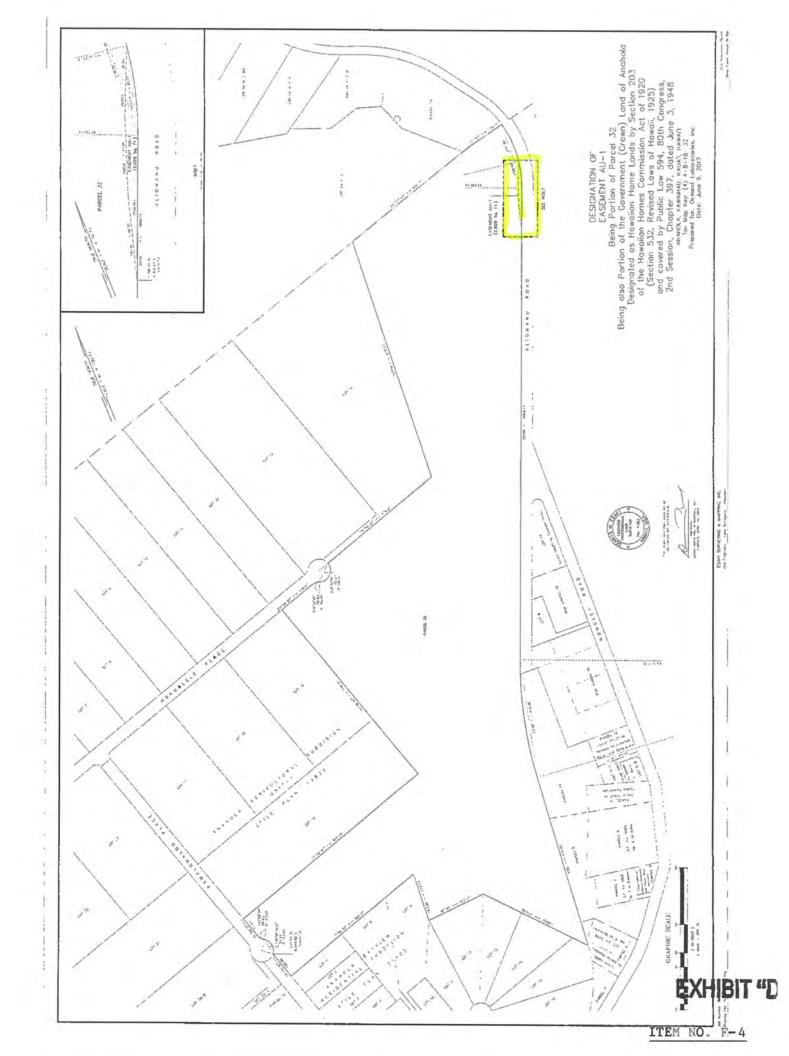
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NIOUSCEDOD	HONOLUL). BOX 1879 LU, HAWAII 96805	
			ND USE PURPOSES
PARTI: APPLICANT IN			
Name: County of Ka			
Address: 4444 Rice S			
			dfujimoto@kauai.gov
If Corporation/Organization	/Company/LLC/Non-Pro	ofit:	
Name:			_
Phone No.:	Cell:	email:_	
Requesting Organizati	on is a Non-Profit		
Type of Non-Profit:		t - governed by voting	
Requesting Organizati			·
Individual	Sole Proprietorship		rtnership
Corporation	Limited Liability C		•
Is an Individual HHCA	-	-	eficiary 🗌 Yes 🗍 No
X Requesting Organizati			
Federal		X County	
Officers and/or Principal F	tepresentatives: Lyle	e Tabata, Actin	g County Engineer;
			Fujimoto, Project Manager
to ensure that esse	ntial services a	re available. W	sidents on Aliomanu Road Wehicular access is
			e community.
		····	
Date Incorporated: St	ate of Incorporation: _		
Federal Tax ID#:	State T	ax ID#:	
PART 2: NON-HOMESTI	EADING LAND USE F	REQUEST	han series and series of the series of
Describe proposed non-home	esteading land use envisi	oned under this reque	st as submitted
Designation of proposed	i Easement AU-1 as de	escribed in the at	tached documents and maps.

*Please attach additional information if necessary

Land Request Form No.____

EXHIBIT "C

Land Area requested: Acr	eage/Sq.Ft. 2028 sc	I.ft. Tern	n: Perpetual	Easement
Island: Kauai	Tax Map Key No.: <u>4</u>	-8-018:032		
Indicate Character of Use:		Church	X Oth	ıcı
Pastoral	Industrial		nity Facility	
Does applicant have any exis use purposes? Yes X M	No -			-
If yes, under what type of us	and disposition:			
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Describe how proposed land its Beneficiaries (Applicants the continued use of th the Trust and/or its Be	& Lessees): The Count is land that provide	y of Kauai is wi	illing to negot	tiate terms for
and the set of the set			an a	
 The following authorized rephomesteading purposes and a This is an application proDHHL and may require a This request does not coras submitted; In the best interest of the in accordance with the H 220.5, Section 207(c), Ha Administrative Rules, Tri Once the application is d 30 day review period on Additional Island or Reg Beneficiary Consultation All input/comments receifor disposition is conside Associated non-refundab disposition request as fol Revocable Permit - \$100.00 	acknowledges that: becess that will be subject additional information to astitute any form of DHF trust, DHHL reserves th awaiian Homes Commis awaii Revised Statutes, C the 10; eemed complete, the nor the DHHL website for b ional Specific Benefician Policy; ived will be provided to red by the HHC; le processing and docum lows: License - \$200.00	to further review, e be submitted; HL approval to this in the right to exercise in ssion Act (Section II) Chapter 171, as ame in-homesteading land eneficiary and public ty Consultation will the Hawaiian Home mentation fees shall in General Lease – Cost	valuation and cor non-homesteading ts prudent authori II, Section 204(a) nded and the Hav d use request will ic comment; be required per the s Commission if/	nsideration by g land use request ty pursuant to and (2), Section vali be posted for a the DHHL when approval ch respective
County of Kauai, Depar		<u> </u>	11/17	
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Authorized Representative		<i>M</i> /	ature	
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EASEMENT AU-1

LAND SITUATED AT ANAHOLA, KAWAIHAU, KAUAI, HAWAII

Being Portion of Parcel 32 Being also Portion of the Government (Crown) Land of Anahola Designated as Hawaiian Home Lands by Section 203 of the Hawaiian Homes Commission Act of 1920 (Section 532, Revised Laws of Hawaii, 1925) and covered by Public Law 594, 80th Congress, 2nd Session, Chapter 397, dated June 3, 1948

Beginning at the south corner of this parcel of land, on the west side of Aliomanu Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKOO" being 1,786.72 feet North and 8,306.27 feet East, thence running by azimuths measured clockwise from true South:

1.	195° 3	34'	89.30	feet along the remainder of Parcel 32;
2.	199° 2	28'	83.06	feet along the remainder of Parcel 32;
3,	203° 2	23'	76.20	feet along the remainder of Parcel 32;
		· · ·		thence along the west side of Aliomanu Road, on a curve to the right with a radius 382.55 feet, the chord azimuth and distance being:

feet;

- 4. 14° 51' 17" 95.17
- 5. 22° 00' 153.46



Lihue, Hawaii June 2017 6 feet along the west side of Aliomanu Road to the point of beginning and containing an area of 2,028 Sq. Ft.

> DESCRIPTION PREPARED BY: ESAKI SURVEYING & MAPPING, INC.

Dennis M. Esaki Licensed Professional Land Surveyor Certificate Number 4383

EXHIBIT "D"

http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-03-08-KA-FEA-Aliomanu-Road-Repair.pdf

Final Environmental Assessment 'Aliomanu Road Repair

Island of Kaua'i, Hawai'i



Prepared for:

County of Kaua'i 4444 Rice Street Līhu'e, Hawai'i 96766

Prepared by:

Oceanit Laboratories, Inc. 828 Fort Street Mall, Suite 600 Honolulu, Hawai'i 96813

February 2018



STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

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

<u>RECOMMENDED MOTION/ACTION</u>: 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 May 1, 2018.
- 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, 2019 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

This submittal represents annual renewals for all Moloka'i Island ROE permit(s) only, which shall effectively expire on April 30, 2018. 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.

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 acres¹ 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.

¹ DHHL Moloka'i Island Plan, June 2005

Permitees 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% (\$16,335) of the ROE total revenues (\$2,803,945) 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 permitees whose land use is designated for commercial/industrial purposes.

FY 2017		Total	FY 2018		Tota
Agriculture	\$2,353	2	Agriculture	\$0	2
Caretaker/Landscape	\$0	-	Caretaker/Landscape	\$0	-
Commercial	\$2,424	1	Commercial	\$0	1
Community	\$1,440	2	Community	\$0	2
Industrial	\$0	-	Industrial	\$0	-
Office	\$7,478	1	Office	\$0	1
Pastoral	\$2,640	2	Pastoral	\$0	2
Preservation	\$0	-	Preservation	\$0	-
Recreation	\$0	-	Recreation	\$3	-
Research	\$0	-	Research	\$0	-
Stabling	\$0		Stabling	\$0	-
	\$16,335	8		\$16,335	8

According to research done by Colliers International, (See Exhibit "B") "the Oahu Industrial vacancy rate rose to 1.97%, its highest level in two years at year end 2017...average asking industrial base rents rost to their highest level in a decade at \$1.30 per square foot per month..." In light of this research, LMD is recommending a 4% increase in rental rates..

For FY 2017, renewals for the 8 Right of Entry Permits located on Moloka'i Island total annual rent revenue of \$16,335 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 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.

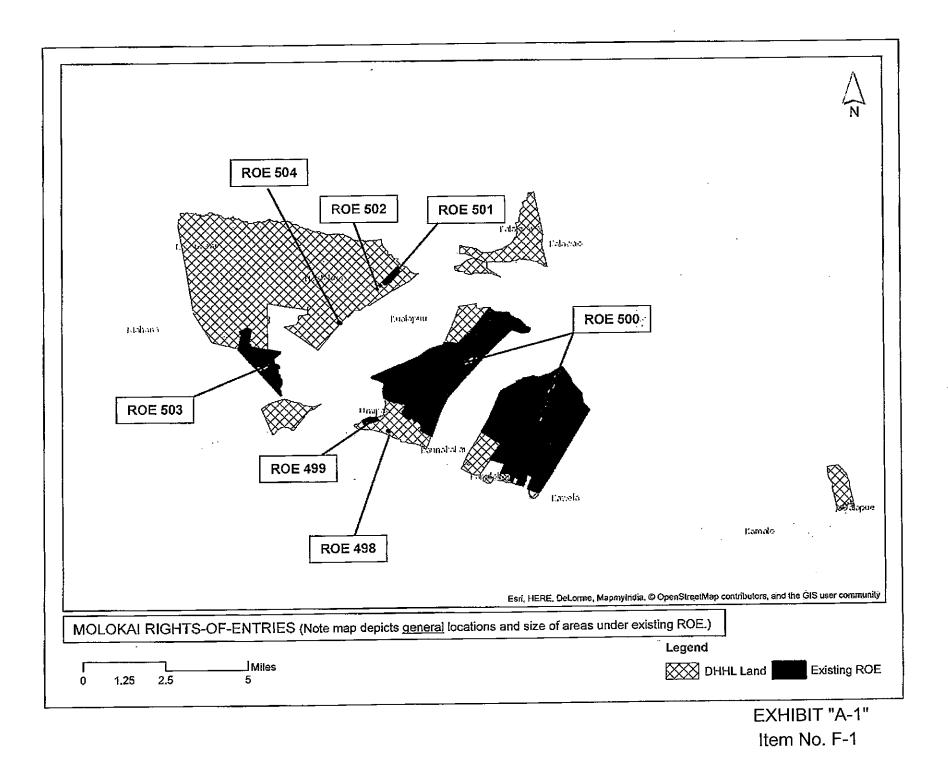
TYPE	ISLAND		NO.	USE	PERMITTEE/ADDRESS	LOCATION	тмк	Date Started	Current Fees, All Right of Entry Permits
ROE	MOLOKAI	30.000	499	Agricultural	Monsanto Hawaii, P. O. Box 40, Kaunakakai, Hawaii 96748	Palaau	(2) 5-2-011:033	8/1/1984	\$2,352
ROE	MOLOKAI	35.000	501	Agricultural	Harry K. Purdy, III and Marlene K. Purdy, P. O. Box 84, Hoolehua, Hawaii 96729	Hoolehua	(2) 5-2-007:079 and 080	4/1/2000	\$1
ROE	MOLOKAI	0.860	498	Commercial	Patricio Jr. & Cora Sanchez dba Kalamaŭla Motors, P. O. Box 694, Kaunakakai, Hawaii 96748	Kalamaula	(2) 5-2-008:107	8/1/1977	\$2,424
ROE	MOLOKAI	0.975	504	Community	Molokai Humane Society, P. O. Box 1258, Kaunakakai, Hawaii 96748	Ho'olehua- Pala'au	(2) 5-25-004:052	7/1/2007	\$1,200
ROE	MOLOKAI	0.490	507	Community	Ahupua'a o Molokai, P. O. Box 159, Hoolehua, Hawaii 96729	Hoolehua	(2) 5-2-030:007	9/1/2003	\$240
ROE	MOLOKAI	0.036	502	Office	Partners In Development Foundation, 2020 Bachelot Street, Honolulu, Hawaii 96817	Hoolehua	(2) 5-2-015:053(P)	4/1/2005	\$7,478
ROE	MOLOKAI	9370.000	500) Pastoral	Molokai Homestead Livestock Association, P. O. Box 1616, Kaunakakai, Hawaii 96748	Kalamaula	(2) 5-2-010:001(P) & (2) 5- 4-003	5/1/1995	\$240
ROE	MOLOKAI	542.500	503	Pastoral	Desmond & Christy Manaba, HC-1 Box 479, Kaunakakai, Molokai 96748	Hoolehua- Palaaú	(2) 5-2-001:004 & (2) 5-2- 001:030(P)	4/1/2007	\$2,400
TOTALS	8	9980		L					\$16,335

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Denotes Beneficiary

Exhibit "A"



Oahu | Hawaii -Research & Forecast Report

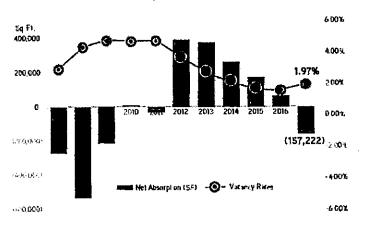
INDUSTRIAL MARKET

Year-End 2017

Market Summary

Mike Hamasu Director of Research | Hawaii

- Oahu's industrial market loss of 38,942 square feet of occupancy during the fourth quarter, as vacancy rates rose to 1.97%, its highest level in two years.
- > This is the third consecutive quarterly increase to vacancy rates as more than 157,000 square feet of negative net absorption was recorded for the year.
- > Positive gains in tourism expenditures for the first nine months of 2017 helped to boost wholesale revenues which rebounded strongly with an 18.4% jump over last September's sales revenues.
- Mirroring wholesale revenues, contracting sales also posted a healthy 3.14% gain over last year's September year-to-date levels.
- Direct weighted average asking industrial base rents rose to their highest level in a decade at \$1.30 per square foot per month, which reflects a gain of 7.4% over last year's average rent levels.
- While there are the beginnings of some speculative development that will start in 2018, it is unclear if these development efforts will be enough to create meaningful change to a market with a sub-2% vacancy rate.



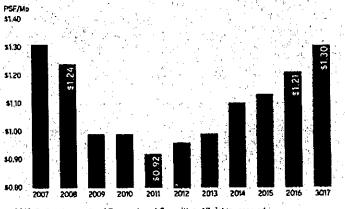
Industrial Net Absorption vs. Vacancy Rate

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Summary Statistics		Market Indicators Year End
40 2017 Industrial Market		Relative to prior quarter 2017
402017 Net Absorption	-157,222 SF	VAGANCY
Vacancy Rate Direct Weighted Average Asking Rent	1.97% \$1.30 PSF/Mo.	
Average Operating Expense	\$0.37 PSF/Mo.	RENTAL RATE

olliers

Oahu Industrial Direct Wtd. Avg. Asking NNN Rents



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Wholesale Sales (September YTD)

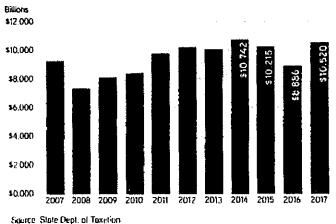


EXHIBIT "B" Item No. F-5

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION April 16 & 17, 2018 Kalama'ula, Moloka'i

G-ITEMS PLANNING PROGRAM DIVISION

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16 - 17, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- FROM: M. Kaleo Manuel, Acting Planning Program Manager
- SUBJECT: Approval of Recommendations for Regional Plan Priority Project and Agricultural Peer-to-Peer Grant Awards, Statewide

RECOMMENDEED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) approves a \$484,300 allocation from the Native Hawaiian Rehabilitation Fund (NHRF) to fund the following organizations for regional plan priority project and agriculture peer-to-peer grants:

Regional Plan Priority Projects

- \$41,600 to Community Capacity Projects Hawaii for the West Kauai Regional Plan Priority Project: Develop an Agriculture and Water Plan for the Pu'u Opae Home Lands of West Kauai. Funds to be used to install perimeter fencing, construct a toolshed hale, and hold a Pu'u Opae Land Stewardship and Training Summit.
- \$51,529 to Kailapa Community Association for the Kawaihae Regional Plan Priority Project: Kailapa Resource Center. Funds to be used for a preservation plan, archeologist monitoring, topographic study, a preliminary engineering study, and design for a bridge over the culvert running through the parcel.
- \$100,000 to Ka Ohana o Kahikinui for the Kahikinui Regional Plan Priority Project: Punawai Project and Water Infrastructure Improvements. Funds to be used to set up a demonstration fog-drip capture system with water storage tanks and a metering system.
- \$46,871 to **Pa'upena Community Development Inc.** for the Keokea-Waiohuli Regional Plan Priority Project: Develop Water

Source and Related Infrastructure for Agricultural and Residential Lots. Funds to be used to construct a multitank water-catchment system on Keokea and Waiohuli homestead lots.

\$60,000 to Waiohuli Hawaiian Homesteaders Association, Inc. for the Keokea-Waiohuli Regional Plan Priority Project: Identify and Support Development of Community Facilities for Waiohuli and Keokea. Funds to be used to make improvements to the Waiohuli Community Center, including expanding the terrace space, parking, and native garden, and improvements to the certified kitchen.

Agricultural Peer-to-Peer Projects

- \$84,300 to Ahupua'a o Molokai for a multi-pronged training program reaching at least 50 homesteaders. Activities to include helping 15 homesteaders get certifications in farming, food production, food safety, and marketing so that they can mentor other farmers; starting a seedsaving training program to create a seed bank; providing training in raising potted plants; training in subsistence gardening; and advising farmers ready to move from subsistence gardens to production farming.
- \$100,000 to Maku'u Farmers Association to provide farming skills to 150 homesteaders using a 12-session farming education program conducted at the 5-acre Maku'u Sustainable Garden adjacent to the Maku'u Farmers Market. Lessons, to be taught by Maku'u lessees and other farming experts, will cover the stages of farming from clearing the land, to farm planning, to cultivation.

BACKGROUND

As part of the Native Hawaiian Development Program Plan (NHDPP), Hawaiian Home Land Trust Grants are made available to beneficiary organizations. Over the years, grants have been offered in several program areas including Project Implementation, Economic Development, Capacity-Building, Regional Plan Priority Projects, and Agricultural Peer-to-Peer as a means of implementing the Community Development component in the NHDPP. Grant offerings change to reflect DHHL priorities and community interests.

The focus for this round of grants is on Regional Plan Priority Projects and Agricultural Peer-to-Peer projects. Regional Plan Priority Project grants are intended to encourage

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beneficiaries to take the lead in projects they have identified as priorities through the regional planning process. The Peer-to-Peer grants are intended to increase the number of agriculture lessees farming by providing practical, hands-on-learning taught by peer mentors with farming experience.

The HHC has approved \$500,000 from the Native Hawaiian Rehabilitation Fund (NHRF) for grants this fiscal year. This has been allocated at \$300,000 for Regional Plan Priority Projects and \$200,000 for Agricultural Peer-to-Peer projects.

DISCUSSION

Notices for both types of grant were posted on January 4, 2018, with a February 5, 2018 deadline. Notices were posted on the State procurement site, and emailed homestead associations and to beneficiary organizations. Eligibility for these grants was open to beneficiary organizations and other 501(c)3 organizations. Table 1 below shows the timeline and process as published in the grant application packets and posted on the DHHL website. Both types of grants followed the same timeline and process.

Scheduled Date	Activity
Monday, February 5, 2018	DEADLINE for Grant Application
by 4:00 PM HST	Must be received at DHHL Kapolei before
	or on 02/05/18
February 2018	DHHL review of grant applications
March 2018	DHHL Recommendations submitted to the
	Hawaiian Homes Commission regularly
	scheduled meeting
April - June 2018	Notifications to all applicants.
	Contracting process with awardees.
	Scope, budget, timeline negotiations/
	adjustments, if necessary
September 1, 2018	Estimated Grant start date
Dates	subject to change

Table 1. Deadline, Processing Time, and Project Timeframes

Six Regional Plan Priority Project proposals were received by the February 5, 2018 deadline. The total amount requested was \$670,830.

Five Agricultural Peer-to-Peer proposal were received by the February 5, 2018 deadline. The total amount requested was \$385,453.

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 а 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.

For the Regional Plan Priority Projects, the first step of the review process - the screening - found that three proposals were complete, two were missing at least one required document, and one was complete but requested more than \$100,000 (the maximum award) making it non-compliant. The incomplete and non-compliant proposals were returned without being reviewed.

For the Agricultural Peer-to-Peer projects, the screening found all five proposals were missing at least one required document. They were all returned without being reviewed.

After the screening there were only three Regional Plan Priority Project proposals to review.

While the proposals were being screened (mid-February), the Department received several concerns from beneficiaries that the availability of grants had not been sufficiently publicized. In response, on March 2,2018 a second grant application period was opened with an April 2, 2018 deadline. A concerted effort was made to notify beneficiary groups about the grant opportunity. This included, posting on the State procurement websites, sending emails and making calls directly to beneficiary organizations and homestead representatives informing them of the availability of grants. The letters sent returning the incomplete and nonconforming proposals also informed the applicants of the April 2, 2018 deadline and suggested they submit a revised proposal.

It was also decided to reschedule the review of the three complete proposals received at the February 5, 2018 deadline from March to April to coincide with the review of the proposals received at the April 2, 2018 deadline. The three complete applicants were informed of this by letter.

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Table 2 shows the timeline and process that was published in the second announcement.

Table 2. Deadline, Processing Time, and Project Timeframes

Scheduled Date	Activity
Monday, April 2, 2018	DEADLINE for Grant Application
by 4:00 PM HST	Must be received at DHHL Kapolei before or on 04/02/18
April 2018	DHHL review of grant applications
April 2018	DHHL Recommendations submitted to the
	Hawaiian Homes Commission regularly
	scheduled meeting
April - June 2018	Notifications to all applicants.
	Contracting process with awardees. Scope,
	budget, timeline negotiations/ adjustments,
	if necessary
September 1, 2018	Estimated Grant start date
Date	es subject to change

At the April 2, 2018 deadline, five Regional Plan Priority Project proposals were received totaling \$411,529. This consisted of the three returned proposals and two additional proposals. Six Agricultural Peer-to-Peer proposals totaling \$384,303 were received. This included the five returned proposals and one new proposal. All the proposals were complete and compliant.

The Grant Review Committee was composed of two DHHL staff and one outside grant specialist.

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.
- Christine Vales, Grants Consultant. Experience with beneficiary organizations, project planning, grant writing, reviewing of grants, and grants management.

The committee independently reviewed and scored the proposals based on the following evaluation criteria. These criteria were stated in the grant application packet. The committee then met and discussed the proposals to arrive at the recommendation stated in the above recommended motion/action.

Regional Plan Priority Projects Evaluation Criteria

1. ORGANIZATIONAL CAPACITY: The capacity to carry out the planned activities and responsibly handle grant fund demonstrated by leadership and management abilities; past experience conducting similar projects; relevant skills, training, or qualifications; bookkeeping and recordkeeping systems.

2. PROJECT DESCRIPTION: An understanding and familiarity with the Regional Plan Priority Project they plan to implement demonstrated by a clear description of the project, including a scope of work and specific outcomes. There must be a direct relationship to a Regional Plan.

3. BENEFICIARY INVOLVEMENT AND PARTNERSHIPS: A clear role for beneficiaries in the project, a realistic plan for getting and maintaining beneficiary involvement in a meaningful way, and a strategic use of partnerships (if applicable).

4. SOUNDNESS OF APPROACH: A clear project approach and work plan including details about the proposed activities with clear and realistic outcomes, the qualifications of the people carrying out the work, and a viable timeline.

5. SUSTAINABILITY: A plan for sustaining the project after DHHL funding ends and a contingency plan should the project not receive full funding or be denied funding.

6 MATCHING FUNDS BONUS: Matching funds and in-kind donations were optional; however, additional points were provided for match.

Agricultural Peer-to-Peer Evaluation Criteria

1. BUILDING CAPACITY: The proposed project increases beneficiary capacity, capability, knowledge and/or skills in commercial and/or subsistence farming.

2. EXPERTISE: The applicant organization has experience in conducting training and technical assistance that achieved measurable results and has experience administering grants.

3. TARGET POPULATION: The applicant organization has experience working effectively with agriculture lessees and other beneficiaries.

4. SOUNDNESS OF APPROACH: A viable work plan, including proposed budget and timeline, that will achieve the expected results and outcomes.

5. SUSTAINABILITY: A plan for continuing the project after DHHL funding?

The proposals were reviewed in groups based on the deadline and type. A summary list of recommendations and details of the reviewed Regional Plan Priority Project grant applications, including applicant name, funds requested, project description, and rationale for funding from the committee is attached as Exhibit A. A similar summary for the Agricultural Peer-to-Peer grant applications is attached as Exhibit B

AUTHORIZATION

The Regional Plan Priority Project grant program is one form of assistance to implement the "Community Development" component in the NHDPP. The Agricultural Peer-to-Peer grant program is one form of assistance to implement the "Individual Development Assistance" as described in Section 1.2.2 Agriculture Technical Assistance under the Homesteading Opportunities Assistance Program or "HOAP" in the Native Hawaiian Development Program Plan (NHDPP). The implementation period pf the NHDPP was extended through June 30, 2018 by the Hawaiian Homes Commission on June 19-20, 2017 via approval of Item G-2. The NHDPP 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 Statues Section 103D-303 and HAR Chapter 3-122, Subchapter 6.

Exhibit A Regional Plan Priority Project Grant Applications

Deadline: February 5, 2018

Applicant	DHHL Funds Requested	Other Funds	In- Kind	Total Project Cost	Recommended Amount
Community Capacity Projects Hawaii	41,600	-	56,300	97,900	41,600
Ka Ohana O Kahikinui	100,000	10,800	42,796	153,596	100,000
La'i'Opua 2020	89,995	-	-	89,995	0
Total	231,595	10,800	99,096	341,491	141,600

Deadline: April 2, 2018

Applicant	DHHL Funds Requested	Other Funds	In- Kind	Total Project Cost	Recommended Amount
Kailapa Community Assn.	51,529	501,000	19,328	571,857	51,529
Panaewa Community Alliance	100,000	-	-	100,000	0
PCDC	100,000	85,000	21,650	206,650	0
Pa'upena Community Development, Inc.	100,000	-	50,000	150,000	46,871
Waiohuli Hawaiian Homesteaders Ass., Inc.	60,000	400,000	3,000	463,000	60,000
Total	411,529	986,000	93,978	1,491,507	158,400

Community Capacity Projects Hawaii

Funds	Requested	\$41,600
Funds	Recommended	\$41,600

Project Description

Priority Project: The Restoration and Use of Pu'u Opae.

Community Capacity Projects Hawaii (CCPH) is a recently established 501(c)3 organization formed and led by DHHL beneficiaries and Hawaiian community leaders to assist beneficiary communities with their project development and administrative needs. CCPH was asked by the Pu'u Opae Project Management Committee of the Kekaha Hawaiian Homestead Association for help implementing their Pu'u Opae Farm and Irrigation Plan (Farm Plan). This project is essentially a partnership. To ensure clear communication and CCPH accountability, three members of the Pu'u Opae Management Committee have been appointed as board members of CCPH.

The Farm Plan covers 1,440 acres of the approximately 12,500 acres of DHHL land mauka of Kekaha. The Farm Plan includes areas designated for agricultural and pastoral uses, crop processing and community training, reforestation areas, and agricultural housing. The Kekaha Hawaiian Homestead Association (KHHA) has a license to 231 acres of these lands for the development of the first phase of the plan. The grant will be used to (1) repair existing fencing and install an additional 10,500 linear feet of new fencing; (2) construct a platform hale to store tools and conduct training; and (3) conduct a daylong stewardship training and work summit.

Grant funds will be used for travel and honoraria for summit trainers and presenters, fencing and construction materials, equipment, and a project coordinator.

Rationale for Recommendation

The Pu'u Opae Farm Plan is a direct result of community consultation and has a strong tie-in to the West Kauai Regional Plan and Kauai Island Plan. CCPH and the Pu'u Opae Project Management Committee have a strong relationship and community connection. The project builds on previous work funded by DHHL. There is a very clear project description showing how this project relates to the regional plan priority project. The approach is well thought out with a focus on keeping beneficiaries, especially young lessees, involved in a positive, hopeful way. There is a detailed, realistic workplan. The budget is clearly explained and reasonable.

The committee recommends full funding.

Ka Ohana o Kahikinui

Funds	Requested	\$100,000
Funds	Recommended	\$100,000

Project Description

Priority Project: Punawai Project and Water Infrastructure Improvements.

The lack of water has been a major concern for the homesteaders in Kahikinui. This project is a collaborative effort among Ka Ohana o Kahikinui (KOOK), the Leeward Haleakala Watershed Restoration Partnership (LHWRP) and Dr. James Juvik of Pacific Environmental Planning to install a demonstration fog-drip capture system to supply water to the Kahikinui homesteaders. The system will employ five 2,950sf screens connected to water storage tanks to collect an estimated 10-20,000 gallons/month of potable cloud water. The project involves designing, engineering, and sourcing materials for the fog-drip capture and water system infrastructure, employing contractors and volunteers for site prep and construction and implementing and monitoring the fresh water supply system. The system is expected to generate the monthly water needs for approximately 10 families.

Funds will be used to contract for project design and oversight, engineering design, and construction labor; purchasing the fogcapture system; and tools and supplies needed for assembling the system.

Rationale for Recommendation

KOOK has secured the expertise of Dr. James Juvik to lead this project. Dr. Juvik has been involved in research on the role of fog in the hydrology of Hawaiian watersheds, and design of fog catchment systems for decades. He conducted a multiyear fog resource monitoring study at Kahikinui for DHHL in 1997. This project builds on that study. His participation will ensure the system will be properly installed and maintained.

The proposal showed beneficiary involvement in identifying the project as a priority. There is a good plan for keeping

beneficiaries informed of the progress of the project. The workplan covers major tasks but lacks specifics that show KOOK has a clear understanding of the installation process and has considered potential problems. For example, there are no details about how the screens will be installed or permitting or environmental regulations that could impact the work schedule. Dr. Juvik will help KOOK develop a monitoring and maintenance protocol, but the plan for management and maintenance is vague. Although, there are some weaknesses in the proposal the review committee believes that this project has great potential, KOOK has brought in strong partners, and it will serve as model for other homestead areas.

The committee recommends full funding.

La'i'Opua 2020

Funds	Requested	\$89,995
Funds	Recommended	\$0

Project Description

Priority Project: Continued Support of La'i'Opua 2020 Community Sustainable Projects.

This project begins Phase 3 of the La'i'Opua Community Center Master Plan. The project includes three tasks - (1) the installation of the HELCO "owner required" pad mounted equipment (PME) manhole concrete box to house the electrical conduits for future facilities; (2) the engineering design for the connector road to Anekeahokalole Hwy and infrastructure design for utilities; and (3) two beneficiary consultation meetings to update beneficiaries on the status of the Villages of Laiopua Master Association Development Plan. This project will identify the costs for the Mauka-Makai connector road from the existing community facilities to the future kupuna-keiki daycare facility and planned aquatic center. This road is key to soliciting funders and financing for construction of the future facilities.

The funds will primarily be used for contracted services, including construction work, topographic survey, drainage report, sewer and water studies, and construction documents.

Rationale for Recommendation

The project has a direct relationship to the regional plan priority. The La'i'Opua Community Center project has been slowly progressing for several years and this project will move the activities on to the next phase of development. While the proposal described what work would be funded, it did not provide an explanation of why that work should be funded at this time. There was no description or details about what has been constructed so far or of how the community is benefiting from the facilities developed in Phases one and two. There appears to be minimal beneficiary involvement. There was no plan for sustaining the project after DHHL funds have ended.

The committee recommends no funding.

Kailapa Community Association

Funds	Requested	\$51,529
Funds	Recommended	\$51,529

Project Description

Priority Project: Kailapa Resource Center.

The Kailapa Community Association (KCA) has a license to 14.33 acres to develop the Kailapa Community Center. KCA enlisted the help of UH planning students to conduct the community planning sessions that identified how the 14-acre parcel would be used and the components that make up the Kailapa Resource Center. So far, they have constructed a children's playground, a 96' x 25' greenhouse, and a 3,200sf pavilion with an enclosed office, restroom, and storage space on the parcel. This project is the next step in the development of that center.

KCA received a \$500,000 GIA for construction but no funds for planning or design. This grant is for the planning and design work. This project includes the design work for a multipurpose, offgrid, self-sufficient community center building and the preliminary engineering and design work for a bridge or culvert over a waterway that separates the property.

The grant will be used for an archeological survey and preservation plan, topographic study to identify the building site, a preliminary engineering study and design for a bridge/culvert, and a draft building design.

Rationale for Recommendation

The proposal included a plan for involving beneficiaries in the conceptual design process for the community center building. The workplan outlined major tasks with a reasonable timeline. The sustainability plan was very general, relying for the most part on future grants. KCA expects to generate some revenue for operations and maintenance from rental fees, but there was no income or expense projections. The reviewers believe that this project is very timely given the availability of the GIA construction funds.

The committee recommends full funding.

Panaewa Community Alliance

Funds	Requested	\$100,000
Funds	Recommended	\$0 .

Project Description

Priority Project: Kamoleao.

Panaewa Community Alliance (PCA) worked with the planning firm PBR to create a "Community-Based Master Plan" for Kamoleao. PBR is now working on the environmental assessment (EA). Once that is complete, PCA will be able to move forward with the development of a community center at Kamoleao. This project is to contract for architectural design, building plans, clearing, grubbing, installation of infrastructure, and construction of Phase One of their community center.

Grant funds will be used to hire an architect and an attorney.

Rationale for Recommendation

The review committee found the proposal lacked specifics about the scope of the project and a detailed workplan. The scope of work was stated as "turning a conceptual design to architectural designs to prints and finishing the permitting process to the construction phases." The work plan was very general and did not include a timeline of tasks or identify who would be responsible for specific tasks. The workplan included hiring an attorney but did not state what the attorney would do. The workplan also described hiring a sub-contractor to clear, grub, and place infrastructure on 2.5 acres and begin constructing the community center. However, there was no detail or timeline for these activities. Although the request was for \$100,000, the budget identified \$200,000 in costs. This made it difficult for the reviewers to determine how grant funds would be used.

Given the lack of details and inconsistencies, the review committee believes this project is not ready for funding and recommends PCA do more project planning.

The committee recommends no funding.

Papakolea Community Development Corporation

Funds	Requested	\$100,000
Funds	Recommended	\$0

Project Description

Priority Project: Native Hawaiian Education and Culture Community Center.

The Papakolea Community Development Corporation (PCDC) was established in 1999 to provide the residents of Papakolea, Kalawahine, ad Kewalo Hawaiian residential homesteads with a full range of comprehensive services, including lifelong educational experiences, health, and wellness services, human services, and entrepreneurial opportunities. One of their major initiatives is the development and stewardship of the 14-acre Puowaina parcel. This parcel of Hawaiian homelands, located on the slopes of Punchbowl, has been set-aside by DHHL for community-based economic development by the Papakolea community.

In this project, PCDC will complete and implement a Puowaina Land Restoration and Stewardship Plan in partnership with the UH Manoa Department of Urban and Regional Planning (DURP). Tasks include surveying the land, cataloging plants and sites, holding community workdays and educational workshops, and securing a lease or permit for the 14-acres parcel. PCDC anticipates at least 100 community members will participate in the development of the plan and subsequent community meetings.

Grant funds will be used for staff, office supplies and tools, insurance, postage, printing, contracted planning services, archaeological studies, and accounting services, and indirect costs.

Rationale for Recommendation

The proposal presents a solid approach combining community participation and contracted expertise to develop a plan for the Puowaina parcel. There is a plan for community outreach and engagement, however, the 100 projected participants only represent 25% of the population. This seems low given the density of the population and easy accessibility.

It wasn't clear if this project is to create a plan for stewardship or the creation of a learning center. Although the workplan identified specific activities, the actual project description was general and the sequence was unclear. This made it difficult for the reviewers to understand how the activities related to the creation of the land restoration and stewardship plan. For example, the workplan includes working with UH professors and refers to finalizing curricula that will be used by UHM while conducting classes in Papakolea. There is no explanation of who the classes are for or how they will contribute to the creation of the plan. The workplan also included neighbor island trips but the budget does not include travel.

The committee recommends no funding for this project.

Pa'upena Community Development, Inc.

Funds	Requested	\$100,000
Funds	Recommended	\$46,871

Project Description

Priority Project: Develop Water Source and Related Infrastructure for Agricultural and Residential Use.

Pa'upena Community Development, Inc. (PCD) was formed in 2016 to "provide resources and training to empower fellow Hawaiian homeland trust beneficiaries to build homes and self-sufficient agricultural and pastoral communities." This project is to build 15 water-catchment systems on Keokea and Waiohuli lots and measure and assess water intake on a weekly and monthly basis over a two to 10-year period. PCD believes this project can provide research data to benefit future agricultural and pastoral beneficiaries during the Waiohuli-Keokea buildout.

The workplan includes training two or more homesteaders with construction experience on how to build and install two water catchments. These homesteaders will then lead project participants

in the construction of two more water catchments. This process will continue until they have constructed 15 water catchments. A computer program will be created to collect water-intake monitoring data. PDC estimates 50 beneficiaries will participate in the project.

The grant funds are almost entirely for the purchase of the watercatchment system.

Rationale for Recommendation

The review committee found this to be a very creative and costeffective approach to providing water to Keokea and Waiohuli lessees. Using the self-help method gets beneficiaries involved, brings new skills into the community, and provides a model for other homestead communities. The work plan outlines the basic tasks for setting up the water catchment systems, however, there was very little detail about how participants would be selected, who would train the initial group, who would create the monitoring procedures and who would ensure data was collected. The proposal didn't include information about ensuring water quality, county regulations, or health and safety issues.

DHHL has just received \$2 million in CIP funds from the State for design and construction of an agricultural offsite water system to serve Keokea. PCD's project offers the opportunity to study the feasibility of catchment system and provide water to Keokea in the near term.

The committee recommends partial funding in the amount of \$46,871, so it can be conducted as a pilot-project on a smaller scale. This amount is the balance of funds remaining after the recommended awards to higher scoring proposals.

Waiohuli Hawaiian Homesteaders Association, Inc.

Funds	Requested	\$60,000
Funds	Recommended	\$60,000

Project Description

Priority Project: Identify and Support Development of Community Facilities for Waiohuli and Keokea.

Waiohuli Hawaiian Homestead Association (WHHA) has a license to 17 acres in Waiohuli for a recreational park and community center. Development of the community facilities within the park are intended to provide economic opportunities for the Waiohuli homestead. WHHA has already constructed a certified kitchen, pavilion, parking area, outdoor amphitheater, garden, and a septic and leach field system.

This project is to make improvements to the Individual Wastewater System (IWS) serving WHHA's certified kitchen. This will expand the system's capacity and enable WHHA to accommodate a larger number of users and, thereby, generate more revenue to support the community center. This project will be leverage with WHHA's \$500,000, 2017 GIA to expand terrace space, parking, and native garden, and improvements to the certified kitchen.

Funds will be used for civil engineering and design and construction.

Rationale for Recommendation

This project was included in WHHA's 2017 GIA request but eliminated when they were awarded less than requested. WHHA has been making good progress with the development of their community facilities, so the reviewers found this to be a very timely project and excellent leveraging of their GIA. It is a very straight forward scope of work with a clear workplan and realistic timeline. The potential to increase revenue in efforts to achieve fiscal sustainability is a compelling reason for funding.

The committee recommends full funding for this project.

Organization	DHHL Funds Requested	Match	In-Kind	Total Project Cost	Recommended Amount
Ahupua'a O Molokai	84,300	12,600	30,200	127,100	\$84,300
Council for Native Hawaiian Advancement	50,000	12,800	-	62,800	0
Ka'ala Farm Inc	40,477	20,790	11,000	72,267	0
Makuʻu Farmer's Assn.	100,000	100,000	6,178	206,178	100,000
Pualani Foundation	97,026	-	50,000	147,026	0
Waiohuli Hawaiian Homestead Association	12,500	2,000	500	15,000	0
TOTAL	\$481,869	\$8,875	\$216,640	\$707,384	\$184,300

Exhibit B Agriculture Peer-to-Peer Grant Program Deadline: April 2,2018

Ahupua'a o Molokai

Funds	Requested	\$84,300
Funds	Recommended	\$84,300

Project Description

Ahupua'a o Molokai(AOM) is a 501 (c) 3 non-profit organization made up of representatives from seven homestead associations -Kamiloloa/One Alii Homestead Association; Kapaakea Homestead Association; Kalamaula Hou (Mauka) Association; Kalamaula Homesteaders Association, Hoolehua Homesteaders Association; Ho'olehua Agriculture Homesteaders Association, and Makakuoha Cooperative.

In this project, AOM will partner with CTHAR to deliver five types of training. Their goal is to reach 50 farmers through one or more targeting of these activities. AOM believes that by all developmental phases of agriculture they will be able to reach a more diverse group of homesteaders. The project includes: (1) helping a cadre of farmer get certifications in farming, food production, food safety, and marketing so that they can mentor other farmers; (2) starting a seed-saving training program to create a seed bank; (3) providing training in raising potted plants to create a plant nursery;, (4) providing training in creating a subsistence garden; (5) providing one-on-one assistance to farmers who are ready to move from subsistence gardens to production farming. The training will be provided by homestead farmers and CTHAR staff.

Grant funds will be used for travel, purchasing equipment and supplies for the hands on training, and contracted services to oversee the project, and registration fees for the certification classes.

Rationale for Recommendation

This project fits the peer-to-peer model. It is a good approach for moving beneficiaries with different levels of farming forward. Though it starts off partnering with CTHAR, the training and certifications the homesteaders receive will enable them to train and mentor others in the future. The range of training and skill building covers many aspects of farming. The strategy of using training in seed saving to build a seed bank and potted plants to create a nursery results in both valuable skills and resources for farmers. This is a clever form of sustainability.

The target for the training is broad and does not focus specifically on agricultural lessees. The workplan describes the basic elements of each phase but not details of how they will be conducted. For example, there are no details about the certification programs such as, what they cover, how long the training is, what the costs are, or how participants will be selected. There are no descriptions of who the trainers are or the experience/expertise they bring to the project.

There was no section on sustainability, so it's not known how the project will continue after DHHL funding.

The committee recommends full funding.

Council for Native Hawaiian Advancement

Funds Requested\$50,000Funds Recommended\$0

Project Description

The Council for Native Hawaiian Advancement (CNHA) has a long track record of supporting nonprofit organizations with capacitybuilding, economic development projects, and other types of technical assistance. This project is to provide a training and technical assistance to 15 beneficiaries on Hawaii Island through the delivery of "The Business of Indigenous Agriculture," a Native agribusiness curriculum. The six-week training program will be individualized enhanced by assistance in developing а business/farm plans for either commercial or sustenance farming. The project targets existing lessees on Hawaii Island with agricultural or pastoral leases, with a focus on Panaewa and Maku'u in East Hawaii. CNHA has been working closely with OHA's East Hawaii Office and the East Hawaii homestead groups and recently conducted an agribusiness training in Hilo.

Grant funds will be used for staff, travel, workshop supplies, and business plan consultants.

Rationale for Recommendation

The reviewers were not convinced this project meets the definition of an agriculture peer-to-peer project. There was no description of the curriculum so there is no way of knowing what will be taught. However, the intended outcome is a business/farm plan and not teaching farming skills. There was no information on who would present the curriculum so it's not clear that there is a "peerto-peer" experience. There wasn't any information on CNHA's experience working with agricultural lessees or having farming expertise to serve as a peer mentor.

The proposal mentions working with East Hawaii homestead groups and having a network of partners but there were no letters of support or indication Panaewa and Maku'u lessees had expressed an interest in participating in the project. Since Maku'u also submitted a proposal for a peer-to-peer grant, the organizations would be competing for participants. More than half of the budget goes toward CNHA staff salaries and travel to Hilo to conduct the workshops.

The committee recommends no funding.

Ka'ala Farm Inc.

FundsRequested\$40,477FundsRecommended\$0

Project Description

Ka'ala Farm Inc. (KFI) conducts educational, cultural, and agricultural programs at its Cultural Learning Center and manages cultivated areas at its adjacent Community Farm on 98 acres leased from DHHL (License No. 724). This project is a continuation of work funded by two DHL Agriculture Peer-to-Peer grants.

The project will train homestead lessees using traditional and modern experiential learning techniques to develop skills in farming and using kalo and other cultivated crops for subsistence production. Training workshops agriculture will use the traditional knowledge found in the Ka'ala publication "From then to Now: A Manual for Doing Things Hawaiian Style" and the modern cultivation practices outlined on the "Aina Ready, Food Ready: From Raw Land to Garden to Table, Hawaiian Style" workbook. Current homestead participants will help recruit the new participants. KFI is targeting at least a 10% increase in the number of participants. The workplan also includes revising the "Aina Ready, Food Ready: From Raw Land to Garden to Table, Hawaiian Style" workbook with participant input.

Rationale for Recommendation

The proposal provided a general project description of the training program but lacked specifics to see how this project is different from, or builds on, the previous two grants. There was no indication of how many new participants would be recruited and no evidence of the demand for the training.

KFI's previous two grants are still active but the proposal didn't provide any information about what has been achieved so far, beneficiaries are benefiting from the program, how many beneficiaries are participating, or how the project has increased farming activity on the homesteads. The reviewers think that evidence of the project working is needed before additional funds are invested.

The committee recommends no funding.

Maku'u Farmers Association

Funds	Requested	\$100,000
Funds	Recommended	\$100,000

Project Description

The Maku'u Farmers Association (MFA) has successfully operated their farmers market for many years. Now that there is a wellestablished venue for farmers to sell produce, MFA wants to increase the sale of homestead grown produce. To that end, they are turning five-acres adjacent to the farmers market into a sustainable garden. This garden will serve as the educational hub for 12 monthly agriculture education classes. The lessons will focus on the stages of farming including clearing the land, field preparation, farm planning, cultivation, and marketing. Sessions will be taught by Maku'u lessees, CTHAR staff, and other farming experts. Hands-on lessons, including clearing the land and planting crops will give participants a chance to experience farming in a communal setting. They estimate 150 beneficiaries will participate in the training. The project will be open to all homesteaders on the island.

Grant funds will be used for staffing, instructor honoraria, workshop tools and supplies, a backhoe, event insurance, overhead, participant t-shirts, flyers, signage, and banners.

Rationale for Recommendation

This is a well thought out project with a clear peer-to-peer approach. MFA is a well-established homestead association with the ability to reach many agricultural lessees. The project will be highly visible, which will stimulate interest. Participants will be able to work in the garden between lessons to apply what they've learned. The project is designed to train and support the next generation of farmers. The primary target is agricultural lessees, but they offer a good rationale for including residential lessees.

There are no details about the curriculum and CTHAR's role is not clearly defined. There is no sustainability plan so it's mot known how the garden will be maintained or if workshops will continue after DHHL's funding ends.

The committee recommends full funding.

Pualani Foundation

Funds Requested \$97,026 Funds Recommended \$0

Project Description

Pualani Foundation was formed in 2009. It operates from the Hanchett Ranch on 315 acres of DHHL pastoral land in Moloa'a, Kauai. Its mission is to provide educational and enrichment programs to perpetuate Native Hawaiian cultural practices and traditions of subsistence. They offer a variety of camps, retreats and educational program for youth in partnership with other nonprofit organizations.

This project is to install approximately 5,055 linear feet of hog wire fencing to contain the eastern/makai side of Kuhio Avenue and approximately 2,205 linear feet of fencing to close off areas mauka of Kuhio Highway. Also, to clear 20 acres of invasive tree/shrubs along the makai side of Kuhio Highway.

In addition to the property improvements, they will develop a fiveyear strategic plan and do land use planning to create a Conceptual Master Plan for the use of the 315-acre parcel. These activities will allow Pualani Foundation to expand its horsemanship program, accommodate more horses and livestock, allow healthy pasture regeneration, and create strategies and tactics for working with other educators and community organizations focusing on Native Hawaiian learners and agriculture/ranching activities.

Grant funds will be used to purchase supplies and equipment and to contract for the installation of fencing, land clearing, and strategic planning.

Rationale for Recommendation

This project does not meet the intent of the Agriculture Peer-to-Peer grant program. There is no agricultural training or mentoring component. There is no beneficiary involvement or any kind of learning experience that would lead to increased farming.

The committee recommends no funding.

Waiohuli Hawaiian Homesteaders Association, Inc.

Funds Requested \$12,500 Funds Recommended \$0

Project Description

This project has two activities, (1) to assess the viability and marketability of mobile farming and (2) to investigate the potential of indoor crop production technology.

The mobile-farming concept is an initiative of Common Ground Collective - Maui. The vision of Common Ground Collective - Maui is that anyone with land and the aspiration to farm can find the help and connections they need to be successful. They strive to fill the gaps in Maui's agricultural sector to boost local food production, increase economic security, promote environmental education and increase the use of regenerative farming practices. WHHA will meet with them to learn more about their program and how it can be applied in Waiohuli.

The second activity is to explore the potential of a patented, renewable-energy powered, high-tech glass commercial greenhouse offered by a company called Power Grow. This technology enables indoor farming operations to provide locally-grown, fresh produce all year round regardless of the weather. The completely controlled growing environment reduces the water required for optimal plant growth, lessens disease risk and removes the need for pesticides. The technology takes fallow land or land with poor soil quality and limited water availability and turns it into optimal farmland.

Grant funds will be used for three people to travel to Power Grow headquarters in Phoenix, Arizona and to Denver, Colorado to see an operational greenhouse, for office supplies, and for a project manager, CPA, and legal assistance.

Rationale for Recommendation

This project does not meet the intent of the Agriculture Peer-to-Peer grant program. There is no agricultural training or mentoring component. The concept of mobile farming is not explained and there was no strategy for using the approach in Waiohuli. There is no evidence that exploring the potential of a high-tech green house will lead to any type of farming activity. The budget includes funding for a CPA and legal assistance without any explanation of why these services are needed.

The committee recommends no funding.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

APRIL 16-17, 2018

To: Chairman and Members, Hawaiian Homes Commission (HHC)

Through: Kaleo Manuel, Acting Planning Program Manager

From: Nancy McPherson, Planner

Subject: Acceptance of Beneficiary Consultation Report for Various Molokai Licenses, Kalama'ula and 'Ualapu'e, Kona, Molokai, Multiple TMK's

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) accepts this Beneficiary Consultation Report as the public record of beneficiary input and feedback relative to DHHL long term licenses and amendments for Ierusalema Pomaikai Church, License No. 261 (Church); Molokai Congregation of Jehovah's Witnesses, License No. 269 (Church); and Ka Hale Pomaika'i, License No. 667 (Public Service); Kalama'ula and 'Ualapu'e, Kona, Molokai.

DISCUSSION

Background

Under Section 207(c)(1) of the Hawaiian Homes Commission Act of 1920, as amended, the Department of Hawaiian Home Lands (DHHL, Department) is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The Department is also authorized to grant licenses for lots within a district in which lands are leased, under the provisions of subsection (A), for churches, hospitals, public schools, post offices, and other improvements for public purposes.

In Kalama'ula, Molokai, church licenses have been granted by the Hawaiian Homes Commission going back to the beginnings of the program in the 1920's. As important spiritual institutions of native Hawaiian homestead society, churches have historically played a central, supportive role in the lives of homesteaders and are part of the social fabric. The long term (30 years) church licenses do not have provisions for renewal, therefore new licenses must be issued from time to time by the Department, as is the case for the two churches that are the subject of this Beneficiary Consultation.

Licenses for public benefit uses on land not immediately needed for homesteading, particularly those that benefit native Hawaiians, are authorized under section 204(2) and section 207(c)(1) of the HHCA and Chapter 171, HRS, upon such terms and conditions as DHHL may deem fair and reasonable. Because of their long-term nature, it has been determined that formal Beneficiary Consultation prior to issuance of new licenses with a term greater than five years is warranted.

Lic. No.	261	269	667
Lic. Type	Church	Church	Public Service
Licensee	Ierusalema Pomaikai Church	Molokai Congregation of Jehovah's Witnesses	Ka Hale Pomaikaʻi
Land Area	1.033 acres	0.54 acre	1 acre
TMK(s)	(2)5-2-009:17, 26 & 27	(2)5-2-009:020	(2)5-6-002:001
Lot No.(s)	54, 55, 56	88	Acquired via Act 14 Settlement
Ahupua `a	Kalama`ula	Kalama'ula	'Ualapu'e
<pre># structures</pre>	4	1	2
Comm. Dt.	4/1/1990	7/1/1990	10/1/2006
Term. Dt.	3/31/2020	6/30/2020	9/30/2021
License Fee	\$225/annum	\$200/annum	\$6,000/annum
Comments	Original License No. 71 issued in 1928	Original License No. 78 issued in 1955	Extended - original license term was 9/30/2016

Table 1.	Summary	Info	on	Existing	Licenses
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Beneficiaries were notified by mail, and homestead leaders were notified by email, of the upcoming opportunity to consult on February 2, 2018. See Exhibit 'A', Invitation Letter & Maps.

This submittal constitutes the formal Beneficiary Consultation Report describing beneficiary input and feedback obtained during the Beneficiary Consultation meeting held on Molokai on March 1, 2018, as well as comments received during the subsequent 30-day comment period that ended March 30, 2018, and is hereby submitted to the HHC for acceptance.

Beneficiary Consultation

The Department's Beneficiary Consultation Policy, approved in January 2009, recognizes that meaningful, timely and effective beneficiary consultation is essential to the successful implementation of Hawaiian Homes Commission policies, programs, and projects. The purpose of this DHHL consultation was to collect beneficiary feedback and input on activities relates to the issuance of or modifications to long term licenses (terms greater than five years).

STEP 1. THE PROPOSED ACTION IS DESCRIBED (See Exhibits A & B):

Efforts to provide beneficiaries with information and collect their mana'o on two church licenses and one public benefit license were initiated when the invitation letter for beneficiary consultation was mailed on February 2, 2018.

The Beneficiary Consultation (BC) was intended to elicit comments on the issuance of two new licenses for existing churches and modification of terms for a third license for a substance abuse recovery center. The consultation meeting was held at Kūlana 'Ōiwi, Kalama'ula, Molokai on March 1, 2018. Twenty-five (25) persons signed in for the meeting, with fifteen (15) beneficiaries in attendance. A slide presentation was prepared to describe the proposed actions and explain the licensing process. A handout provided by the Molokai Congregation of Jehovah's Witnesses on the history of their church was distributed at the meeting and additional materials such as the DHHL General Plan were provided as reference material. See Exhibit 'B', Agenda, Exhibit 'C' Presentation Slides, Exhibit 'D' Sign in Sheets, and Exhibit 'E', History of Jehovah's Witnesses on Molokai

STEP 2. BENEFICIARIES ARE NOTIFIED OF OPPORTUNITIES TO CONSULT (See Exhibit `A'):

A letter inviting Moloka'i beneficiaries to attend the Beneficiary Consultation Meeting was mailed out to 640 lessees on February 2, 2018.

The invitation letter was posted in the Molokai District Office, and follow up email reminders were sent to homestead association leaders. STEP 3. PRESENTATION MATERIALS FOR ALL MEETINGS ARE AVAILABLE FOR FEEDBACK: (See Exhibits 'C' and 'E')

> Presentation materials in the form of handouts were available at the meetings, and extras were left at the Molokai District Office front counter.

STEP 4: COMMENTS ARE COMPILED INTO MEETING REPORTS (See Exhibits 'F' through 'H'):

This submittal constitutes the formal Beneficiary Consultation report describing beneficiary input and feedback obtained before and during the Beneficiary Consultation meeting held on Molokai on March 1, 2018 as well as comments received during the subsequent 30day comment period, and is hereby submitted to the HHC for acceptance.

STEP 5: A 30 DAY REVIEW AND COMMENT PERIOD IS PROVIDED:

The 30-day review and comment period ran from March 1, 2018 (date of the Beneficiary Consultation Meeting) to March 30, 2018.

- STEP 6: THE INFORMATION AND RECOMMENDATIONS ARE COMPILED INTO A FINAL REPORT; AND
- STEP 7: THE FINAL REPORT IS PROVIDED TO THE HAWAIIAN HOMES COMMISSION PRIOR TO DECISION-MAKING

This Final Report is transmitted to the Hawaiian Homes Commission for its meeting on April 16, 2018

Summary of Beneficiary Consultation Comments and Staff Recommendations

The comment deadline given to beneficiaries at the consultation meeting was March 30, 2018. Twenty-seven (27) comment letters or emails were received either at the Beneficiary Consultation Meeting or during the 30-day comment period, and are broken down as follows: Sixteen (16) in support of the license for the Molokai Congregation of Jehovah's Witnesses (MCJW), and eleven (11) in support of Ka Hale Pomaika'i (KHP). One phone call was received from an applicant, advocating for new residential lots in 'Ualapu'e. The following table summarizes all comments received during the beneficiary consultation meeting and the 30-day comment period, and sorts them by subject or topic, as well as provides any responses from DHHL.

See Exhibit 'F', Meeting Notes, Exhibit 'G', Molokai Congregation of Jehovah's Witnesses Comment Letters, and Exhibit 'H', Ka Hale Pomaika'i Comment Letters.

Subject	Question/Comment	Response/Key point
MCJW		
Central location	Appreciate ideal location in central part of the island. Location is convenient for island residents, and visible for visitors.	Church Row is an important focal point of island life on Molokai, and has been identified in the Molokai Island Plan for Community Use.
Serving	Many lifelong MJW members &	DHHL recognizes
beneficiaries	most of bible study students are beneficiaries.	that MJW serves our beneficiaries.
Social benefits to the community	Strengthening families improves the quality of life on Molokai. Bible education helps Molokai families deal with life's challenges. Theocratic school teaches public speaking skills.	DHHL recognizes the benefit of services that support families
`Ōlelo Hawai`i	Teaching the language to our members. JW translating literature into 'Ōlelo Hawai'i.	Important for perpetuation of culture.
Mālama `āina	Property has been improved over the years.	Property is very neat and clean.
IPC		
History & Tradition	IPC one of the first churches (1928) in Kalanianaole Settlement. Traditional Hawaiian churches linked to founding of homesteads. Services continuously conducted in 'Ōlelo Hawai'i since 1920's	DHHL recognizes the significance of this church to the history of Kalama'ula.

Subject	Question/Comment	Response/Key point
Serving	Long time homestead	DHHL recognizes the
beneficiaries	families are members.	service to
	Conduct ho'oponopono for	beneficiaries.
	`ohana	
`Ōlelo Hawai`i	Still conducting services	Important for
	and writing reports in	perpetuation of
	`Ōlelo Hawai`i.	culture.
КНР		
Good standing	What would prevent renewal	Non-compliance with
	of license?	license terms &
		conditions,
		complaints etc. HHC
		has final say.
'Ualapu'e Res	Applicants on the waiting	Challenge for
Lots	list for this area have	subdivision is the
	been waiting for decades.	need to identify
	When are these lots going	additional source
	to get developed? Would	of potable water.
	like to see the area	
	settled like Kahikinui.	
Food garden	Improving diet w/fresh food	DHHL supports
	for clients & teaching	subsistence ag
	gardening part of recovery	activities on HHL
	program	
Mālama `āina	Want to care for the land	DHHL needs a
	so it doesn't get abused.	presence to prevent
	Reconnecting w/land is	dumping & supports
	therapeutic for clients.	rehabilitation of
		native Hawaiians
Serving	Substance abuse is a big	DHHL supports
beneficiaries	problem on Molokai. Only	rehabilitation of
	recovery program on island.	native Hawaiians
	Need to keep it going. Lack	
	of services on Molokai	
	makes work done at KHP	
	crucial for sustaining	
	health & wellness for	
	Native Hawaiians.	DIUIT
Rehabilitation	80 percent of clients are	DHHL supports
	(n)Native Hawaiian. Turning	rehabilitation of
	their lives around because	native Hawaiians
	of this program.	

Subject	Question/Comment	Response/Key point
ALL		
Social	Churches and recovery	DHHL recognizes the
benefits to	program offer many services	value of these
the community	that assist Molokai	services to the
	families in crisis/need.	community.
Use of HHL	Grateful that DHHL allows	As long as churches
	for church use and recovery	are active and
	program on HHL.	complying with
		lease terms, they
		can continue to use
		lands. Eventually,
		when residential
		subdivision process
		is initiated in
		'Ualapu'e, KHP may
Tirren a fara	Mill from women's the second	have to relocate.
License fees	Will fees remain the same?	For churches, yes -
		how fees are
		calculated is in
		Rules. For KHP,
		there's a method.

Table 2. Summary of Comments

Consistency with DHHL Planning System

DHHL Planning System

The DHHL Planning System consists of three tiers of plans (the General Plan; Island Plans and Strategic Program Plans; Regional Plans and Development Plans) and implementation tools such as administrative rules, infrastructure development projects, and land dispositions (leases and licenses).

DHHL General Plan (2002)

The DHHL General Plan is intended as a high-level policy document that implements the Hawaiian Homes Commission Act. The Land Use Planning goals that support the church and public benefit licenses are:

- 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.

Land Use Planning objectives that are achieved are as follows:

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

The licenses are supported by the Land and Natural Resource Management goal:

• Be responsible, long-term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

and these Land and Natural Resource Management objectives:

- Preserve and protect significant natural, historic and community resources on Trust lands.
- Manage interim land dispositions in a manner that is environmentally sound and does not jeopardize their future uses.

Molokai Island Plan (2005)

Kalama'ula

Church Row, located just mauka of Maunaloa Highway in Kalama'ula, consists of nine churches that have 30-year church license agreements with the Department on lots that range from 1 to 4 acres in area. Churches have historically been the backbone of the Molokai community, and Church Row, because of its central location, has been a focal point during development of homesteading on Molokai. Existing churches are encouraged to continue and new churches should be encouraged to locate in the Community Use-designated lots to heighten the identity of this area. See Exhibit 'I' Lower Kalama'ula Land Uses

'Ualapu'e

The Department owns 412 acres in 'Ualapu'e, which is located on the eastern end of the island. As part of a 1994 settlement that awarded DHHL approximately 16,500 acres statewide, the Department was deeded over the lands of 'Ualapu'e. However, the land transfer did not occur until 1999.

Development in Ualapu'e will be centered on residential homesteads and community uses in the lower mauka areas to take advantage of existing topography and proximity to roads and utilities. Development of new residential lots cannot proceed until potable water resource issues have been resolved.

Two areas of Community Use totaling 2.9 acres have been identified, one for a new cemetery adjacent to the existing 'Ualapu'e Cemetery, and another for either a park or a community center just east of the Ka Hale Pomaika'i location. See Exhibit 'J' Lower 'Ualapu'e Land Uses

While the tax map key being used by Ka Hale Pomaika'i has been designated for Residential land use and deemed an Island Plan priority, because of the water availability constraint, development of residential lots involving that parcel is not anticipated within the next ten years.

Molokai Regional Plan (2010)

Church Row was mentioned as a community use area, but no issues or opportunities for Church Row or 'Ualapu'e were identified in the Molokai Regional Plan.

CONCLUSIONS AND NEXT STEPS

The comments received during this beneficiary consultation were overwhelmingly in support of the issuance of new licenses for the two churches in Kalama'ula and expansion of land for the substance abuse recovery program in 'Ualapu'e. Beneficiaries recognize that these institutions provide important functions that benefit Molokai families, particularly those who live on homestead. The consultation meeting itself offered a safe environment for sharing and aloha between beneficiaries who may not usually be able to comfortably discuss what they do with each other. Several of the participants stated that they thought the dialogue that took place during the meeting would be of benefit to the participants moving forward into the future. Such sentiments served to reinforce the level of caring for their community that the three organizations share, which was a blessing to all who were present.

Acceptance of the Beneficiary Consultation Report will support the actions being requested by the Land Management Division in their submittal for issuance of new licenses, to be submitted separately to the Hawaiian Homes Commission.

RECOMMENDED MOTION / ACTION

Staff respectfully requests approval as recommended.

DAVID Y, IGE GOVERNOR STATE OF HAWAIT

SHAN & TSUTSUL 1T GOVERNOR STATE OF HAWAII



JOHIE M, K, MASAGATANI CHAIRMAN HAWAIIAN DOMES COMMISSION

WH, I, IAM J, ARLA, JR, DEPITY TO DE CHAIRMAN

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879 HONOLULU, HAWAE 96805

February 2, 2018

Dear Molokai Beneficiaries:

The Department of Hawaiian Home Lands (DHHL) invites you to attend a beneficiary consultation meeting to discuss new and amended terms for the following three licensees currently under consideration by DHHL:

- Molokai Congregation of Jehovah's Witnesses, License No. 269, Kalama'ula TMK (2)5-2-009:20; 0.52 acres; new church license
- Ierusalema Pomaika'i Church, License No. 261, Kalama'ula TMK(s) (2)5-2-009:017, -26, -27; 1.033 acres; new church license
- Ka Hale Pomaika'i "The Blessed House," License No. 667, 'Ualapu'e TMK (2)5-6-002:001; 2.1 acres; new license for substance abuse and treatment center, and expansion to area

This beneficiary consultation meeting is to provide you with more detailed information on the Land Management Division's licensing process and to allow you an opportunity for input on the proposed long term licenses. The meeting will be held at:

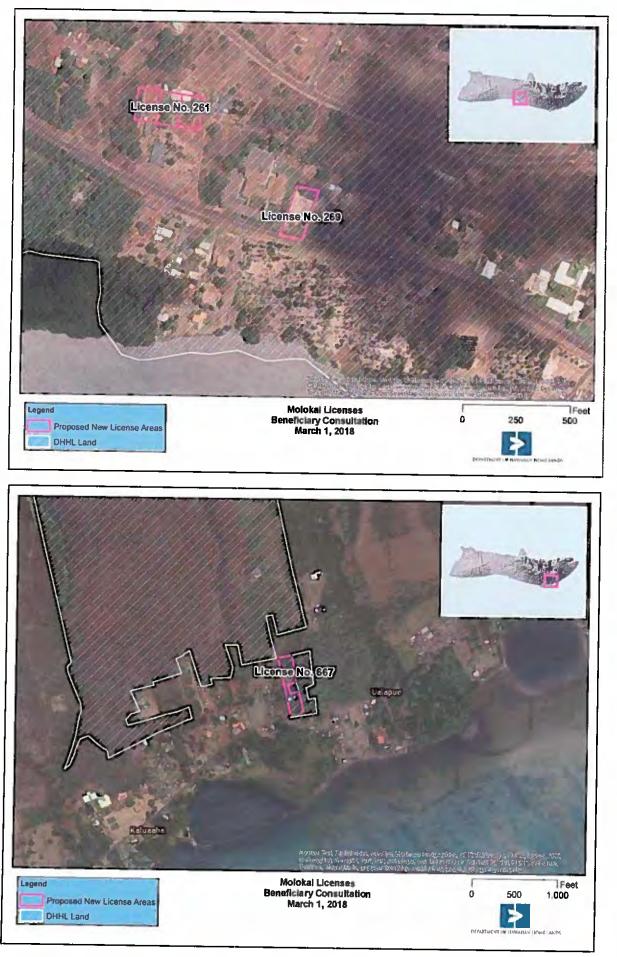
> Place: DHHL/OHA Conference Room Kūlana 'Ōiwi Multi-Service Center 600 Maunaloa Highway, Kalama'ula Date: Mar. 1, 2018 Time: 6:00 p.m. to 8:00 p.m.

We hope you will make time to attend and participate. Should you have any questions or require further information, please contact Nancy McPherson, Planner, DHHL Planning Office, at telephone: (808) 620-9519, or via e-mail at nancy.m.mcpherson@hawaii.gov.

Aloha

Jobie M. K. Masagatani, Chairman Hawaiian Homes Commission

ITEM G-2 EXHIBIT 'A'



ITEM G-2 EXHIBIT 'A'

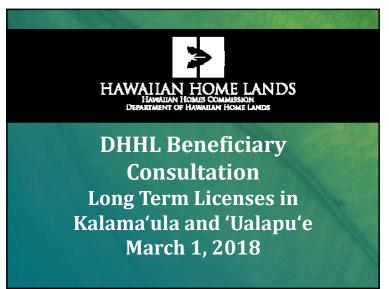


Long Term Licenses in Kalama'ula and 'Ualapu'e Thurs., March 1, 2018 6:00 P.M. to 8:00 P.M. DHHL/OHA Conference Room, Kūlana 'Ōiwi, Kalama'ula, Moloka'i

AGENDA

- 6:00 6:15 Opening Pule, Introductions, Mea'ai
- 6:15 6:35 Informational Presentation by DHHL
- 6:35 6:45 Health Break
- 6:45 7:30 Q&A, Sharing of Comments & Mana'o
- 7:30 8:00 Summary, Next Steps, Mahalo, Closing Pule

ITEM G-2 EXHIBIT 'B'



Meeting Agenda

6:00 - 6:15 Opening Pule, Introductions, Mea'ai
6:15 - 6:35 Informational Presentation by DHHL
6:35 - 6:45 Health Break
6:45 - 7:30 Q&A, Sharing of Comments & Mana'o
7:30 - 8:00 Summary, Next Steps, Mahalo, Closing Pule

Meeting Purpose & Expectations

Purpose of meeting is to:

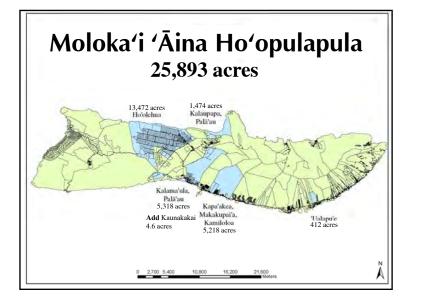
- Share information on three long term licenses that need new terms
- Collect mana'o of beneficiaries on issuance of new long term licenses

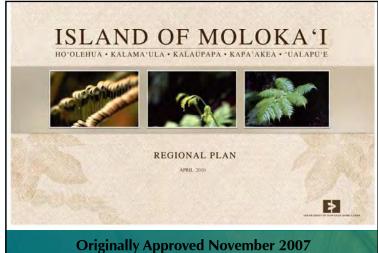
Purpose of meeting is *NOT* to:

• Make final decisions about dispositions – submittals will go to HHC for final determinations

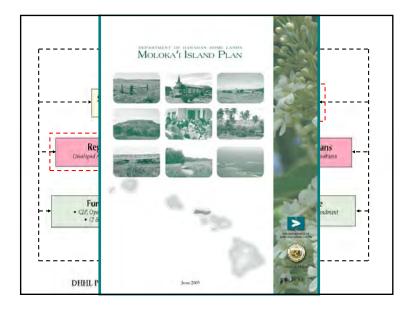
Meeting Kuleana

- One speaker at a time
- Listen to understand
- Please turn off or silence cell phones
- Keep side conversations to a minimum
- Everyone who wants to be heard will be heard
- It's okay to disagree as long as we are respectful of each other
- Maintain an open and positive attitude





Driginally Approved November 2007 Updated April 2010



HHCA Implemented via General Plan (2002)

Land Use Planning

- Goal: Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.
- Goal: 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.

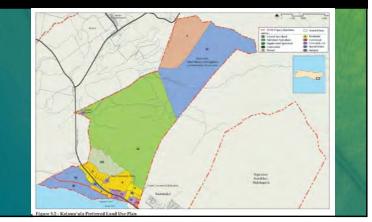
Land & Resource Management

• Goal: Be responsible, long term stewards of the Trust's lands and natural, historic and community resources located on these lands.

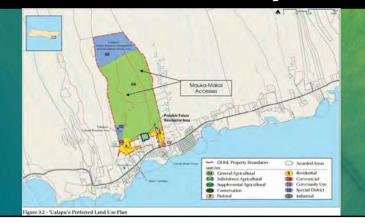
Molokai Island Plan (2005) Key Planning Concepts

- Approximately 83 acres have been designated for Community Use within Kalama'ula, including the existing Church Row, Kūlana 'Ōiwi, Homelani Cemetary, Kapuāiwa Grove, and future plans for community park and kupuna housing.
- Church Row consist of nine churches that have 30-year license with DHHL on 1-4 acre parcels. Churches form a background of Molokai community.

Molokai Island Plan (2005) Land Use Plan - Kalama'ula



Molokai Island Plan (2005) Land Use Plan - 'Ual<u>apu'e</u>



Hawaiian Homes Commission Act of 1921, as amended (HHCA)

Section 207(c)(1) The department is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The department is also authorized to grant licenses for lots within a district in which lands are leased under the provisions of this section, for:

(A) Churches, hospitals, public schools, post offices, and other improvements for public purposes; and

(B) Theaters, garages, service stations, markets, stores, and other mercantile establishments (all of which shall be owned by native Hawaiians or by organizations formed and controlled by native Hawaiians).

ITEM G-2 -----EXHIBIT 'C'

Hawaii Administrative Rules HAR Title 10

SUBCHAPTER 1 LAND MANAGEMENT

§10-4-1 Lease of lands. The department may lease, license, or otherwise deal with any Hawaiian home lands as may not be immediately needed for the purposes of the act as provided by section 204(2) of the act and chapter 171, HRS, upon such terms and conditions as it may deem fair and reasonable. [Eff 7/30/81; am and comp 10/26/98] (Auth: HHC Act §222) (Imp: HHC Act §204)

Hawaii Administrative Rules HAR Title 10

SUBCHAPTER 2 LICENSES

§10-4-22 Licenses for easements and public purposes. Licenses as easements for railroads, telephone lines, electric power and light lines, gas mains and the like, and licenses for improvements for public purposes, including but not limited to schools, post offices, parks, beaches, fire stations, and other public facilities may be granted, in perpetuity or a specified term, subject to reverter to the department upon termination or abandonment, on such terms and conditions as may be prudently and reasonably set by the department. [Eff 7/30/81; am 11/17/84; am and comp 10/26/98] (Auth: HHC Act §222) (Imp: HHC Act §207(c))

Hawaii Administrative Rules HAR Title 10

§10-4-26 Licenses to churches. (a) The department may issue licenses to churches within a homestead district provided:

 The aggregate number of churches in the homestead district does not exceed two per cent of the total number of lessees in the district; and
 If land is available, a petition of those who wish to establish a church shall include names of at least twenty per cent of the lessees in the homestead district.

(b) Churches existing on Hawaiian home lands before November 14, 1977 shall be exempt from the requirements of subsection (a)(1).

(c) The annual rental for licenses issued under this section shall be one-half of one cent per square foot, or \$200, whichever is greater.

(d) For the purposes of this section, homestead districts are Hawaiian home lands which have been homesteaded within an ahupua'a or lesser subdivision thereof. [Eff 7/3/81; am 2/3/83; am 11/17/84; am and comp 10/26/98] (Auth: HHC Act §222) (Imp: HHC Act §207)

Church & Public Benefit Licenses

- Ierusalema Pomaika'i Church, License No. 261, Kalama'ula, TMK(s) (2)5-2-009:017, -26, -27; 1.033 acres; proposed new 30-year church license
- Molokai Congregation of Jehovah's Witnesses, License No. 269, Kalama'ula; TMK (2)5-2-009:20; 0.52 acres; proposed new 30-year church license
- Ka Hale Pomaika'i, License No. 667, 'Ualapu'e, TMK (2)5-6-002:001; 2.1 acres; Proposed new license for substance abuse and treatment center, and expansion of land area

Church Licenses



Ierusalema Pomaika'i Church License No. 261



License term commenced on April 1, 1990 & terminates on March 31, 2020
License premise covers 45, 000 sq. ft. / 1.033 acres

Services are conducted in the Hawaiian language
Original license #71 granted by HHC in 1928. Original church built in 1943. New church completed and dedicated in Oct. 2000.

Molokai Congregation of Jehovah's Witnesses, License No. 269

License term commenced on July 1, 1990 and terminates on June 30, 2020

- License premise covers 23,783.7 sq. ft.
- Property obtained prior to 1955. Army barracks from Ho'olehua used to build first Kingdom Hall.
- New Molokai Kingdom Hall built Aug. 14-16, 1992.



License in 'Ūalapu'e



Ka Hale Pomaika'i, License No. 667



- License term commenced on Oct. 1, 2006 and terminated on Sept. 30, 2016, with option to extend for add'l 5 years
- First amendment extended term to Sept. 30, 2021
- License premise covers approx. 1 acre; expansion would increase to 2.1 acres
- Only residential treatment <u>facility</u> on island.

Health Break

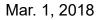
10 Minute Break

Q&A, Discussion 6:45 p.m. – 7:30 p.m.

- Question and Answer Session
- Discuss three proposed long term licenses share your mana'o
- Recorder will write down your mana'o
- If preferred, beneficiaries can use green comment sheets to write down your comments and submit to staff or later at Molokai District Office

Next Steps

- Beneficiary Consultation 30 Day Comment Period – ends Mar. 30. Submit to Molokai District Office or email to nancy.m.mcpherson@hawaii.gov
- April 16-17 Hawaiian Homes Commission meeting on Molokai
 - Planning Office submits BC Report for acceptance
 - LMD presents submittals on long term licenses for action/approval









DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

(A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other)

EVENT Beneficiary Consultation - Molokai Church and Public Benefit Licenses

DATE Ma

March 1, 2018 6:00 p.m. to 8:00 p.m.

DEPAREMENT OF HAWAIIAN HOME LANDS

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DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

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DEPARTMENT OF HAWAIIAN HOME LANDS

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ALBO	JILL Krael			
	Ravel & Grace Nihipali			
ALBO	L'aurence + Leonora Mollen.			
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DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

PAGE 3

DEPARTMENT OF HAWAHAN HOME LANDS

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Molokai Congregation of Jehovah's Witnesses Department of Hawaiian Home Lands License No. 269

History of Jehovah's Witnesses on Molokai

1929-1933: Joseph Dos Santos of Oahu traveled to the outer islands to preach, leaving literature on Molokai and Kalaupapa

Early - Mid '40s: Harold Gale of Honolulu assigned as a pioneer to preach on Molokai. He rented a house for 7\$ a month, right across from the beach, about five miles south of Kaunakakai. He walked up to 18 miles a day, including down the Kalaupapa trail, lugging a 50-pound load that included a suitcase of books, booklets, and magazines in up to six languages and a phonograh with records.

Later, a bicycle was sent from Oahu and he was able to cover about 40 miles in a day. Eventually Norman Chock came to pioneer with him, bringing his Willys sedan. Though permitted only ten gallons of gas a month because of wartime rationing, they preached throughout the island. In three months' time, they were conducting 18 Bible studies.

Prior to 1947: A small group of Jehovah's Witnesses meet regularly on Molokai.

1947: Martha Hess and Ruth Ulrich are the first missionaries trained at the Watchtower Bible School of Gilead to be sent to Hawaii. They preach and teach throughout the Hawaiian Islands before being reassigned to Japan in 1957.

Prior to 1955: Department of Hawaiian Home Land property with cottage obtained in Kalamaula to build a place of worship, a Kingdom Hall.

1955: Army barracks from Ho'olehua used to build the Kingdom Hall in front of the cottage.

1957-1982: Melvin and Fusako Uchimura move from Maui to Molokai with their two children to support the growing congregation.

Late '60s - Early '70s: Extensions added to Kingdom Hall to accommodate congregation growth.

Summer 1992: Kingdom Hall demolished. Land prepared and foundation laid for a new Kingdom Hall. Congregation meetings held temporarily at Kaunakakai Elementary School.

August 14-16, 1992: Molokai Kingdom Hall Quick-Build, 200+ unpaid volunteers travel to Molokai to help build our new Kingdom Hall over a three-day period.

June 6, 1993: Dedication program for new Kingdom Hall.

c. 2010-Present: Ilocano and American Sign-Language (ASL) speaking Jehovah's Witnesses periodically visit Molokai to assist Ilocano and ASL speakers learn about the Bible.

Summer 2016: Ilocano Language pre-group formed on Molokai to assist Ilocano and Tagalog speakers learn about the Bible.

Fall 2017: Informal 'Olelo Hawaii classes held for those interested in assisting Hawaiian language speakers learn about the Bible.

Annually - March/April: The Memorial of the death of Jesus Christ is held after sunset the evening of Nisan 14th according to the Jewish calendar.

Annually: Every year, two one-day circuit assemblies are held for Bible instruction and to help us make spiritual progress. Each program is based on a Scriptural theme. Through interesting talks, symposiums, and reenactments, we learn how to do God's will in our life. A baptism is held for those who want to symbolize their dedication to God.

Annually – Summer: The Molokai congregation joins several other congregations together on Oahu for a three-day regional convention held each year at the Mililani Assembly Hall of Jehovah's Witnesses. Like circuit assemblies, through interesting talks, symposiums, and reenactments, attendees are encouraged by the experiences of those who are successfully meeting the difficult challenge of living as Christians. At regional conventions, costume dramas and other video presentations bring Bible accounts to life and teach us practical lessons. A baptism is held for those who want to symbolize their dedication to God.

Thank you for arranging the upcoming hearing for our request to extend our license.

The Molokai Congregation of Jehovah's Witnesses is one 120,000+ congregations throughout the earth. Our facility was built and is maintained all by unpaid volunteers. It is in regular use since we have meetings of one sort or another almost every day of the week and often multiple times a day. The parking lot is completely full on Sundays and always on special events such as the upcoming Memorial of the death of Jesus Christ, which is celebrated on March 31st of this year.

It is our sincere hope that we can continue our 75+ year legacy of providing free Bible education, upbuilding association, and the opportunity to praise God to the Molokai community in our current location on Hawaiian Homelands.

Jehovah's Witnesses-Who Are We?

We come from hundreds of ethnic and language backgrounds, yet we are united by common goals. Above all, we want to honor Jehovah, the God of the Bible and the Creator of all things. We do our best to imitate Jesus Christ and are proud to be called Christians.

Each of us regularly spends time helping people learn about the Bible and God's Kingdom. Because we witness, or talk, about Jehovah God and his Kingdom, we are known as Jehovah's Witnesses.

What Happens at a Kingdom Hall?

All around the world, people come together every week at places of worship called "Kingdom Halls." It's a place where bible study programs and lectures are held each week.

Every meeting is open to the public. The seats are free and no collections are ever taken. Families are invited to attend and learn together. All meetings begin and end with song and prayer.

You can go into any Kingdom Hall and receive the same program of bible instruction. One meeting, usually held on the weekend, includes a 30-minute bible discourse especially designed for the general public. After that, there is a question and answer discussion based on an article in the study edition of the Watchtower magazine. At another meeting during the week, students receive training in public speaking, and a congregation bible study is conducted. Participation is always voluntary.

Worldwide 2017 Grand Totals

- Total Congregations: 120,053
- Worldwide Memorial Attendance: 20,175,477
- Average Publishers Preaching Each Month: 8,248,982
- Total Number Baptized: 284,212
- Total Hours Spent in the Field Ministry: 2,046,000,202
- Average Bible Studies Each Month: 10,071,524

EXHIBIT 'E'

IPC – Ierusalema Pomaikai Church **MJW** - Molokai Jehovah's Witnesses **KHP** - Ka Hale Pomaika'i HHL – Hawaiian Home Lands B - Beneficiary

March 1, 2018 Beneficiary Consultation – Molokai - New Licenses Flip Chart Notes

[MJW] [B] HHL Kalamaula Mauka – 1958 JW. Thankful for a place together, convenient. Thankful to Hawaiian Homes Commission for so many years of having a place for our church. Plans to renovate.

[MJW] [B] Cora Sanchez, lives on Hawaiian Home lands. Baptized a JW. Membership tripled. Thurs. & Sun. Meetings at Kingdom Hall. Would like license renewal.

[MJW] Successor – with congregation since 1957. Had barracks - was the first Kingdom Hall. Thank you to Hawaiian Home Lands for having them there. Property has gotten better and better.

[KHP] Ka Hale Pomaika'i board member – What would prevent non-issuance? What would prevent renewal? [A: Violations of license terms. HHC approves – BC is first step in the process]

[MJW] Please kindly review and approve license to MJW. Important part of family life and a spiritual place of worship.

[MJW] 49 years JW and attending meetings at Kingdom Hall.

[MJW] [B] Jill – I'm a JW and a Hawaiian Language instructor, teaching 'Ōlelo Hawaii in MJW. Molokai people responding with joy and using language in current literature.

[KHP] [B] Leimana Naki – from Mana'e. 'Ualapu'e lands – Organic Act. Any other houses there other than Ka Hale Pomaika'i? [A: No]. 400 acres mauka in 'Ualapu'e. Thank you for having the meeting in a central location. I'm on the waiting list. Any other applicants here? [4 raised their hands]. I'm a Residential applicant and have been on the waiting list for 45 years. I would like to see 'Ualapu'e be settled like Kahikinui was.

Q: Can you be both a lessee and an applicant? [A: Yes]

[IPC] [B] Kahu Naomi Duvauchelle. Very old church. Built a new church in 2002. Ordained. Up for renewal – another 30 years. We pray to God we get our new lease. Lease given to them in 1928. Church built in 1928. Reports were in pure Hawaiian [language]. President/Secretary report still kept in Hawaiian language. Tracks # of members, # of dedications. We do Ho'oponopono work. We have night services, Sunday 8 a.m. to 10 a.m. Mana Leihua. God bless all of us as we do what, we strive for God. Nice to hear [they're using] 'Ōlelo Hawai'i at the Kingdom Hall. We all strive to do our best for God and the community.

[IPC] [B] Raised in Ho'olehua Homestead. Serving community in Ho'olehua. [Date of church dedication] Above door. 1918 – perpetuating Hawaiian language. As we grew, we all started speaking pidgin. Stopped [teaching] it in school. Bringing back our language. Impressed by MJW – came out in force! We're doing the same things. Want to get license pa'a. We understand what each other is going through.

[IPC] [B] Feels so good – just to be here with JW's – used to hide when JW's came to the house! Didn't know why. Aunty knew where we hid. Now I sitting with all you guys. There's a purpose. I'll never hide from you again!

[IPC] [B] Have a Ho'ike every three months. Classes for Kahu, ministers, families. Kanai, Spencer, Rodrigues family. Had the koko. Duvauchelles.

IPC – Ierusalema Pomaikai Church **MJW** - Molokai Jehovah's Witnesses **KHP** - Ka Hale Pomaika'i HHL – Hawaiian Home Lands B - Beneficiary

[IPC] [B] Kalaeakamanu Hou [Church] – supports that you all get license. Church was by Kaunakakai Wharf for 50 years. Moved it by water. Came to mahaʻoi! **[KHP]** [Also support] Ka Hale Pomaikaʻi Board – Only substance abuse program on island. Helps with healing. It's our people.

Nine churches [in Kalama'ula].

Q: Will license fees remain the same? [A: for churches, yes – the formula for calculating the church license fee is in the Administrative Rules.]

[IPC] [MJW] Need the churches to help with the Lord. Very supportive. Anything else that the homesteaders need – appreciate more communication.

[KHP] Shari Lynn - Recovery community organization, first one in State of Hawai'i. Came from Molokai to represent Hawai'i. Sen. Dan Inouye helped get the funding. Paying it forward. Grandfather was a doctor in the Leprosy Investigation [facility] in Kalaupapa. He was killed by a drunk driver. Was my caregiver. I then became the person that killed my grandfather. Now 31 years clean and sober. Helping the community. I'm blessed – church bought me a replacement ukulele when mine got stolen. Mrs. Anna King gave us a property. Aunty Luana, Uncle Damien and Aunty Marie Place [were our kupuna]. Ho'ailona – went to DHHL, 3 year trial. Neighbors opposed at first, then helped us. Good stewards of our 'aina, since 2003. Dumping is occurring on the area that is not ours. We'd like to malama it so the dumping stops. Want to do a small farm – we have a garden guy.

[KHP] Family are homesteaders in Hoʻolehua on Ag. Want to grow trees. Make garden part of the treatment – part of their recovery. Hopefully get the extended part.

[KHP] Shari Lynn – What we grow is given to the haumana. Give food to them, with vegetables – more healthy. Aunty Marie – planting la'au - la'au po'okela. Her legacy, lessons, la'au growing for those who come in sick. Letters from "untouchables." Helped over 200 Hawaiians. Help 60 families regularly w/food bank. Only take donations. Never sell it – it's all a gift.

Q: [The dumping is] Up Water Tank Rd. – on the right side? [A: In back of garden]

[There's also a] Separate property with a gate.

[MJW] [B]: My 'ohana is Naho'opi'i from Halawa Valley. Mahi 'ai – my mother's family. Learned about God, to pule. Name of God is Jehovah. [Raised with] Hawaiian language. Dad was a kalo farmer – sold to Chong Poi Factory, also Honolulu. 1930's and 1940's. Worked in the taro patch, lived in the valley. Learned about Hawaiian thinking, mele.

[MJW] JW Congregation thanks you. These licenses are very important to the community. There are young and old with challenges in their lives. [Using the] language. Benefits Molokai as a whole. Involvement in global Bible education. It's God's will that all people be saved. Principles, values, teaching and guidance from the Bible. Lives of people, know how we treat other people. Sharing what we've been doing – families will benefit. Appreciation for extension [of license].

[MJW] [B]: Central-ness [of location]. Molokai is unique – strength of families. 75 years – legacy benefitted my family as a youth. Keep it in Kalama'ula – people know Church Row. People see our signs driving by. Continue the legacy. Announce the Kingdom. Appreciate you coming here and listening to us.

[B] Kalama'ula Homesteaders Association can write a letter of support.

February 25, 2018

To Whom It May Concern:

Aloha! My name is Leihulu Joao and I am a DHHL beneficiary and I am of Hawaiian ancestry. I am born and raised on this island that I am proud to call home. I am writing to humbly ask anyone involved to consider our request of renewing our license for our Kingdom Hall of Jehovah's Witnesses. For as long as I can remember, our location of our Kingdom has been located in Kalamaula and it is very convenient and a familiar spot for the majority.

Our weekly meetings are beneficial for all ages, young and old. We are helped to study, prepare, and make public declaration as an expression of our faith and what we have learned. We also have a theocratic school that we voluntary engage in. It helps us in areas of proper volume, poise, enthusiasm, eye contact, choice of words, outlines, etc. These meetings help us to be able to be better speakers and to help build up our confidence in helping not only our families, but also those in our community.

Our island is very unique. Molokai is very family oriented and we all want what is best for our loved ones. Like many here today, we believe the Bible is the most beneficial tool that can be used to help give a solid foundation for families today. Our goal is to help and assist others to have a happy life by taking Bible principles into consideration. We all have something that is very precious to us or it means the world to us; it could be our husband, our wife, our kids, an inheritance, a family portrait from a relative a long time ago, a car, a boat, our Bible, etc. As one of Jehovah's Witnesses, our Kingdom Hall or this place of worship means the world to us. It is a place where we can freely meet for association, where we are taught by Jehovah God, and where we can show how much we appreciate everything that is provided to us. Our place of worship is our spiritual home.

There are many families and individuals on our island who are struggling because of economy, divisions, abuse, and suicides. We truly believe that our intentions in helping our community is sincere. We are here to help these families see that change can happen and a better life for anyone of us is possible. Life at times may seem so unfair and the anxieties of life may feel so overwhelming like we have no way out. We want to help people like these to see that there is someone higher than all of us that can make us better and who has our best interests at heart and that is Jehovah God and Jesus.

In conclusion, I hope that all of you will consider our many requests by testimony and by way of letters. A big mahalo to all who came today to listen and hear our humble requests and plead in renewing our license for our Kingdom Hall of Jehovah's Witness in Kalamaula.

With Much Aloha

February 26, 2018

Aloha,

My name is Arthur Kaupu and I'd like to share my mana o.

I've been associated with Jehovah's Witnesses since 1990. And I am so thankful that Jehovah's Witnesses took the time to share and teach me the bible, God's Words. The bible has taught me to be a better husband and father. OVer all it has taught me to be a better person and in a way an example for the community. You know, what we do in the community is beneficial for all who want to listen and learn about Jehovah God and his purpose for all. The bible teaches us this. It helps us in all aspects of our lives. Happier family, happier life.

So we need our Kingdom Hall so we can continue to learn and teach and encourage. Learn to show genuine love for all mankind.

Mahalo

Aloha,

My name is Zenda Joao Kaupu, my husband is Arthur Kaupu. I share the same feelings as my husband but I'd like to share alittle of my mana o too.

I've been associated with the Jehovah's Witnesses for about 49 years. I got baptized in 1969, right out of high school. I've made half of those years (about 29 years) my career, as a preacher and a teacher of the bible. Being a part of this organization has taught me to be a better person. I feel it has taught me to be humble and honest. Learning the bible has made me to see things in a positive way. Rely on Jehovah and He will make your way, a way of peace and happiness. We try to be good examples, mind you, we are not perfect, but we try.

Now as far as our Kingdom Hall goes, we need to continue to to meet there for worship and also for encouragement. I've been going to the Kingdom Hall in Kalamaula for over 50 years. Its centralized for all of us.

Mahalo

Hiram Uchimura 15-707 Puni Mauka Loop S Pahoa, HI 96778

February 28, 2018

Re: Molokai Kingdom Hall of Jehovah's Witnesses

To Whom It May Concern:

Aloha,

My name is Hiram Uchimura. I have a few comments on the matter of the Kingdom Hall of Jehovah's Witnesses in Kalamaula Molokai. Being a Jehovah's Witness for 59 years, I have seen how the Bible has helped many in the Molokai community to have better lives by learning what the Almighty God Jehovah has in store for all of mankind. When my family first arrived on Molokai in 1957, we only had four people on Molokai helping people learn about the Bible's promises. After my family left in 1982, we had 80 to 90 people in the island community teaching about the Bible. All those years, our Kingdom Hall played a vital role in our ministry. It is still a vital part of our work. It provides a place of worship for the island community.

During my time on Molokai, we saw our tiny congregation grow. We reached out to people all over the island this had manifested great interest in the island. All were treated with dignity and respect. Our work changed the lives of some people dramatically. One gentleman, once a drug dealer, became completely reformed. The police captain called my father in to find out what we did to him when jail time could not reform this man. This reformed drug dealer then taught the bible to his family thus stopping the cycle of drug use and violence he had been living. We saw this over and over where one person would change their life for the better and the entire family would follow.

This Kingdom Hall is important to have in Kalamaula. Everyone knows this area as "church row" because it was the area that King Kamehameha had designated for people to go to worship God.

With your deep respect for the Bible, I hope that you continue to allow Jehovah's Witnesses to have the Kingdom Hall in Kalamaula, Molokai.

Sincerely,

Hom William

Hiram Uchimura

Feb 28, 2018

Dear DHHL,

Aloha all the way from Minnesota! Yes, my roots are on Molokai, I am of Hawaiian ancestry. This time of the year I miss Hawaii :-)

As one of Jehovah's Witnesses we value very much our House of Worship what is called Kingdom Hall of Jehovah's Witnesses. In fact as that name implies, the central Bible teaching discussed there focuses on God's Kingdom the very theme of Jesus' ministry. As we have experienced thru centuries man cannot solve world's problems, only God's Kingdom can and will.

We are so happy the Hawaiian Bible contains God's name Iehova, or Jehovah in the English Bible. So, our Kingdom Hall also focuses on the God of the Bible Iehova. Each time people leave our House of worship they were transformed to be better people, truly an asset to the Molokai community.

We hope and pray that with the licensing of the land coming to an end the Molokai Congregation of Jehovah's Witnesses will be allowed to remain there, be administered their license to continue carrying on their godly work there at Kalamaula.

Thank you sincerely for considering this matter that is most concerned to us.

Mahalo nui loa, Jeri Daniels

March 1, 2018

Aloha mai!

My name is Lydia Joao and I am a beneficiary of Hawaiian Home Lands. I was raised on Hawaiian Home Lands in Ho'olehua. My husband is Otto Cheyenne Joao and both us were born and raised on Molokai. Our three children are Hawaiian Home Land beneficiaries also.

I have been one of Jehovah's Witnesses since 1982 and I love coming to the Kingdom Hall in Kalama'ula to attend congregation meetings for fellowship and worship. Because we witness, or talk, about Jehovah God and his Kingdom, we are known as Jehovah's Witnesses. At the Kingdom Hall we read and study the Bible and we learn how to apply it in our lives. We honor Jehovah, the God of the Bible and the Creator of all things. We do our best to imitate Jesus Christ and are proud to be called Christian. We learn how to speak, teach and help our family and our community so that they too, can benefit from Bible education. When all hope is lost, people find much comfort and hope from God's Word. We volunte our time, our energy, and our resources to help our community. We regularly spend time helping people learn about the Bible and God's Kingdom. The word of God is alive and exerts power and is practical for everyday life. This education is continuing to help me, as well as my husband, become better persons.

We love the current location of the Kingdom Hall of Jehovah's Witnesses in Kalamaula. It is near our home and convenient for travel. Please continue to renew the lease for the Kingdom Hall to remain at the same location in Kalamaula for the next ? years.

Mahalo Nui Loa,

Lydi M. Jon

Lydia M. Joao

Desiree Cabreros P.O. Box 137 Kualapuu HI 96757 (808) 658-6191 roxydesi23@yahoo.com

3/1/2018

Aloha Hawaiian Homes Commissioners,

Please reconsider the renewal licensing of the Molokai Kingdom Hall of Jehovah's Witnesses. I am a Jehovah's Witness since 1998 and have been receiving spiritual encouragment, skills and knowledge of getting closer to our Grand Creator Jehovah God, ever since I was a little girl. I have attended regular thursday, sunday meetings, special day assemblies and visits from our brothers and sisters from other congregations around the world at our Molokai Kingdom Hall.

I have learned through the Theocratic Ministry School on Thursday nights how to follow our Lord and Savior Jesus Christ footsteps. By reading the entire bible together as a congregation, having in-depth studies of his ministry in the gospel books and bible aids to understand the scriptures more fully. As a congreation we have spritual education that helps us to display the fruitage of the spirit which is found at Galatians 5:22 which says, "On the other hand, the fruitage of the spirit is love, joy, peace, patience, kindness, goodness, faith 23 mildness, self-control. Against such things there is no law."

We get to participate on stage by acting out different scenarios that we would encounter in our community when meeting people wherever they can be found. The imporant topics we address ties into what's happening in our community or the world. We offer free bible studies of God's word and always give awarness to God's Kingdom that

ITEM G-2

EXHIBIT 'G'

will bring everlasting solutions to mankind, under Jesus Christ rulership. We are trained to carry out the most important work Jesus Christ talked about while here on earth. At Mattew 24: 14 he says, "And this good news of the Kingdom will be preached in all the inhabited earth for a witness to all the nations, and then the end will come. There is over 8million Jehovah's Witness worldwide preaching and teaching. This important work happening here on our island is through volunteer work and nobody get's paid. Members wholeheartedly take interest in everyone they meet, respect, trust, open-mindness and humility that is practiced. 2 Peter 3:9 teaches "Jehovah is not slow concerning his promise, as some people consider slowness, but he is patient with you because he does not desire anyone to be destroyed but desires all to attain to repentance." For this purpose, it is a lifesaving work we engage in to teach people that Jehovah God is not far, he cares for everyone, wants individuals to get to know him, repent and accept Jesus Christ as their Lord and Savior.

In summary, the Molokai Kingdom Hall of Jehovah's Witness is of sentimental value to me and my family. From my mom's generation, to mines and now to my children, I want to continue coming to a centrla place of worship. Seeing old and new faces is such a blessing and reward. It reminds me of the connection from past, present and future of spiritual growth. I am grateful for big parking lots, comfortable chairs, clean lawn, clean hall, library for research, handicap acessible bathrooms and convient location. Thank you for considering my support for the renewal of the Molokai Kingdom Hall of Jehovah's Witness license renewal.

Mahalo,

Slew ten

Page 1 of 3 ~0100 Dear Department of Hawaiian Home Lands, My name is Olivia Kaleialohaokalahui (Mollena) Riel. I am also Known to family and friends as "Ming-Toi." I am the oldest child of Leroy Liwai Mollena and Olivia Kaleialohaokalahii (Rodrigues) Mollena. Upon the death of my beloved mother on November 5, 2004, T' was blessed to receive her Kalamaula Homestead: Lot 82, on the corner of 56 Kahanu Street and Like Like Avenue Thumbly come before you at this March 1, 2018. "Beneficiaries Consultation Meeting," asking that you please Kindly review and approve the Malokai Congregation of Jehovah's withesses request for a new Kingdom Hal License No. 269 ... As far as I can remember, the Kingdom Hall of Jehovah's Witnesses, located across the Coconut Grove, has always been an important part of tamily's life and spiritual place of worship. Ne are a 5 generation family, whose beginnings started alittle over 60 years ago ... In 1957, when I was 2 years old, my mother began studying the Bible with Fusako Uchimura. In 1958, when my mother was 8 months pregnant to my third sister, she dedicated her life to Jehovah through water baptism. Shortly after, my father, my paternal grandfather (Mateo Mollena), my paternal grandmother (Bernice Kawailani Nahoopij Mollena), and other family members also been dedicated witnesses of the Molokai Congregation ITEM G-2 EXHIBIT 'G'

Page 2 of 3 OKD A pivital moment in my life occurred when I was by years old, and has remained in my heart and mind for the pass 56 years. A harrible house fire took our former house and the lives of my twin brother and sister, Leroy Jr. and Bernette ... While I was too young to completely understand the full magnitude of what happened something very special came out of the askes for me. Through all the crying, deep pain and sorrow, I kept hearing the hame Jehouah over and over again. Some how I knew hame was connected to our place of worship and gave my parents, grandparents and other relatives a feeling of comfort, hope and strength to keep moving forward. From that moment on, I made a personal decision to find out more about Jehovah. Through the patience and loving help of Melvin and Fusako Uchimura, their children (Hiram and Sharon) and the brothers, and sisters of the Molokai Congregation along with the Bible, Bible based publications and meetings held both at our local Kingdom Hall and other places, I come to know who Jehoval is, learned to love him and his purpose for mankind and mader dedication to him in April 1969, at the age of 13. This coming will make 49 years, and I have absolutely no regrets in my chorce. I feel my life's experience and spiritual upbringing Li teel my lites experience and spuring the made me a more patient, compassionate and empathetic individual to our island community and the many personal challenges they face. And, applying the Bible's practical advice that I learned by ITEM G-2 EXHIBIT 'G'

Page 3 of 3 COKB attending the meetings at our local Kingdom Hall, has also helped me to become a better daughter sister, wife, mother of 4 and gran ake pleasure in speaking I also t community about the our islan when there will ho Lmor from deep pain an Sori 70/0/ dea And, T orward time W to the W/i fulfi seie. Iment 0 of my mother, my baby pedro hal sister, and other Loved ories, who have Aloha! Dubia K. Riel ITEM G-2 EXHIBIT 'G'

To Whom It May Concern:

Aloha, my name is Riley Ululani Nahooikaika Domingo. I have been born and raised all 28 years of my life, here on the beautiful island of Moloka'i. I live in Kalamaula on Hawaiian Home Lands and I am a DHHL beneficiary. I am also of Hawaiian Ancestry.

Growing up on this island has helped me to understand, appreciate and love our island, culture and it's people. It has also helped me to see what our community struggles with and goes through. But because my love that I have for the community I try my best to help as many people as possible. How I do this is by volunteering my time to do a worldwide work that helps to educate and teach people about the bible. I truly believe the bible provides sound advice that can help people overcome or deal with whatever difficult problems they may be facing.

For example:

- Disagreements/Arguments/Family issues: Matthew 5:9-'Happy are the peacemakers', Romans 12:18-'If possible, as far as it depends on you, be peaceable with all men.' Colossians 3:13-'Continue putting up with one another and forgiving one another freely...just as God freely forgave you, you must also do the same.'
- Respect for the earth: Genesis 2:15-'God took the man and settled him...to cultivate it and to take care of it.'
- Greed/Lying: Luke 12:15-'Guard against every sort of greed.' Hebrews 13:18-'We wish to conduct ourselves honestly in all things.' Ephesians 4:28-'Let the one who steals steal no more; rather, let him do hard work.'
- Money Problems/Economic issues: Proverbs 21:5-'The plans of the diligent one surely make for advantage.' Proverbs 28:22-'Don't be selfish and eager to get rich-you will end up worse off than you can imagine.' 1 Peter 5:6,7-'Humble yourselves...under the mighty hand of God...while you throw all your anxiety on him, because he cares for you.'
- Suicide: 2 Corinthians 4:8-'We are hard-pressed in every way, but not cramped beyond movement; we are perplexed, but not absolutely with no way out.' Matthew 6:34-'Never be anxious about the next day.' Proverbs 11:14-'There is success through many advisers.' Psalm 55:22-'Throw your burden on God and he will sustain you.'
- Sickness: Isaiah 33:24-'No resident will say: I am sick.'

These are just a diminutive of the things that the bible can give practical advice on. But when these principles are applied, meditated on, and put into practice, it can help

change people's lives for the better. I can honestly say this because I have personally experienced the benefits of using practical bible principles in my life.

Now having the Kingdom Hall of Jehovah's Witnesses is so important. At the Kingdom Hall is where we have weekly meetings to help us understand the bible, how we can apply the bible in our lives, and where we learn how to be good community members and teachers. This Kingdom Hall is a vital part of who I am and what I believe in.

We have many different people from our community come to the Kingdom Hall from all over the island. This makes the location of the Kingdom Hall very important. It must allow people to come from all the way from the East to the West without it being such a burden. The Kingdom Hall in Kalamaula, where it is located right now, is in a perfect central location, where anyone around the island can attend and enjoy its weekly meetings. Being that the Kingdom Hall has been in its same location in Kalamaula for over 50 years has also allowed people in the community to become familiar with it.

In conclusion, I hope you can see how important the Kingdom Hall is to our community. I am writing this letter to humbly ask if we can continue to use the Kingdom Hall of Jehovah's Witnesses in its exact location by renewing our license. I truly appreciate the time and consideration.

Mahalo Nui Loa,

Riley Domingo

To The Board Members of DHHL. Rlohe first of all Mahale for giving me the oppontunity to express my mana's Concerning the renaical of the Sincense for the Traplom Hall of Jehorah's Witnesses Localel in Malamarcha.

Thy name is frace Nihipali I am a Hawaijan descendant. My nothers nome is Kanee Wright, a beneficiary and her homestral is also in Kalamanda. Marka side.

My hersband Yace Nihipali and I have been Johnnehis Witnesses for 27 yrs, and have been attending the Kingdom Hall in Malamaule from when it was an old building to the newer building that it is today at the Kengdon Hall we are taught to some god and to some one Neighborg and to be good citizen our communicy and because we de tone Jehoveh god and our neighbors we volentarily go out to preach to our neighbong following the foot 5teps of Jeous Christ charing scriptures that brings Confort to them when they feel there is no hope and teaching them from the Bible Sound coursels that can help them to become a better parson a batter formily member and a beller citizen in the community.

So I ask please, tence our Sicense for the Kingdom Hall go we can contensie to have a place of Worship in Kalamarela and to some the people of Molotai Machalo Neer Joa Paul and grace Wilipali ITEM G-2 EXHIBIT 'G'

Aloha mai iā kākou,

My name is Jill Krael. I reside at Ho'olehua Hawaiian Homestead with my parent's Kamakea and Jean Han. I'm also one of Jehovah's Witnesses. I've been attending the Kingdom Hall, which is what our meeting hall is called, located in Kalama'ula for over 20 years.

First of all, mahalo nui loa for allowing us to lease land, construct a hall in order for us to gather together to worship our God Jehovah. There are over thousands of congregations of Jehovah's Witnesses in the world today. I represent the Molokai Congregation which consist of over hundred members. We appreciate the hospitality and warmth of the Kalama'ula community as well as the other surrounding religious denominations for allowing us to meet freely and peacefully. It is truly a unique mark of Molokai's aloha spirit to have churches lined in a row of different faiths maintaining peaceful and respectful relationships with one another.

I'm writing this letter in support of the request to obtain a new license for our Kingdom Hall . I would like to address 1) How does what we do at the Kingdom Hall benefit the Molokai Community, 2) Why is our work important for Molokai and 3) Why do we want our Kingdom Hall in Kalama'ula.

The Kingdom Hall located in Kalama'ula is our only place to worship and is also a place for anyone who wishes to learn about Jehovah God, his Word the Bible and his purposes. We are so grateful because It is the only one here on the island. We are involved in a worldwide Bible education program so we frequently go there throughout the week. We meet together on Thursday nights and Sunday mornings to receive Bible education and hear talks. The

Sunday talk is called a Public Talk specifically given for the general public, so we happily invite everyone in the community to attend. At the hall, there are a supply of bible based publications that we use to equip ourselves for teaching people and to distribute. Regarding our preaching activity, we gather there on different days of the week to prepare ourselves with prayer and encourage one another before engaging in our ministry. Having a Kingdom Hall here on the island makes it a center for worship and a place to organize and carry out our commission to preach.

I feel our work is important for Molokai for many reasons. Mainly, it affords people the opportunity to learn about Jehovah God through a study program of the Holy Scriptures. Furthermore, some people have never had a chance to learn about us and our beliefs. In our small community, we are mainly preaching to people we grew up with, went to school with, relatives and extended relatives etc. so for us, it's a privilege to come in contact with these ones. It's also important because Molokai people are not immune problems. Since the Bible offers a hope for a better future this certainly brings great comfort to many. When bad things happen, many want answers to why things are happening. It is our Christian responsibility to direct them to the Scriptures for answers. Many are longing for spiritual guidance, hunger for spiritual truths, and need comfort from God. Currently, our Branch office in Patterson New York is making an extensive effort to reach people in their mother tongue particularly in the Hawaiian Language. Qualified and trained individual Jehovah's Witnesses throughout Hawai'i are preparing to translate Bible based literature into the Hawaiian language. Locally, we are finding nā kamali'i, nā

mākua, *nā kūpuna*, etc. who speak '*ōlelo Hawai'i* and are responding with much joy and emotion upon hearing God's word preach to them in the language of their heart especially when we share scriptures with them in the *Baibala Hemolele*. Some members of our congregation who have the ability to speak Hawaiian are enjoying this avenue of service and anticipate meeting many more. Our love for Jehovah God and our neighbors move us to preach to everyone on Molokai.

Lastly, our Kingdom Hall in Kalama'ula is situated in a very convenient location for many of us and for visitors. It's quiet and comfortable. The place has many cherished memories for old time Witnesses and young ones too. The beautiful scenery of Kapua'iwa fronting our hall reminds me of my 'ohana, my Hawaiian culture, of how very special the island of Molokai is to me and it's rich history. Mostly, I'm reminded each and every time about our wise and loving Grand Creator Jehovah who created all things.

Your kind attention and support to this matter is greatly appreciated. Ke mahalo nei au iā pākahi a pau no kā 'oukou manawa a me kā 'oukou kāko'o 'ana no kēia palapala.

'O au nō me ka ha'aha'a,

Jill Lee Krael Ama

Subject: Testimony for requesting renewal of our Jehovah's Witnesses Kingdom Hall in Kalamaula, Molokai

To whom it may concern:

Aloha, this is Rita Acasio Yonamine. I was born and raised on Molokai. We lived on my Aunty Mary Rawlings's Hawaiian Homestead property located on Mo'omomi Ave. Ho'olehua. Attached is two different pictures of Mo'omomi beach, one is of the beach as I remember it when we did many family trips when growing up, the other is of the beach today. Either one gives me warm memories and I do appreciate all what The Hawaiian Homestead arrangement did in our behalf. The other picture is my graduation from Molokai High School back in 1962. While I appreciate the need for education I also belief the importance of receiving spiritual education. And this is the purpose of this letter. I would really want to request You to please give consideration to renew our license to have our Kingdom Hall remain there in Kalamaula. This is the place of my spiritual birth. I am a witness for over 50 years.

I was in my early teens when I first attended the Bible meetings there in Kalamaula. At that time, our meeting was held in the Cottage where missionaries lived. Than sometime in the early 1950's little by little we had a Kingdom Hall built. Also to keep the location looking presentable we always maintain the appearance both outside and inside. We wanted the DHHL to know we appreciate the use of this land.

There is so much more that can be said of how much having a place of worship has help me personally and equip me to do volunteer work there on Molokai for many years.

Thank you for your attention.

Sincerely, Rita Acasio Yonamine





Department of Hawaiian Home Lands 91-5420 Kapolei Pkwy, Kapolei, HI 96707 6 March 2018

Welina Kakou,

My name is Miller Kalamaula Maioho. I was born on Molokai in 1957. My father is Kenneth Kamakana Maioho. His parents are George Wellington Lihauanu Maioho and Mildred Kekulanani (Bertlemann) Maioho. George and Mildred Maioho were among the original homesteaders in Kalamaula, Molokai.

I am third generation Hawaiian Homesteader and currently am caring for my grandfather's Agricultural Lease in Hoolehua which has been transferred to my son Eli Lihauanu Nahulu Maioho. My wife Michelle Kaiulani (Nahulu) Maioho and I reside next door on my aunty Lilian (Davis) Akina's Lot 177 on Pine Avenue in the district of Mahana, in Hoolehua on Molokai.

I raise pigs, chickens, goats, and sheep. I also grow kalo, 'uala (sweet potato), mai'a (banana), as well as other garden vegetables. We use these resources for home consumption and also to share with others as well as to supplement our income. I gather la'au (medicinal plants and herbs) and kia (Axis deer) from this 'Aina Ho'opulapula and harvest as well from the oceans off of Mo'omomi and Pala'au. I have taught my children and grandchildren an appreciation for this lifestyle and the value of caring for Molokai's precious resources (Malama i ka 'aina, malama i ke kai).

Our ancestors were of a spiritual nature and worshipped countless gods. They recognized that spiritual nourishment is as important as physical nourishment. I have chosen to worship the god of the Bible. His name is Jehovah, the creator of all things. I am thankful that DHHL has supported the traditions of old, mainly by the allotment of land parcels for places of worship.

I attend meetings (services) held at the Kingdom Hall of Jehovah's Witnesses facility in Kalamaula twice a week. This is a covenient location because of it is situated in the middle of the island. There are families who live 20 miles west on the West End and other families 20 miles east in Mana'e who travel to Kalamaula as much as circumstances allow in order to attend these meetings weekly.

Being one of Jehovah's Witnesses benefits not only myself and my family but we also share the Gospel of God's Kingdom throughout Molokai and the wonderful hope of future blessings in store for the earth that the Bible promises. We also offer free Bible education and make ourselves available to help people find answers to any questions that they may have regarding God as well as their own personal religious views.

Our worldwide organization (about 8.5 million baptized members) is currently in the process of translating literature into the Hawaiian language in order that those who regard 'Olelo Hawaii as the language of their heart may also have the opportunity to benefit by learning about lehova and his son, lesu Kristo.

O Wau me ka Ha'aha'a,

Mile Kulamark Marshes

Miller K Maioho 4265 Pine Ave Lot 177 Hoolehua, Molokai 96729

To Whom This May Concern To The Committee for DHHL Licensing

What we learn from the Bible at the Kingdom Hall we offer the same information to the Community for free. Jesus said to "Love Our Neighbors as Our Selves." And Jesus would spread the Good News of his Father's Kingdom to whomever would listen. He never coerced anyone and neither do we. Everyone has a "free will" to choose.

Our work is important for Molokai because we are approached by those who are looking for answers to the many things that are going on in the world today and how it affects everyone on Molokai. Helping these ones to know the Bible and show them how they can get answers from the Bible is very rewarding.

For me, it is very convenient that the Kingdom Hall of Jehovah's Witnesses is located in Kalamaula. I live right behind in the new subdivision. A few years ago, I traveled 15 miles one way to get to the meetings. I am in my eighties and I cannot travel that distance for meetings that we have in the evening. I don't want to miss any meeting unless I am not well or am off-island. I would appreciate it very much if the Committee will grant us a New License for where we are now. We have up kept the grounds and our building is kept clean so that we are a credit to the community. And I hope that we have met with your requirements.

Sincerely, Sybil Bush Wife of a Beneficiary

Re: DHHL License No. 269 - Molokai Congregation of Jehovah's Witnesses

Dear Hawaiian Home Lands Commissioners,

I write to you as both an elder in the Molokai Congregation of Jehovah's Witnesses and a 4th generation Hawaiian Home Lands beneficiary. Our little congregation on Molokai is just one of 120,000+ congregations of Jehovah's Witnesses worldwide. As Jehovah's Witnesses, we honor Jehovah as the God of the Bible and the Creator of all things. We believe God's son Jesus is ruling as King in heaven. We do our best to imitate him and are proud to be called Christians.

I 'ike lākou, 'o 'oe, ka mea wale nō nona ka inoa 'o IĒHOVA; 'O 'oe nō ka Mea ki'eki'e loa ma luna o ka honua a pau. –Psalm 83:18

'O 'oukou nō ko'u po'e 'ike maka, wahi a Iēhova, 'O ka'u kauwā ho'i ka mea a'u i wae ai, I 'ike mai 'oukou, a mana'o'i'o mai ia'u; A ho'omaopopo ho'i, 'o wau nō Ia. Ma mua o'u, 'a'ohe akua i hana 'ia, 'A'ole ho'i auane'i ma hope o'u. –Isaiah 43:10

Our places of worship are called Kingdom Halls, since that is what we are doing, preaching the good news of God's Kingdom. We are united in a worldwide brotherhood, where you can walk into any Kingdom Hall and find the same program of worship. In recent years, that Bible education work has included 'Ōlelo Hawai'i and Hawaiian Pidgin English. You can find additional information and publications in more than 900 languages online at jw.org.

Perhaps we are most known for our preaching work, knocking on people's doors. While I realize that most of the people we talk to have no desire to become one of Jehovah's Witnesses, I do believe that the Bible's principles are beneficial for people of all backgrounds. 2 Timothy 3:16 states, "All Scripture is inspired of God and beneficial." And that is why we strive to reach people all over the island by knocking on people's doors.

What we learn from the Bible motivates us to treat people with dignity and respect. Some of the timeless wisdom found in the Bible are love of peace, mercy, forgiveness, racial harmony, respect for the Earth, hatred of greed and immorality, honesty, hard work, and the importance of helping those in need. Bible principles help people to avoid problems, to resolve problems, and to cope with problems. Bible teachings gives people purpose in life and a hope for the future.

I have seen first-hand how applying Bible principles have resulted in positive changes in people's lives, in some cases dramatically breaking the cycle of violence, drug, and alcohol abuse. I often ask myself, "What would the world be like if more people actually applied Bible principles in their day-to-day life?" And that is one of the reasons why I continue to preach as one of Jehovah's Witnesses.

The central location of our Kingdom Hall in Kalamaula has provided us with a convenient place to gather for worship and our preaching work since the 1950s. While I am confident that if this process does not result in our favor Jehovah God will see to it that we have an appropriate place of worship here, I sincerely hope and pray that with the approval of a new license the Molokai Congregation of Jehovah's Witnesses will be allowed to continue providing free Bible education, upbuilding association, and the opportunity to praise God from our Kingdom Hall at our current location in Kalamaula for many more years to come.

Mahalo for your consideration, -Paul Riel



To Department of Hawaiian Home Lands,

On behalf of Nā Pu'uwai, I write to show support of Ka Hale Pomaika'i and their continual acts of service for the community of Moloka'i. Nā Pu'uwai has recently started working with Ka Hale Pomaika'i by linking smoking cessation services to their clients. As a licensed social worker for Nā Pu'uwai, I have attended the smoking cessation classes and participated as an observer and facilitator. The care and structure I have witnessed at Ka Hale Pomaika'i provides those struggling with substance abuse with the essential foundation for long-term recovery. Lack of services on Moloka'i makes the work done at Ka Hale Pomaika'i crucial for sustaining health and wellness for Native Hawaiians. The work that I do at Nā Pu'uwai is deeply connected to the services at Ka Hale Pomaika'i, as I learned in many cases that we cannot start designing health goals when many people are suffering from social issues that affect their ability and desire for a healthy lifestyle. With a topic as complex as substance abuse, expertise and amenities, such as those offered at Ka Hale Pomaika'i, are needed to effectively address and treat this growing and persistent problem.

Thank you for allowing testimony.

Tami Yamashita, LSW 604 Maunaloa Hwy., Building C P.O. Box 130 Kaunakakai, HI 96748 (808)) 560-1061

A NON-PROFIT ORGANIZATION DEDICATED TO THE BETTERMENT OF THE HEALTH CONDITIONS OF NATIVE HAWAIIANS $ext{TTEM}$ $ext{G-2}$

EXHIBIT 'H'

2.16.18

Hawaiian Homesland (State of Hawaii) To. Frank m. Lawelawe From !

Aloha all !

I'm a Native Hamaiian, Who's on the Waiting list to inquire some of our land intended for the Homaiian people, I'm also a recovering addiand alcoholic, who's coming up on twenty one year clean and sober in April It'm also a Conneler here at Ka hale pomaskas, Inc, since we starke our treatment process.

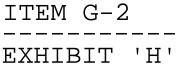
I have heard many positive comments throught -out the years that I have work here. Ialso have seen many success story's of families recove have seen many success story's of families recove -ing from alcohol and addiction and are now pro. ductive members of our Community. Unfortunately some return to that negetive the style, but iff they continue what we (Counselors) suggest like Contunning (A:A/N.A) meetings and stag. plagged in with the fellowship of Alcoholics. Anonymous / Nauco. tics Anonymous. EXHIBIT 'H'

I sincerly asked that you (Howaiian Homelands) contra -nne to help our only treatment (Drug and Akohol) Center on moloker by letting us remain here, so we can further ontheach to our people on Molokar -

By furthing to help our people and our Island community I'm helping myself by giving back to the community that love Our Counselors are but trustell servants

Me Ke aloha pro Iesn pn. Frank m. Lawelance

h m



2/16/2018

to whome it may concern, (DHHL) I was naised on a homestead on Mobker, and I would like for to PLEASE outend the leave for Kahalepo maitai. This Place has done alot for the People of Molokar, and is also the only program we have for our island, we really need this place for Molokai, Thank for Very much. Sincenely, Cresie Puzoi · MoloKar, Born ? faised "

ITEM_G-2 _____ EXHIBIT 'H'

2/14/18 TO: DHHL To whom if may concern - As a member of our community, I Would like to express my thanks for the use / land of Itale Braikai I would like to take this opportunity to ask you (DHHL) to please continue a lease agreement with Hale Bronika; I personally have seen a also heard of countless great, positive changes in people lives because of this program. Thanks again and ask of your consideration Mach MahalæXHIBIT 'H' A former Client.

(DHHL) 2/20/2018 To whom it may concer I am writing this letter in support of the continued lease wich will provide Hale Pomakai a lacation to help the community provide a much needed service to the people of Molakai. This program has kelped in the recovery of my aunty who struggled with drug abuse and is now a recovering addict.

aloha,

Kaaikiala Kapun'

7-22.18

To whom it may concern (DHHL) I would please like you to renew Hale poi maikai's lease with bavailan hones. They do good work here and are the only program on this island Molokai needs this Very much Amerely Alika Kahve Homestead lease Lot 25th punkapele Hoolehua Hi

ITEM_G-2___ EXHIBIT 'H'

2.24.18

Dear, DHHL I'm a Homesteader from Hoblettun, I would like to say a few words about this woonderful Program we Have here on the Island of Molokai. This program Hale, poimakai Has Help many citizen of our community on this Island, Have Help called drug addiction the councilors is very louing for the people of Molokai And I Hope it continues for the next generation to come.

AloHa, And bod Blesg K. Kaholoãa

ITEM G-2 -----EXHIBIT 'H'

Moloka'i Ocean Tours

February 26, 2018

To: Department of Hawaiian Homelands (DHHL)

To Whom It May Concern,

I am writing in regards to Ka Hale Pomaika'i. As a community member and business owner, I have spoken to many people who have used their services. They are our only sober housing facility on the island of Moloka'i.

As a business owner, I have full support in Ka Hale Pomaika'i and believe this is an important need of this island. Please allow them to continue to service Moloka'i from your facility.

Thank you for your consideration Mahalo Nui Loa

A Tores

Ernest Poland No Ka Oi O Molokai dba Moloka'i Ocean Tours

ITEM G-2

P.O. Box 1280, Kaunakakai, HI 96748 🚦 808-553-3290 📱 www.molokaioceantours.com



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Front of Manu Ele'Ele

ITEM G-2 EXHIBIT 'H'

DEPARTMENT OF HAWATIAN HOME CANDS 2-28-2019 To wident it way concern " Me why Name is Anonlowy 16. Swaan In Frend relocientus, My Nouts Norte is Entry D. Swaen Aki. I've secont AWAY FROM NOWERS For Boyes. I've BEEN Continue To HARE POMOIRAI FOR A FEW MONTH'S about The de The First DRUG PROGRAM TINAT MAKE'S A PERSON LIKE Myself TARE THAT FIRST (SEEP. To DOBRIEN (ADMITTING.) 1 FEET So autroctade dece TAST I ADMITTED 1 Das AN ADDICT. The Mounical ABULT ON NOLORAT TRAT LAS THE PARK ADDICTION AS Mepseur Neede This PLACE. WITHOUT TT. They Cor No PLOCO, THIS WILL Make Mor FEEL AN IF Movie All FAMILIA, AND THAT, I FEEL WILL NACE ALOT OF ADDICTS TAKE THAT STEP AND REALLY TRY SEE THIS 1 Dours Loke PLACE TO REMAIN IN MANIAE, JUST DRIVING INTO THIS PLACE MADE NE Feel HORD & I KNOW ALOT IF ADDRESS CAN FEED IT AS NELL. THANK MOR FOR Hove Time. Respectioned Me Antiford K. Sug TEM G-2 EXHIBIT 'H'

April L. M. Kealoha 6501 Kamehameha V Hwy Kaunakakai, HI 96748

March 12, 2018

Department of Hawaiian Homelands Moloka'i Division Kalamaula, Moloka'i

Re: Support of "Ka Hale Pomaika'l", License No. 667

Aloha DHHL Commissioners,

I am a board member of Ka Hale Pomaika'I whose organization is a Moloka'I Recovery Community Organization that offers culturally respectful treatment practices, clean and sober living, substance abuse assessments, outreach and professional counseling. I have been on this board since 1996 till present. At least eighty percent of our clientele are native Hawaiians and to me this is to high an amount for our people on Moloka'i.

I ask that DHHL grant to extend the lease of Ka Hale Pomaika'I, Ualapue, Mana'e so that we may have a house to provide services for native Hawaiians and the Molokai community as well.

Organizations such as Ka Hale Pomaika'i are needed on Molokai to help treat those with the addiction of alcoholism and substance abuse.

Mahalo for your help to Ka Hale Pomaika'i.

12 he Sealer April L. M. Kealoha

Board of Director Ka Hale Pomaika'i

ITEM G-2 EXHIBIT 'H' From: nainoa seitz [mailto:nainoaseitz@hotmail.com] Sent: Friday, March 30, 2018 9:05 PM To: Carreira, Shelly P <<u>shelly.p.carreira@hawaii.gov</u>> Cc: <u>shari@kahalepomaikai.org</u> Subject: Ka Hale Pomaikai Support Letter

Aloha,

My name is Nainoa Seitz and in writing to ask that Hawaiian homes please renew the lease for Ka Hale Pomaikai. I work in the garden at Ka Hale Pomaikai and I also maintain the yard and trees on the property.

To tell you little bit about myself, I grew up on Molokai partly on my grandma's agricultural lot in Hoolehua. My grandma inherited that lot from her Grandma. That lot was used for pineapples a long time ago and is now being used to plant asparagus. I have hopes to one day farm the lot.

My Grandfather comes from a family of taro farmers from Halawa valley on Molokai. They were the biggest taro farmers of that time on Molokai.

The garden is a great place for the clients that come in for treatment because there able to take home fresh fruits and vegetables and also get to help with various types of gardening activities. Like planting and harvesting vegetables, weeding, working with the soil, etc.

I believe that when the clients are working in the garden it helps them with their recovery from drugs and alcohol, by reconnecting with the land.

I would also like to ask that Ka Hale Pomaikai get that extra piece of land thats filled with rubbish by the locals that live here on the east side. If we were to get that land we have plant to expand the garden and make a fruit tree orchard there of Mac nuts, Ulu, and Lychee.

Again I would like to ask that Hawaiian Homes please renew the lease for Ka Hale Pomaikai.

Aloha,

Nainoa Seitz

ITEM G-2 EXHIBIT 'H'

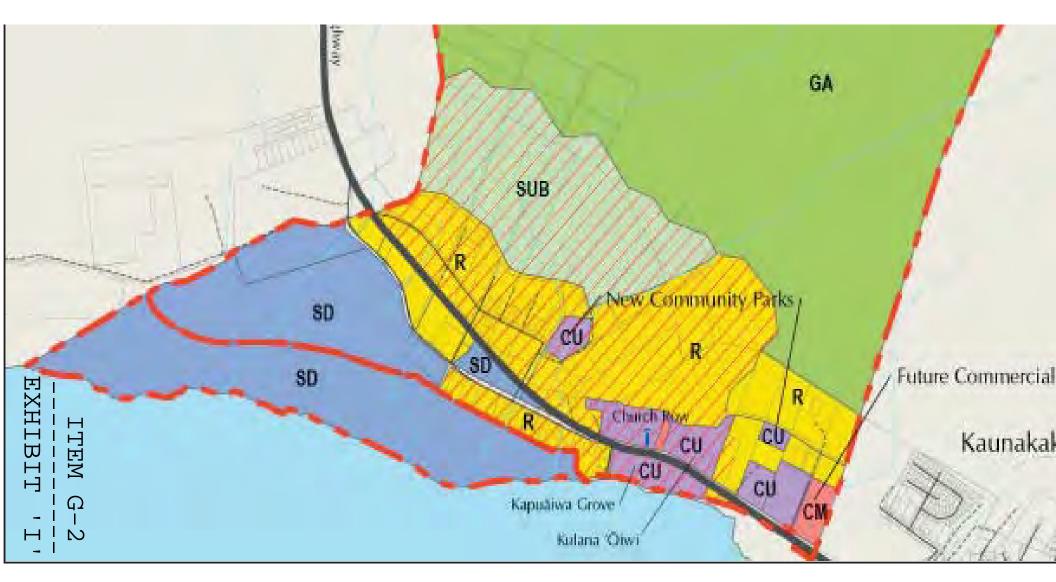
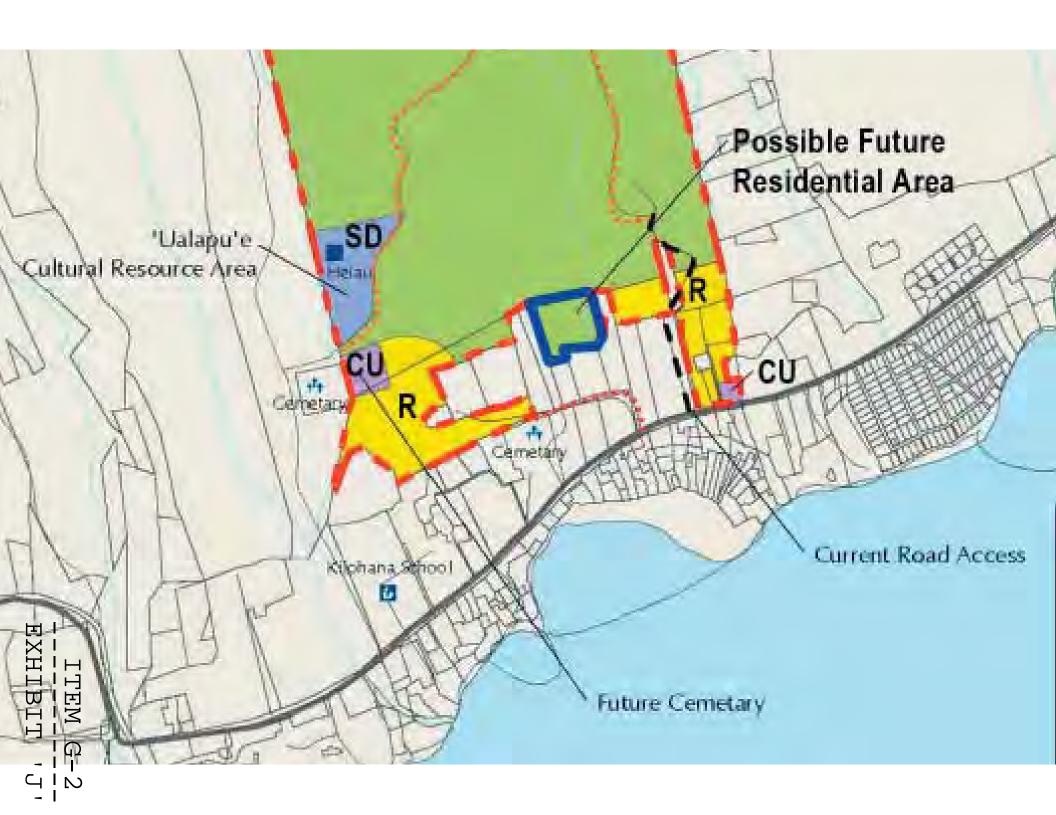


Figure 5.2 - Kalama'ula Preferred Land Use Plan



State of Hawaii Department of Hawaiian Home Lands April 16 - 17, 2018

То:	Chair and Members, Hawaiian Homes Commission
Through:	M. Kaleo Manuel, Acting Planning Program Manager Levy Children Manager Gigi Cairel, Grants Specialist Minif
From:	Gigi Cairel, Grants Specialist Man E. Halealoha Ayau, Water Resources Specialist
Subject:	Acceptance of Beneficiary Consultation Report for

Subject: Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Ho'olehua Water System

RECOMMENDED_MOTION/ACTION

That the Hawaiian Homes Commission (HHC) accepts this Beneficiary Consultation Report as the public record of beneficiary input and feedback relative to the proposed water rate increase for the Department of Hawaiian Home Lands (DHHL) Ho'olehua Water System.

Acceptance of the report does not indicate concurrence or approval of any staff recommendations that may appear herein.

DISCUSSION

The HHC approved the DHHL request to proceed with beneficiary consultation regarding the proposed increase to the water rates for all DHHL-owned systems at the HHC February 2018 meeting. DHHL conducted a beneficiary consultation meeting on Molokai on March 12, 2018. There was also a 30-day comment period to get feedback from beneficiaries about the proposed increase to the Ho'olehua water system rates.

Using the water billing addresses on file, DHHL mailed a meeting notification (see Exhibit A) to all users connected to the Ho'olehua water system - including 561 residential and agriculture beneficiaries and 38 non-beneficiaries (or "commercial accounts"). Notices were also publicly posted on various community bulletin boards. Over 40 people attended and 38 signed in (see Exhibit B) - 16 (42%) Beneficiaries, 4 (11%) Other, and 18 (47%) did not self-identify. A powerpoint presentation was used, along with handouts to provide information and the content of the proposed increase to the water rates (see Exhibit C). Beneficiaries were invited to sign-up to provide input after the formal presentation. DHHL staff was assigned to take detailed notes during the entire meeting time. Meeting participants were engaged and thoughtful in their comments and feedback.

DHHL created a webpage dedicated to the beneficiary consultation process for the proposed water rate increase for the Ho'olehua water system (http://dhhl.hawaii.gov/po/ beneficiaryconsultation/proposed-increase-to-water-rate-schedules-forhoolehua-drinking-water-system/) for those that could not attend the March 12, 2018 meeting or who wanted access to the information independently. The information posted on the webpage includes the following:

- Background from the November 13, 2017 Information meeting on Water System expenses.
- March 12, 2018 Beneficiary Consultation on proposed increase to the Ho'olehua water rates (powerpoint presentation and handouts, including proposed water rates schedules for residential beneficiaries, agriculture beneficiaries, and non-beneficiaries or "commercial accounts".

Related to the proposed water rates discussion, DHHL also conducted beneficiary consultation on proposed Water Administrative Rules on July 25 and August 24, 2017 on Molokai. Information on the proposed rules and the beneficiary consultation meetings held are also posted on the DHHL website at http://dhhl.hawaii.gov/department-of-hawaiian-home-landsadministrative-rules/.

In addition to comments collected at the March 12, 2018 meeting, beneficiaries could submit written comments using the half-sheets provided at the meeting, by sending email or mail to the DHHL Planning Office. The period to submit written comments closed on April 11, 2018. Only one beneficiary commented by email (see Exhibit D).

Analysis of Transcribed Meeting Notes

The table below are the meeting notes and actual comments received. They are organized into patterns or themes and provides a staff response. The table also identifies specific suggestions from beneficiary comments that resulted in recommendations related to the proposed water rate increase.

Theme	Beneficiary comments	Staff response
Theme Beneficiary Advocacy	 Beneficiary comments Rehabilitate us We need a special prosecutor to help us sue the state. The state is in a conflict of interest. Our perspective comes from our history which has been a history of neglect. You can help us; we can help you; take care of us. We want to know if the investments are getting us the returns we need. We need to come together as a lahui and run people in to the legislature. We need to take back the leadership. Imagine, testifying at the legislature and having them nod their head in agreement that, yes, DHHL should get that amount of funding. 	Staff respectfully acknowledges the comments.
Comments on historical context and	 What else can we do to help? Unless you fix the past you cannot think about the present and 	Staff respectfully acknowledges the comments.
the HHCA	 about the present and plan for the future. Get the money owed into the hands of the Hawaiian Homes lessees. Sections 6 and 7 of the Organic Act is our answer. 30% revenue, that revenue goes into the Hawaiian Home Loan Fund. Why are we scraping when we should have the revenue? 	

Theme	Beneficiary comments	Staff response
	 I'm trying to farm as the act says, that takes water. 	
	 We are lessees not [land] owner. Land tax, water, rules and regulations cannot apply to lessees of HHCA. You cannot shut off our water. Water is life. The Act stipulates that adequate water be supplied to the homestead lots for homestead lots for homestead uses. The water doesn't belong to Hawaiian Homes. We should be paying for the service of the machine that does that. We need more help on our lots. We need a lot of stuff for our kids and moopuna. 	
Water users	• How many users are on the System?	 On average, there is a total of 599 users - residential and
	• Is our system part of another system?	agriculture beneficiaries and non-
	 Can you clarify the commercial users? 	beneficiaries (ie Airport, Schools, Churches, businesses).
		• The DHHL water system is also the source of water for the Molokai Ranch Kipu system (PWS 245).
		• DHHL also has an emergency tie-in to the County water system.
		 Commercial users are generally those with water meters on a non- homestead lot and may not necessarily be

Theme	Beneficiary comments	Staff response
		 located on Hawaiian Home Lands. These include the Ho'olehua Airport, US Post Office, and DOE schools. See Exhibit E for a list of commercial users.
Non-payment of water bills	 Rate increase is warranted, however, when will delinquencies be addressed? The fact of entitlement because they are Hawaiians is not a reason to withhold payment. The rest of us pay. Is there a list showing the status of delinquency? Maybe you can use the bananas [that I brought tonight] to take off my bill. We trade. How much of the \$400K shortfall is due to beneficiary non- payment? How are we going to makeup the shortfall? Does revenue collected include commercial use? Is there non- payment of water bills in the commercial accounts? [For] delinquent fee, right? I know for a fact that there are people on fixed income on Molokai and they cannot afford to pay 	 The proposed Water Administrative Rules include provisions for water billing, collection, enforcement and delinquencies, including allowance for non-cash payment to address delinquencies; late payment fees; water service shut-off (last resort); re-connection fee to resume water service. Further research is needed to determine if a list of delinquencies can be made public. Based on the FY 2016 Cost of Service Study, total expenses was \$803,433. Under the current rate structure, DHHL billed for \$395,997 and \$274,637 was collected. Shortfall was \$528,796 (\$803,433 MINUS \$274,637). The un-collectibles of \$121,360 (or 23% of the shortfall) represent outstanding payments from beneficiaries. Commercial accounts are fully paid.

Theme	Beneficiary comments	Staff response
	 the water bill. We have to find ways to create some kind of a program to help those people. Are the other [DHHL] systems in the red or black? 	 In FY 2016, the Trust covered the entire shortfall of \$528,000. DHHL is exploring numerous approaches to decrease expenses (ie, overall system improvements, including PV/solar system, fix water leaks, address water loss/theft) and increase revenue (ie, address non-payment of water bills, increase water rates, and seek federal, state and other funds) Further research is needed to better understand the needs and extent of beneficiaries on fixed/limited income. Then a program may be developed for consideration. Note that according to industry standard, utility rate affordability is up to 3% of median household income. The proposed rate increase is well- within the affordability index.
Proposed rate increase over a 10- year time period	 Over the [proposed] 10-year period, the beneficiaries [rates] can increase or decrease? Will we always be in the hole? Will there be an excess at some point? Over the 10-year period, we could be in the same hole? It could be more, it could be less. Is the 	 The proposed rate increase is based on available information we have today. DHHL sought outside professional technical expertise to establish a baseline of information. By conducting regular Cost of Water Service analyses and Rate Studies, DHHL will

Theme	Beneficiary comments	Staff response
	 next rate analysis going to be made available to the lessees? Could that analysis affect the rate? At the same time, [system] improvements have to be made. How is the 2020 Rate Study going to affect the rates? You should make the rate [increase] over 5 years because you have to get the rate study going and get it out to the public and that will be 5 years. And the [system] improvements should all be made in 5 years. I would support a \$0.02 increase over 5 years. It would help offset [costs] and you need to come back to us after 5 years when everything [improvements] is in so we know what the costs are then. I pay my water bill and I feel responsible. Homesteaders can stand 2 cents [increase] for the next 5 years. 	 have the information going forward to better track water system budget revenue and expenses. If there is a need to adjust rates before the 10- year period ends, a beneficiary consultation will be held. The recommendation is to spread the proposed rate increase (79% for beneficiaries and 300% for commercial accounts) over a 10- year period to prevent the full impact of the increase or what's called "rate shock" - instead, the rate increase is 7.9% for beneficiaries per year and 30% for commercial per year, which is less of a rate shock. By shortening the time period from 10 to 5- years, the rate shock By shortening the time period from 10 to 5- years, the rate shock will be higher. For beneficiaries, instead of a 7.9% annual increase. Revenue generated by a 2-cents per year increase, over 5 years is not significant enough to address the shortfall. The shortfall is expected to increase every year. This is an immediate concern that must be addressed sooner than later. System improvements

Theme	Beneficiary comments	Staff response
Other funds		are expected to be completed in 5 years and are expected to reduce some, not necessarily all, costs. However, this is only a projection.
to support the water system	 What is the \$10M [USDA] funds being spent on? So, the PV [solar] system is to bring [electricity] costs down, right? If the costs come down, that's a good thing for beneficiaries, right? You mentioned personnel costs are included. Can't those come out of the [State] General Fund? Every year the funding changes at the legislature. Are you folks asking for funding for this in the future? Don't give up even after Nelson. What year does all the federal funds we're getting come to an end? All the improvements should reduce costs. I suggest don't put the cost on the beneficiaries. Bill the state and commercial. Then when all that goes in, in 2021, you can come back at maybe 10% and we'll say ok. Use the grant money to build out the water lines [to other homestead areas]. Do 	 The \$10M in federal funds can only be used for capital improvements - replace system parts such as distribution lines, fire hydrants; add PV system; build a new storage tank; re-align the access roads. These funds cannot be used for operations and maintenance. For Personnel costs, DHHL is exploring alternative sources of funds. DHHL will continue to submit budget requests to the legislature. The federal USDA funds for system improvements have a projected end date of August 2021. Cost savings from the improvements is one of many variables that affect the overall water system budget. While the improvements are expected to help reduce operating costs, there are other budget line items that are expected to increase over time such as personnel costs and inflation. Through regular Cost of Water Service analyses and Rate

Theme	Beneficiary comments	Staff response
Theme	Beneficiary comments we have plenty of extra water? • Airport and DOE do they lease land from DHHL? What is the lease rent? What kind of revenue are we getting from leased land?	 Staff response Studies, DHHL will be in a better position to track revenues and expenses and propose adjustments to the Rate Schedule. The USDA funds were approved to improve the existing water system. Further research is needed to seek additional funds (federal, state or other) to build new water lines in order to serve more homestead areas and beneficiaries. DHHL submitted an application to CWRM requesting to increase our allocation for water resources. CWRM has not taken any action for over 20 years, thus DHHL is not in a position to expand the Ho'olehua water system and add more users. The Ho'olehua Airport and DOE schools are not on Hawaiian Home Lands, so we do not have land dispositions with those entities to collect lease rent. While DHHL earns revenue from leased lands and licenses statewide, those funds are targeted for DHHL administration and homestead development projects for those on the waitlist

Theme	Beneficiary comments	Staff response
Water for	• Instead of	• DHHL supports highest
Agriculture	<pre>incentivizing it so the more you use the less you pay, have you considered moving over to the Molokai Irrigation System (MIS) instead of having a Tier 3 [ag rate]? At that point, you should be on MIS because that's a major water use. • Are all the residential and ag beneficiaries actual beneficiaries, not sub-lessees on HHL? I'm curious because I'm wondering [ag] Tier 3 [rate] goes down to \$0.76. So, are general leases or sub- lessees or licenses getting that rate if they are ag users?</pre>	 use of the water based on the highest quality of water. The Ho'olehua system provides potable water for human consumption. To encourage farming, DHHL uses a "decreasing block rate" structure for agriculture beneficiaries, where Tier 3 rate is less than Tiers 1 and 2. Agriculture rates are for agriculture homestead lots only and need to be approved by DHHL. Many homestead lots (ie Kalama'ula) are not located near the MIS system, so cannot access the MIS. DHHL issues a water meter to the lessee of record and that lessee is billed based on meter size and water usage, accordingly. For an HHC-approved sub-lessee or "third party agreement", such party must be a beneficiary. DHHL does not bill the third party for water because they do not have their own meters. For non-beneficiaries, who are agriculture- based businesses, they are billed a different rate - "Commercial/ Agriculture" rates. It is a "decreasing block rate" structure where

Theme	Beneficiary comments	Staff response
		 Tier 3 is lower than Tiers 1 and 2. At Tier 3, the rate is \$1.15 per 1,000 gallons, which is different from the Tier 3 rate for agriculture beneficiaries at \$0.76 per 1,000 gallons. In review of the Commercial/Agriculture rate, DHHL recommends eliminating this "decreasing block rate" and, instead, charge the Commercial (non-beneficiary) rate. This demonstrates the priority given to beneficiaries in the overall rate schedule.

CONSISTENCY WITH DHHL PLANNING SYSTEM

DHHL Planning System

The DHHL Planning System consists of three tiers of plans -General Plan, Island Plans and Strategic Program Plans, and Regional Plans.

DHHL General Plan (2002)

The DHHL General Plan is intended as a high-level policy and long-range planning document to implement the HHCA of 1920, as amended. Within this plan, the proposed increase to the rate schedule for the DHHL Ho'olehua Water System is consistent with the Water Resources goal to provide access to quality water in the most cost-effective and efficient manner.

Molokai Island Plan (2005)

The Molokai Island Plan is primarily a land use designation document. The DHHL Ho'olehua water system serves the areas of Kalama'ula and Ho'olehua-Pālā'au. The Kalama'ula area consists of multiple uses: residential, agriculture and pastoral leases; Kapuāiwa Grove, a cultural and community resource area; Church Row; and Kulana 'Ōiwi, a community services center. The Ho'olehua-Pālā'au area also consists of multiple uses: residential, agriculture and pastoral leases; community use (Lanikeha Center, Molokai High School and churches); and commercial (Ho'olehua Airport). Over the years, significant improvements were made to the water system, thus allowing the addition of the Nā'iwa agriculture lots in Ho'olehua to be served by the water system. Per the Island Plan, the "water system source has a safe source capacity and cannot meet the existing maximum demand required by all user groups."

Water Policy Plan (2014)

The proposed increase to the rate schedule for the DHHL Ho'olehua Water System directly addresses the following priority policy goals and objectives in the Water Policy Plan.

- Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses
- Educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana
- Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users

Molokai Regional Plan (2010)

Within the Molokai Regional Plan, water is identified as major infrastructure, issues and opportunities, and as potential projects. The DHHL Ho'olehua Water system is identified as one of three major water systems supporting homestead communities on the island of Molokai. Water, both potable and non-potable (or agriculture use), is an identified Issue and Opportunity in the regional plan. Lastly, three potential projects for the Ho'olehua water system were identified in the regional plan:

- Conduct [water] pressure testing in Kalama'ula -Homestead priority project
- Assess and repair leaks in the [Ho'olehua] potable water delivery and storage system
- Normalize water rates between [homestead] users receiving water from county [of Maui] and DHHL [owned water] systems

RECOMMENDATION

Staff respectfully requests acceptance as recommended.

DAVID Y. IGE GOVERNOR STATE OF HAWAII

DOUGLAS S. CHIN LT GOVERNOR STATE OF HAWAH



JOBIE M. K. MASAGATANI CHAIRMAN HAWAIJAN HOMES COMMISSION

WILLIAM J. AILA, JR. DEPUTY TO THE CHAIRMAN

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS P O. BOX 1879 HONOLULU, HAWAII 96805

February 23, 2018

Aloha,

The Department of Hawaiian Home Lands (DHHL) will be conducting a Beneficiary Consultation on the <u>proposed increase</u> in water rates that DHHL charges its customers (you) to help cover costs to provide reliable water service to your homestead. The current rates are due to expire on June 30, 2018. Before the Hawaiian Homes Commission (HHC) takes action on the proposed increase in rates, DHHL would like to hear beneficiary input.

The department, beneficiaries and other users of the system each have kuleana. For DHHL, we continuously look for ways to cut costs and operate the system efficiently. For beneficiaries and other water users, your kuleana is to use water wisely and pay your water bill.

The objectives for this Beneficiary Consultation are as follows:

- Present a summary of DHHL's costs to manage, operate and maintain the water system
- Explain what DHHL is doing to keep costs down
- Get feedback on the proposed increase in water rates

Monday, March 12, 2018 6:00 p.m. to 8:00 p.m. Kūlana 'Ōiwi Halau Kaunakakai, Moloka'i

We all know the importance of clean and safe drinking water. You and your 'ohana are affected directly. We hope you will take advantage of this opportunity, share your mana'o, and perhaps, learn something new about your water system. The input you share will be presented to the HHC in their decision making process.

Aloha and mahalo

Jobie M. K. Masagatani, hair Hawaiian Homes Commission



Department of Hawaiian Home Lands Beneficiary Consultation – Ho'olehua water system **Proposed Increase in Water Rates**

Monday – March 12, 2018 6:00 PM – 8:00 PM – Kūlana 'Ōiwi Halau

Meeting Agenda

subject to change

- I. Overview
- II. Summary of DHHL costs to operate the water system
- III. Your water bill
- IV. Get Feedback on proposed increase in water rates
- V. Wrap Up

If you have any questions, please contact the following.

Ms. Gigi Cairel, Planning Office (808) 620-9461; Fax (808) 620-9559

Email: DHHL.Planning@hawaii.gov

Or visit our website, www.DHHL.hawaii.gov. and click on "Beneficiary Consultations"





DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

EVENT	Beneficiary Consultation - Proposed
	Ho'olehua water rate increase

DATE Monday March 12 2018

DEPARTMENT OF HAWAIIAN HOME LANDS

EXHIBIT B

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(A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other) (Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
ALBO	Irene Kachanii,			
ALBO	Judy Caparida			
ALBO	JONATHAN LINDO			
ALBO	Elvi Lindo			
ALBO	Halona Kaopiiko			
	Kunani Nihindi			
	Ipo Nikipali			
ALBO	Scraf Course			
A(L)B O	Kapong Lauit			
ABO	arender			
ALBO	Mele Haushaus			

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PAGE 2



DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

DEPARTMENT OF HAWAIIAN HOME LANDS

(Please print) **(A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other)**

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
A L B O	Cora Samachenhag			l
A L B O	Lawrence K. Lasua	_		
ALBO	Mi Colon			
ALBO	GENE ALBIN	-		
A B O	SKAUHANEADANS			
ALBO	Hewing PAL.	_		
ALBO	Jennifer Hawkins	-		
A L B O	Keani Rawlins	- «		
ALBO	S. Juacena Menhand			
ALBO	Anna-Nicole Madela			

EXHIBIT D



DEPARTMENT OF HAWAIIAN HOME LANDS SIGN-IN SHEET

DEPARTMENT OF HAWAIIAN HOME LANDS

(Please print)

EXHIBIT B

(A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other)

BENEFICIARY	NAME	
ALBO	Terry Nakoa Kaaha	ทบเ
A B O	Gino Kuchin	P.O.E Kuala
A Û B O	111uwehi Sai	Roi Ka
а <u>(</u>) в о	Zachany Helm	PC
ALBO	Wanda Loladela	1
ABO	Hoekans Joy -	PD
A (B O	David Eabigail Bush	Po
ALBO	Ochi Buca	Ba
ALBO	Makaila Ludy	40
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Proposed Water Rates Hoolehug 3/17/18 PAGE_^{\$3}

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DEPARTMENT OF HAWAIIAN HOME LANDS Proposed Water Kutes HOOKCHUA 3/12/18 PAGE 4 PAGE 4

DEPARTMENT OF HAWAIIAN HOME LANDS

EXHIBIT B

(Please print) **(A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other)**

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
A L B O	Marilyn Knutit.	1		
а 💭 в о	Kilia Purdy-Avelino			
АОВО	Kammy Puraty	_		
ALBÔ	PINKy Gispar	- - -		
A L ()	Elroy Mollena'			
АСВО	Tess Mollena			
ALBO	Cindy Manaois			
ALBO				
ALBO				
ALBO				

SIGN-IN SHEET



Agenda

- Pule
- Welcome & Introduction
 - Meeting Purpose & Kuleana
 - The Beneficiary Consultation Process
- DHHL Presentation
 - Background & Need
 - Proposed increase to the water rates
- Community input
- Next Steps



Meeting Purpose

Gather input from Beneficiaries on the proposed increase in water rates for the Ho'olehua drinking water system

Note: Current water rates expire June 30, 2018

Refresher

- Hawaiian Homes Commission Act – Retain exclusive control of <u>water systems</u>
- Water Policy Plan
 - Secure revenue & reduce costs to "break even"
- Water Administrative Rules
 - Water bill payments, options, Shut-Off (last resort)
- Information meeting on System Costs
 - Expenses = \$800,000 and Rev. = \$400,000
 - Shortfall \$400,000

Meeting Kuleana

✓ Be creative!

Work toward future solutions/aspirations
Disagreement is ok as long as we are respectful of each other
Everyone gets a turn first, then repeats
Cell phones off or on silent

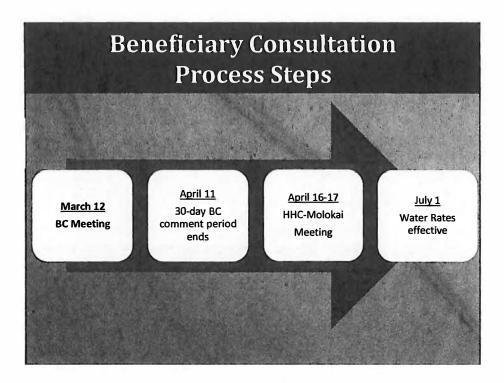
Take all calls/texting outside

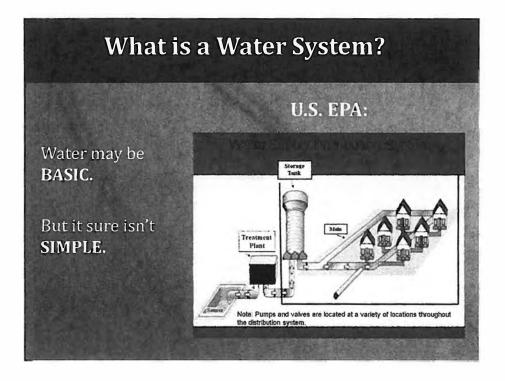
Please hold questions until after

presentation

Meeting Kuleana

You are personally responsible for:
Make sure everyone has equal opportunity to express their ideas
Actively listen (listen to understand)
Ask questions to clarify
 (get the right info)
Have an open mind; open heart
Focus our attention on speaker





Water System Goals

▶ Provide safe, clean drinking water

Provide reliable water delivery service (24/7)

And cover all operating costs & have Reserve Funds for emergencies, cash flow, capital improvements

Typical Water System Expenses

ADMINISTRATION

OPERATIONS

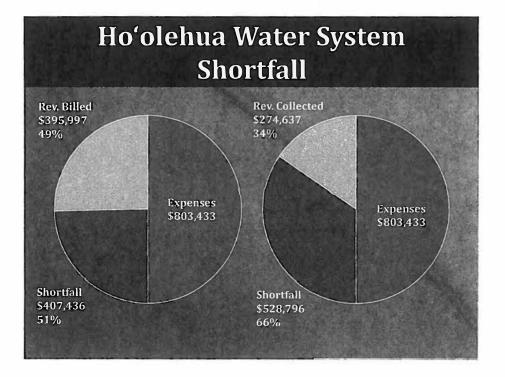
- Certified Operator
- Well Pumps
- Electricity
- Storage tank
- Booster pumps
- Pipes, fire hydrants
- Security

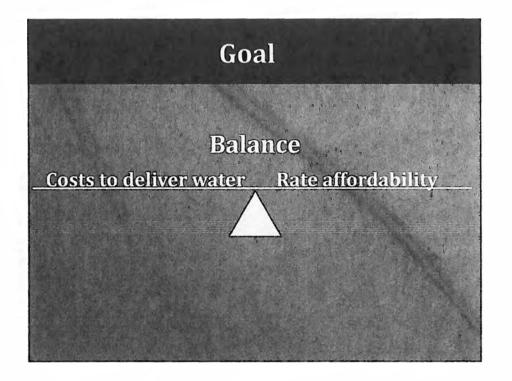
RESERVE FUNDS

- Operating = cash flow
- Emergency = when pumps break down
- Capital improvement = Rainy Day fund
- Debt service on loans

Ho'olehua Water System Expenses Fiscal Year 2015 - 2016

Actual Expenses	% of Total	Amount
Personnel & related costs	49%	\$394,943
Electricity	39%	309,600
Operations, Repair, Maintenance	6%	45,564
Vehicles – repair, maintenance	3%	25,959
Baseyard building maintenance	2%	18,739
Office expenses	1%	6,598
Freight & delivery	0%	2,030
Reserves	0%	-0-
TOTAL	100%	\$803,433
	11-12-12-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	Jasen Street





Need for Water Rate Increase

- ≻Last rate increase in 2004
- Costs have gone up
- Shortfall is at least \$400,000
- ➢ Reserve Funds

What DHHL is doing to increase revenue

✓ Obtained \$10 million federal grant for major CIP

- Completed Cost of Service Analysis
 Reviewed water system budget, expenses, revenue
- Developed Administrative Rules to address nonpayment of water bills
- ✓ Reviewed and analyzed water rates

What DHHL is doing to increase system operational efficiency

- ✓ Reduced electricity bill by \$200,000
- ✓ Implemented leak detection program
- ✓ Increased scheduled maintenance
 - Helps parts/equipment to last longer
 - Example: Fire hydrant flushing, exercising valves

✓ Developed Administrative Rules to address unaccounted for water loss /theft

"Water Rates 101"

Water rates are based on:

(1) Meter size -5/8" to 8"

(2)"Usage Fee" – Amount of water used over a 2month period, grouped in 3 levels or "Tiers"

There are different fees for Beneficiaries (residential & agriculture) and Commercial accounts.

Refer to Handout

Commercial Proposed Increases

> 5/8" meter – Currently \$30, then \$134.82 by Year 2028

315% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

		<u>Current</u>	By Year 2028
> Usage Fee	Tier 1	\$1.80	\$ 6.02
	Tier 2	3.35	11.20
	Tier 3	4.95	16.55
200% increas	e over th	e usage fee	, spread incrementally over
10 years PLUS	3% ann	ual inflatio	n

Refer to Handout

Residential Beneficiary Proposed Increases

> 5/8" meter - Current \$5.60, then \$11.95 by Year 2028

79% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

	12.2.34	Current	By Year 2028
> Usage Fee	Tier 1	\$1.42	\$2.62
1. 1	Tier 2	1.91	3.52
	Tier 3	2.25	4.15

50% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout

Agriculture Beneficiary Proposed Increase

> 5/8" meter - Current \$5.60, then \$11.95 by Year 2028

79% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

2 - 2 - 0 -	Current	<u>By Year 2028</u>	
Tier 1	\$1.42	\$2.62	
Tier 2	1.91	3.52	
Tier 3	0.76	1.40	
	Tier 2	Tier 1\$1.42Tier 21.91	Tier 1\$1.42\$2.62Tier 21.913.52

50% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout



Beneficiary Consultation Process

Estimated Date	Action Step
March 12, 2018	BC Meeting on Molokai
April 11, 2018	End of 30-day BC comment period
April 16 – 17, 2018	Hawaiian Homes Commission meeting on Molokai
June 30, 2018	Current water rates expire
July 1, 2018	New Ho'olehua water system rates become effective (pending HHC approval)

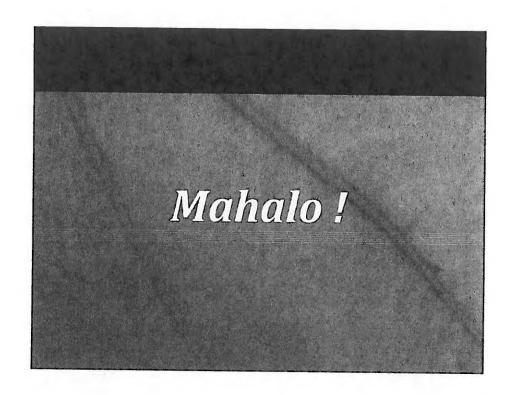
Next Steps for DHHL

- Complete public hearings for Water Administrative Rules
- Implement major capital improvements (\$10M federal grant) to increase operational efficiencies
- Complete next Cost of Service Analysis for FY 17 and FY 18

Complete next Water Rate Study in FY 2020

Next Steps for You

- Participate in the BC Process – Send written comments by April 11
- Attend, testify or submit public testimony at the HHC – April 16-17 on Molokai
- Think about today's discussion
- Talk to family, friends, neighbors
- Fix leaks
- Conserve water
- Everyone do their part, including DHHL





Community Input 3 minutes per speaker

DHHL Hoʻolehua Water system At-a-glance

	Hoʻolehua PWS 230
Age of system	85 years (estimate)
Service area	 Hoʻolehua, Kalamaʻula, Naiwa, Pālāʻau Essential Community Facilities Hoʻolehua Airport, US Post Office, Schools, Churches, Lanikeha Center Businesses Inter-connect to County Kalae PWS, Kualapuu PWS 229 and Kipu PWS 245
Avg. # service connections	600
Water source	Groundwater – DHHL-owned Well
Dept. of Health regulated?	Yes - Certified Operator Level 2 required
Operations handled by:	DHHL personnel

Quick Facts: Ho'olehua drinking water system

Source: groundwater wells – Kauluwai Well No. 1 and No. 2

Storage: 5 storage tanks

>100,000 gallon tank at the well site

➤1MG Kauluwai tank

Two – 3.5 MG tanks in Ho'olehua

>200,000 gallon Kalama'ula tank

Treatment: Liquid sodium hypochlorite

Distribution: 50 miles of pipe; 2 booster pumps; 2 altitude valves; gravity flow

450 fire hydrants

Emergency connection to County of Maui Kalae water system

Ho'olehua Water System Residential & Agriculture Beneficiaries

Existing meter fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$5.60
3/4"	\$7.00
1"	\$11.50
1 1/2"	\$22.00
2"	\$30.00
3"	\$60.00
4"	\$110.00
6"	\$195.00
8"	\$300.00

Proposed meter fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$6.21	\$6.83	\$7.45	\$8.07	\$8.70	\$9.34	\$9.98	\$10.63	\$11.29	\$11.95
3/4"	7.76	8.53	9.31	10.09	10.88	11.68	12.48	13.29	14.11	14.94
1"	12.75	14.02	15.29	16.58	17.87	19.18	20.50	21.84	23.18	24.54
1 1/2"	24.40	26.82	29.25	31.71	34.19	36.70	39.22	41.77	44.35	46.95
2"	33.27	36.57	39.89	43.25	46.63	50.04	53.49	56.96	60.47	64.02
3"	66.54	73.13	79.78	86.49	93.26	100.08	106.97	113.93	120.95	128.03
4"	121.99	134.08	146.27	158.57	170.97	183.49	196.12	208.86	221.74	234.73
6"	216.26	237.69	259.30	281.09	303.08	325.27	347.66	370.26	393.08	416.11
8"	332.70	365.67	398.92	432.45	466.28	500.42	534.86	569.63	604.73	640.17

The rates and fees are based on a 79% increase, spread incrementally over 10 years, plus 3% inflation per year.

Ho'olehua Water System Residential & Agriculture Beneficiaries

Residential

Existing water usage fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.42
Ticr 2	10,001 - 25,000	\$1.91
Tier 3	Over 25,000	\$2.25

Proposed water usage fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$1.53	\$1.65	\$1.76	\$1.88	\$2.00	\$2.12	\$2.24	\$2.37	\$2.49	\$2.62
Tier 2	2.06	2.22	2.37	2.53	2.69	2.85	3.02	3.18	3.35	3.52
Tier 3	2.43	2.61	2.80	2.98	3.17	3.36	3.55	3.75	3.95	4.15

Agriculture

Axisting water usage fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.42
Tier 2	10,001 - 25,000	\$1.91
Tier 3	Over 25,000	\$0.76

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$1.53	\$1.65	\$1.76	\$1.88	\$2.00	\$2.12	\$2.24	\$2.37	\$2.49	\$2.62
Tier 2	2.06	2.22	2.37	2.53	2.69	2.85	3.02	3.18	3.35	3.52
Tier 3	0.82	0.88	0.94	1.01	1.07	1.14	1.20	1.27	1.33	1.40

The rates and fees are based on a 50% increase, spread incrementally over 10 years, plus 3% inflation per year.

Existing meter fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$30.00
3/4"	\$44.00
1"	\$70.00
1 1/2"	\$136.00
2"	\$210.00
3"	\$390.00
4"	\$640.00
6"	\$1,270.00
8"	\$2,000.00

Proposed meter fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$40.35	\$50.73	\$61.13	\$71.57	\$82.03	\$92.52	\$103.05	\$113.60	\$124.19	\$134.82
3/4"	59.18	74.40	89.66	104.96	120.31	135.70	151.13	166.62	182.15	197.73
1"	94.15	118.36	142.64	166.99	191.40	215.88	240.44	265.07	289.78	314.57
1 1/2"	182.92	229.96	277.13	324.43	371.86	419.43	467.14	515.00	563.01	611.17
2"	282.45	355.09	427.92	500.96	574.20	647.65	721.32	795.22	869.35	943.72
3"	524.55	659.45	794.71	930.35	1,066.37	1,202.78	1,339.60	1,476.84	1,614.51	1,752.63
4"	860.80	1,082.18	1,304.15	1,526.73	1,749.94	1,973.79	2,198.32	2,423.53	2,649.45	2,876.11
6"	1,708.15	2,147.44	2,587.91	3,029.60	3,472.53	3,916.75	4,362.29	4,809.20	5,257.51	5,707.27
8"	2,690.00	3,381.80	4,075.45	4,771.02	5,468.55	6,168.10	6,869.75	7,573.54	8,279.55	8.987.83

The rates and fees are based on a 315% increase, spread incrementally over 10 years, plus 3% inflation per year.

Ho'olehua Water System Commercial accounts

visting water usage fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.80
Tier 2	10,001 - 30,000	\$3.35
Tier 3	Over 30,000	\$4.95

Proposed water usage fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$2.21	\$2.63	\$3.05	\$3.47	\$3.89	\$4.31	\$4.73	\$5.16	\$5.59	\$6.02
Tier 2	4.12	4.89	5.67	6.45	7.23	8.02	8.81	9.60	10.40	11.20
Tier 3	6.09	7.23	8.38	9.53	10.69	11.85	13.02	14.19	15.37	16.55

The rates and fees are based on a 200% increase, spread incrementally over 10 years, plus 3% inflation per year.

From:

Sent: Tuesday, February 27, 2018 1:18 PM To: DHHL.Planning <dhhl.planning@hawaii.gov> Subject: Meeting 3/12/18 - Molokai

Rate increase is waranted, however, when will the delinquents be addressed, paid, removed, actions to force them to pay?

The fact of entitlement because they are hawaiian is not a reason to withhold payment. The rest of us pay. How will this be addressed, is there a list showing the status of delinquency.

Just asking?

Parcel Number

1

2

EXHIB

Department of Hawaiian Home Lands Ho'olehua Water System (PWS #230¹) Commercial Accounts List

Akea Farms, Inc. Alu Like, Inc. County of Maui, Department of Water Supply County of Maui, Fire Division County of Maui, Veteran's Cemetary EAN Holdings, LLC - Vanguard Car Rental Grace Episcopal Church Hikiola Cooperative Hoolehua Congregational Church Kalaiakamanu Hou Church Kalamaula Motors Kamehameha Schools Kualapuu Charter School Lamb of God LDS Church Hawaii Maui Electric Co., Ltd. Molokai Baptist Church Molokai Church of God Molokai Community FCU Molokai Humane Society Molokai Homestead Livestock Association Molokai Plumeria Molokai Properties - Molokai Ranch/Island Utility Molokai Slaughter House - c/o Molokai Livestock Co-op Monsanto Molokai Office of Hawaiian Affairs Queen Liliuokalani Trust R. W. Meyer Ltd. Sandwich Isle Communications, Inc. Seventh Day Adventist State of Hawaii, Department of Agriculture State of Hawaii, Department of Education State of Hawaii, Department of Land & Natural Resources, Forest Division State of Hawaii, Department of Transportation US Department of Agriculture Plant Material Center **US Post Office** University of Hawaii Extension Services Watch Tower Bible Trust

¹ PWS is the Public Water System number that the State Department of Health assigns to every regulated drinking water system in the State of Hawaii.



STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

To: Chairman and Members, Hawaiian Homes Commission

Thru: M. Kaleo Manuel, Acting Planning Program Manager

From: Nancy M. McPherson, Planner

Subject: Molokai Regional Update to the Hawaiian Homes Commission

Recommended Action

None; for information only.

<u>Background</u>

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 2018 meeting, the Planning Office is providing an update for the island/region of Molokai.

<u>Discussion</u>

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 and acreage amounts in Table 1 below.

Molokai Land Use Designations (2005)	Acres	Percent
		of total
Residential Homestead	742	2.86
Subsistence Agriculture	2,350	9.07
Supplemental Agriculture	5,862	22.64
Pastoral	1,927	7.44
General Agriculture	7,415	28.64
Special District	6,703	25.89
Community Use	165	0.64
Conservation	655	2.53
Commercial	58	0.22
Industrial	16	0.06
Total Acres	25,893	100.00

Table 1 - Molokai Land Use Designations (2005)

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, who provided DHHL with several in-depth studies of cultural and natural resources in the area. After beneficiary consultation was conducted, a land use amendment re-designating 1,000 acres of General Agriculture and 50 acres of Community Use lands in Mo'omomi-Anahaki to Special District was approved by the Hawaiian Homes Commission on December 14, 2010. See Exhibit 'A', Existing Land Use Designations

Triggered by the Special District designation, a Special Area Plan needs to be developed that identifies implementation measures and that will include discussions on access, cultural and natural resources management, and traditional and customary practices of native Hawaiians. The planning process will coordinate with adjacent land users/landowners and include discussions on community-based fishing areas as well as coordination with the Kalaupapa National Historic Park. The Planning Office will be requesting a planning project line item for this planning effort in the upcoming budget request cycle. 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 land (22 acres in Community Use and 12 acres in Subsistence Ag) 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 exchanged 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, near the Kaunakakai Wharf, were transferred by the Board of Land and Natural Resources to DHHL as partial satisfaction of the Act 14 Settlement. 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 conducted a Beneficiary Consultation for Land Use Designation for Malama Park, which was held on October 25, 2017. The Beneficiary Consultation report was accepted by the HHC at its meeting on January 29, 2018. There was strong beneficiary support for the land use designation of Special District for the site. The HHC approved the recommended land use designation of Special District and amended the Molokai Island Plan at its meeting on January 30, 2018. See Exhibit 'B', Malama Park Map

A Special Area Plan will need to be prepared for the site. Similar to the Mo'omomi-Anahaki Special District planning process, the plan will identify implementation measures, include discussions on access, cultural and natural resources management, and traditional and customary practices of native Hawaiians and will coordinate with adjacent land users/landowners such as County of Maui Parks and Recreation and the Molokai Yacht Club. These post-adoption amendments to the Molokai Island Plan and changes to the DHHL land inventory have resulted in the following adjustments to the land use designation totals, as shown in Table 2, below:

Molokai Land Use	2005	+/-	Adjusted	Percent
Designations (Adjusted)	Acres		Acres	of total
Residential Homestead	742	n/c	742	2.86
Subsistence Agriculture	2,350	-12	2,338	9.03
Supplemental	5,862	n/c	5,862	22.64
Agriculture				
Pastoral	1,927	n/c	1,927	7.44
General Agriculture	7,415	-1,000	6,415	24.78
Special District	6,703	+1,055	7,758	29.96
Community Use	165	-72	93	0.36
Conservation	655	n/c	655	2.53
Commercial	58	n/c	58	0.22
Industrial	16	n/c	16	0.06
Total Acres	25,893	-29	25,864	100.00

Table 2 - Molokai Land Use Designations (Adjusted)

Residential Priorities

Residential Priority One: Nā`iwa (See Exhibit "C" Naiwa SD)

- 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".
- Land Development Division is moving forward with due diligence on pursuing subdivision of these lots

<u>Residential Priority Two: 'Ualapu'e</u> (See Exhibit "D", Preferred Land Use Plan Map)

- 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.

<u>Residential Priority Three: Kapa'akea, Kamiloloa, One Ali'i</u> (See Exhibit "E" Preferred Land Use Plan Map)

- 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.

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 Kiowea Park
- (5) Support Molokai Sustainment Farming Project, Ho'olehua Homestead Association

Molokai Regional Plan Implementation Status

Table 3 below identifies the "project champion" and summarizes the status of each Regional Plan priority project.

- 5 -

PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Alternative Energy Initiative	DHHL	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.
Conduct Beneficiary Consultation on Large Scale Renewable Energy Development	DHHL Planning Office	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.
Water Pressure Testing in Kalama'ula	DHHL District Office, LDD	All tasks completed. Project stimulated design of a much larger project, Ho'olehua Water System Improvements, that has received USDA grant funding and is close to going out to bid.
Modify Septic Tank at Kiowea Park	DHHL (LMD/PLO), Kalama'ula Homesteader Association	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.
Support Molokai Sustainment Farming Project, Ho'olehua Homestead Association (HHA)	Molokai Sustainment Farming Project/Kukui Helepō	Project on hold. HHA continues to propagate & distribute kukui trees to interested ag homesteaders.

Table 3 - Priority Project Implementation Status

The Planning Office is currently procuring a contract to conduct an update to the Molokai Regional Plan. DHHL Water Policy Plan Implementation Status

For further information on this topic, please refer to Item G-5.

DHHL Energy Policy - Ho'omaluō - 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

Coastal Zone Management, Shoreline Erosion Mitigation, Community Resilience and Disaster Preparedness

The Planning Office is in the process of contracting with a consultant for a coastal erosion assessment and shoreline area management plan for Kapa'akea and Kamiloloa-One Ali'i homestead areas along the southern coastline, east of Kaunakakai. The project will study sections of Molokai shoreline along homestead land that are vulnerable to high rates of erosion and make recommendations for mitigation strategies.

The purpose of the management plan will be to:

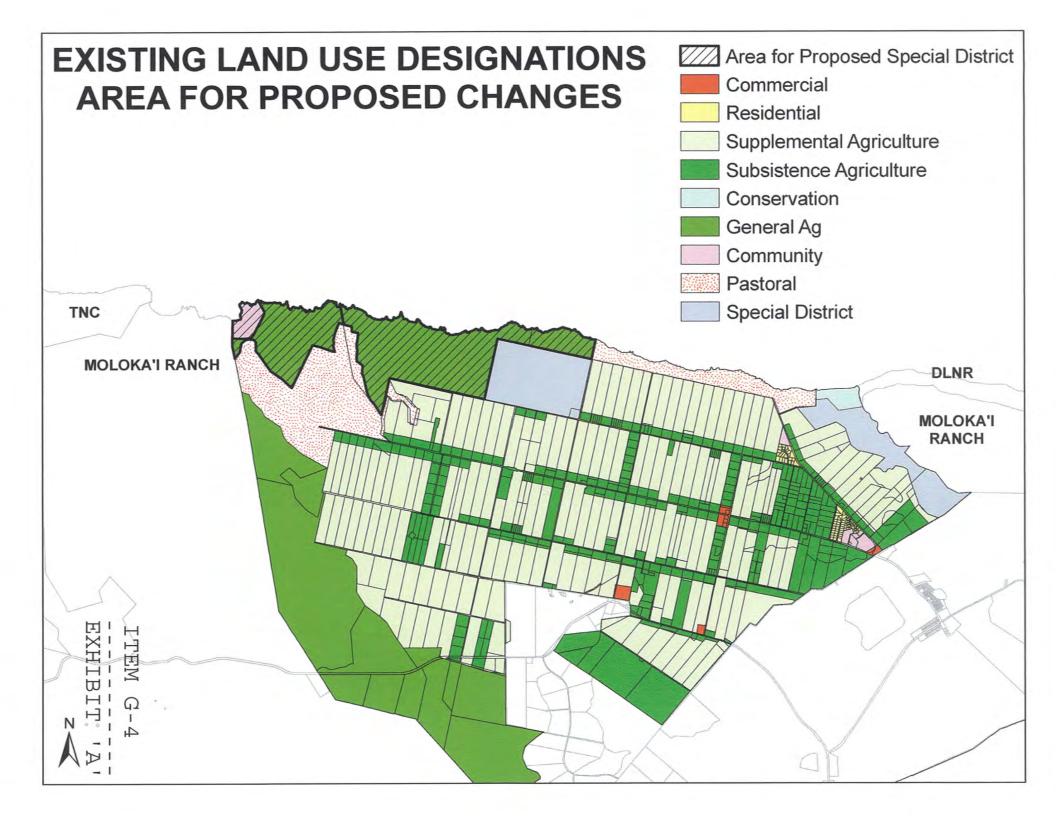
- 1. Enable the DHHL to proactively plan for shoreline erosion management in the project area;
- 2. Investigate the underlying causes of shoreline erosion and likely future progression in the project area;
- 3. Identify effective and sustainable shoreline erosion management strategies that maintain natural processes and consider community desires and needs in the short and long term; and
- 4. Educate the community as to the causes of shoreline erosion and appropriate management responses.

The project will include a scoping phase and a plan preparation phase. The scoping phase will include identification of key factors affecting physical coastal processes and existing responses, and evaluation of shoreline erosion management options and prudent mitigation strategies. The plan preparation phase will be characterized by the preparation of a draft, pre-final and final shoreline erosion management plan for the project area, and will include additional agency and community outreach focused around potential management responses and mitigation measures.

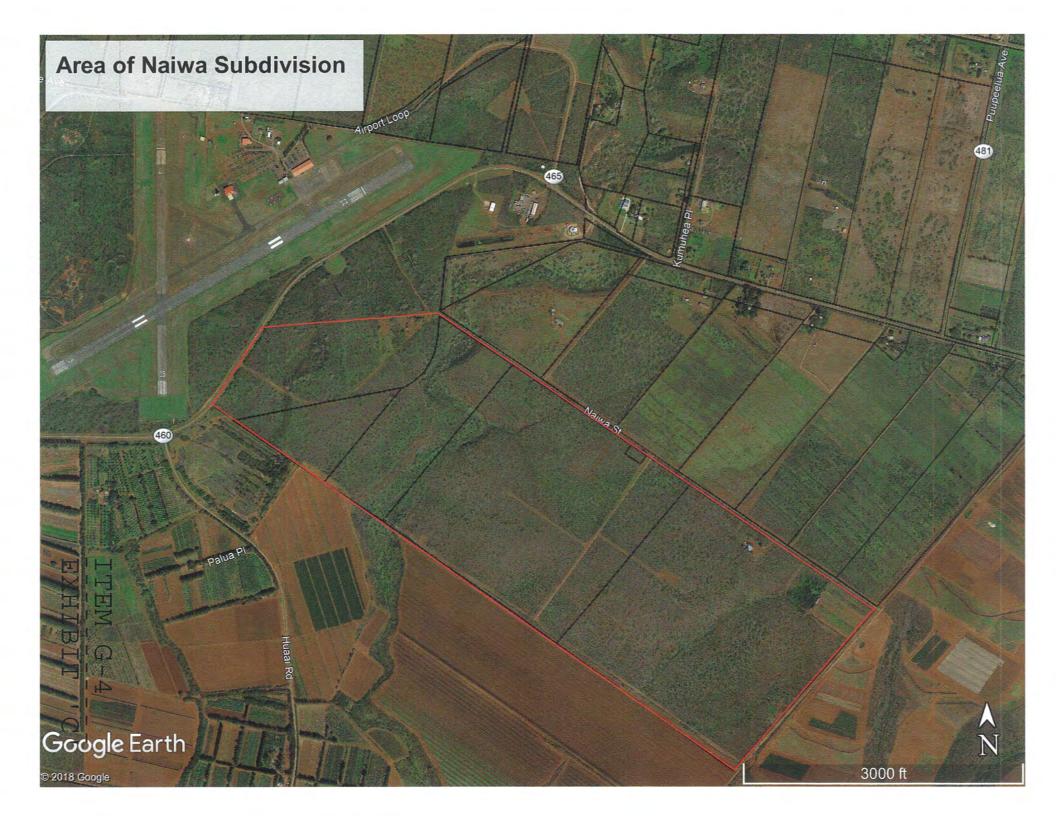
The Planning Office will also be working with all three coastal homesteads on Molokai (Kalama'ula, Kapa'akea and Kamiloloa-One Ali'i) to schedule two two-day workshops in summer/early fall in order to develop community resilience plans using the guidebook developed by the graduate students of UH-DURP in their "Coastal Resilience for DHHL Communities" practicum report of May 2015. See Exhibit 'F', Native Hawaiian Culturally Based Community Resilience Manual.

Recommendation

None; for information only.







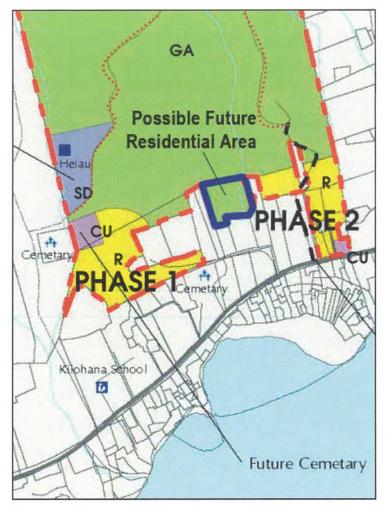
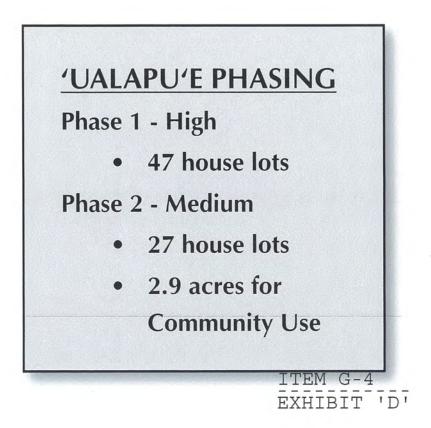


Figure 8.1 - 'Ualapu'e Residential Phasing Scheme



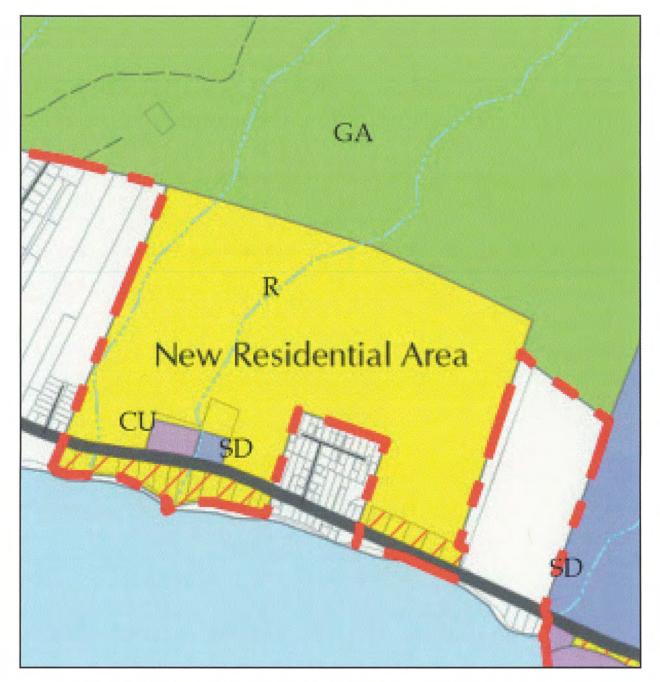


Figure 8.2 - Kapa'akea - Kamiloloa - Makakupa'ia Residential Area

ITEM G-4 EXHIBIT 'E' 102

3.2.4 Native Hawaiian Culturally Based Community Resilience Manual

Tool C Mapping	identified Hawaiian place names and native land use stories
Purpose/goal	These community-level stories, legends, native land use, and Hawaiian place names hazard map exposes the different types of natural hazards and mitigation practices identified and practiced by ancient and modern Native Hawaiians. It is a visual communication tool to link hazard stories and place names to geographical regions within a community. Maps sections are displayed in colors to: Visualize historical area based by legend or story Identify areas which are exposed to different types of hazards based on stories Identify areas which are exposed to different types of hazards based on place names
Implementation phase Before disaster	
Estimation Duration	1 full-day activity
Equipment	Two area maps with plastic overlay sheets, tape recorders, notebook paper, pens, 3X5 post-it notes, highlighters, and story summary and a community mitigation form
Guideines	Overview: Step by step The process of creating Hawaiian cultural area legends and stories disaster map begins by identifying facilitators and by gathering people who have expert knowledge about the region and its history. Facilitators lead a workshop to record area stories and identify areas of significance related to the stories. This process involves the following steps:

Hazard Mitigation to Build Community Resilience

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Table 3.4 (cont.) Hazard assessment through cultural knowledge 1. Design a workshop and identify facilitators, 2. Call for local people who have local historical, native land use, and Hawaiian legend knowledge, 3. Discuss, organize, and map area stories and native land use, 4. Record stories. 5. Identify hazards and mitigation practices, 6. Associate applicable legends, place name stories, and definitions with locations on an area map through color coding. Step 1: Design workshop and identify facilitators The first step is to design the workshop. Workshop design should include identification of facilitators in the community who have intimate knowledge about Hawaiian history and key members of the community. The facilitators' knowledge should include a broad understanding of Hawaiian mythology and a strong understanding of area mythology. The size of the area population and the number of expected participants dictates the number of facilitators needed. Instruction: Workshop and identification of facilitators needs to be done through the community council or leaders. The leaders can organize the time and venue to conduct the workshop, identify facilitators, and inform people about the event. Step 2: Call for local people who know area mythology and stories about place names This involves inviting local people with an intimate understanding of the mythology that shaped the behavior of the ancient Hawaiian people who lived in the area. The invitation should also be extended to those with an understanding of the Hawaiian language which would aid in understanding area place names, and native Hawaiian land use management. Participants need to include people of different age groups, occupations, genders, and village roles. Step 3: Discuss, organize, and map area stories and native land use (Tool A) Allow some time for participants to look at the area map. Have them begin to identify and label with post it notes, areas that are significant to local stories/legends/mythology, cultural practice sites, and native land management use areas. Land management areas may include heiau, kapu, agriculture, and waste management areas. Take a picture of the labeled map for record keeping.

EXHIB EM G HI Ч -

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Coastal Resilience for DHHL Communities

	Step 4: Record stories
	(Tool B) Facilitators initiate conversations about area mythology, area place names, and native land use identified by participants on map. Facilitators begin recording and organizing stories.
BICHAN	Step 5: Identify hazards and mitigation practices
	(Tool B) Gather stories, land use, and place names information. Identify elements of hazards and mitigation practices from stories. Write a summary of the stories that include elements of hazards and mitigation practices in the summary story and community mitigation form.
	Step 6: Associate applicable legends and place name stories and definitions with locations on area map through color coding
N-ELLA	(Tool C) Using the original map for reference, identify map locations and stories that have been determined relevant
	to hazard and community mitigation. Using colored highlighters, highlight sections of the second map that have been determined to be hazard areas, color coordinate highlighter colors with specific types of hazards, then take a picture of the map for record keeping.

ITEM G-4 -----EXHIBIT 'F'

Hazard Mitigation to Build Community Resilience

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Vorksheet for legend, story, or place name information	Story summary and community mitigation form			
	Story name and summary	Identified hazard	Community response	

ITEM G-4 -----EXHIBIT -

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STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16 - 17, 2018

To:	Chairman and Members, Hawaiian Homes Commission
Through:	M. Kaleo Manuel, Acting Planning Program Manager
From:	E. Halealoha Ayau, Water Resource Management Specialist

Subject: For Information Only - Update on Moloka'i Water Projects and Issues

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

The following consists in an update of Item G-5, submitted to the Hawaiian Homes Commission (Commission) for its April 17-18, 2017 meeting in Molokai, which also concerned water projects of significance to beneficiaries and the Department of Hawaiian Home Lands (Department) on Moloka'i.

Updates since April 2017 include: (I) developments in proceedings in In re Contested Case Hearing on Water Use Permit Application by Kukui (Molokai), Inc., 116 Hawai'i 481, 174 P.3d 320 (2007) ("Kukui"); (II) proposed Ho'olehua Water System Improvements; and, (III) inspections of existing wells on DHHL property on Moloka'i.

In a separate submittal there is an Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Ho'olehua Water System (Item G-3). There are currently no updates on issues concerning the Moloka'i Irrigation System (MIS) as of the submission date of this submittal.

I. Kualapu`u aquifer disputes.

The Hawai`i Supreme Court has scheduled oral arguments on the most recent dispute regarding a 1993 Water Use Permit granted to Molokai Public Utilities (MPU), a subsidiary of the Moloka`i Ranch, by the State Commission on Water Resource Management (CWRM). The events and associated issues leading to this action are described below.

1) Water Use Permits and associated litigation.

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 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 174C-49(e). The Department is also required to obtain a water use permit (WUP) from CWRM in any WMA. In 1993, the Department initially obtained a WUP for 0.367 mgd for its withdrawals from Kualapu'u aquifer.¹

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 Department 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 in addition to existing uses from the Kualapu`u Aquifer,

¹ 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)).

effective as of June 10, 1995. Hawaii Administrative Rule (HAR) §13-171-63.

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. DHHL has an outstanding WUPA for its current needs for its water system.

In 2001, CWRM issued a decision to grant a WUP to MR's subsidiary Kukui Moloka`i, Inc. (KMI). The Department and others appealed. 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 (MPU), an affiliate of Moloka'i Properties Ltd. ("MPL").

The Hawai`i Supreme Court finally ruled on Kukui in They reversed and remanded CWRM's 2001 decision, in 2007. part for failing to protect the Department's rights. 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 O.3d at 340 (quoting HRS §174C-51). They specifically overruled CWRM's decision to grant MPU's permit because CWRM had failed to adequately consider the impact of MPU's proposed use on the DHHL or on groundwater flow to the coast that supports traditional and customary practices of Hawaiians. MPU's water use permit application (WUPA) was remanded to CWRM, but in 2008, MPC informed CWRM by letter that it "does not intend to continue this case on remand."

However, on June 27, 2014, MPC re-filed their WUPA for use of Well 17, which draws from the Kualapu'u aquifer, to redevelop an abandoned golf course and resort on the extremely dry west end of Moloka'i, for CWRM proceedings, characterizing it as a continuation of the earlier proceeding. In March 2016, the Department and the Office of Hawaiian Affairs (OHA) took the position that CWRM's earlier 2001 *Kukui* findings and decision should be dismissed and new proceedings initiated in light of MPU's new application and changed circumstances.

ITEM NO. G-5

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Following oral argument before the CWRM, CWRM agreed to dismiss MPU's WUPA over objection from MPU that its 2008 statements had been "equivocal" and thus did not count as an abandonment of their appeal. The Department and OHA supported CWRM's dismissal. However, the ranch has appealed that decision directly to the Hawai`i Supreme Court.

OHA and the Department have been parties to this litigation, along with Hawaiian cultural practitioner petitioners Judy Caparida and Georgina Kuahuia, for over twenty-five years. The Department is currently working with OHA on a press release regarding this matter. Oral arguments in the case are scheduled for May 31, 2018 at 10:00 am at Ali'iolani Hale in Honolulu.

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 has been fully funded. The study estimates 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."² 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 March 7, 2018, the Department and other co-funders met with USGS to (1) review major tasks, progress to date, and plans for completing study; and, (2) plan for scenario testing (i.e., well locations and withdrawal rates). Per the schedule developed with USGS, scenarios will be run by June and a published final report will be available by March 2019. An update on USGS' recalibration efforts is expected in mid-April 2018.

The Department requested a number of scenarios to be tested, including those that are inclusive of all public

² U.S. Geological Survey, Project Description, "Groundwater Recharge and Availability in Eastern Moloka'i" *available at*: http://hi.water.usgs.gov/studies/molokai/.

trust uses of ground water resources. The Department considers this the baseline scenario that all future pumping must not impact.

II. Ho'olehua water system improvements

The proposed Ho'olehua Water System Improvements funded by the USDA, reviewed in detail last year, are currently in the design and project development phase. Land Development Division is responsible for preparing the bid packages for 4 USDA water projects for PWS 230. LDD has completed 3 of the 4 bid packages, with the outstanding package being the PV system. LDD transmitted the first 3 bid packages to the Deputy Attorney General for review and sign off. DHHL is also required to send the bid packages to the USDA Colorado office for review and approval. Once the fourth bid package is completed, reviewed and approved by the DAG and USDA, DHHL can proceed to publicly post the Invitation for Bid (IFB) for the Ho'olehua Water System Improvements (PWS 230) procurement notice.

III. Wells on Moloka'i homesteader lands

Consistent with development of the Department's Water Assets Inventory, and in conjunction with ongoing efforts of the CWRM to increase compliance with pumping reporting, in March 2018 DHHL staff and consultants worked closely with a consultant to the CWRM to verify the existence of and inspect existing wells on DHHL lands in Moloka'i. Well conditions ranged from wells that could no longer be located to excellently maintained wells. The Department is following up with the homesteaders about potential compliance issues.

RECOMMENDATION

None; for information only.

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

April 16, 2018

To: Chairman and Members, Hawaiian Homes Commission

Through: Kaleo Manuel, Acting Planning Program Manager Hume From: Lehua Kinilau-Cano, HHL Legislative Analyst Juhne Kumin Cene

Subject: Legislative Updates 2018

RECOMMENDATION/ACTION:

None; For information only.

DISCUSSION

The State Budget

The Senate voted to amend the State Budget reflected in HB1900, HD1, SD2. The Senate didn't make any changes to the Governor's Operating Funds request for DHHL of \$25,120,730 in general funds for fiscal year 2019. The Senate also incorporated the Governor's revised proviso requiring \$6,865,887 or so much thereof as may be necessary for fiscal year 2019 be transferred to B&F for fringe benefit costs. With regard to the Governor's CIP request of \$15 million in fiscal year 2019 for lot development, the Senate amended the request by appropriating \$11.603 million. The Governor also proposed \$10 million in CIP for R&M for existing infrastructure and the Senate amended the request by appropriating \$3.001 million in fiscal year 2019. Α chart highlighting the budget request for fiscal year 2019 for Purpose 4 - Operating & Admin expenses and Purposes 1-3 - Lots, Loans & Rehabilitation Projects in HB1900, HD1, SD1 is attached as Exhibit 'A'.

Measure Tracking

Staff has prepared a measure tracking spreadsheet listing all measures that impact the department that are still moving in the Legislature. The current spreadsheet with the status of each measure as of 04-10-18 is attached as Exhibit 'B'.

Of the DHHL bills in the Governor's Package, the bill protecting the privacy of beneficiary information has been inserted into HB2318, SD1. A measure (HB2464, SD2) that would require DHHL to conduct a study and report on the issue of

Hawaiian home lands lessees selling or transferring their leases for a fee or other personal gain and then applying for a subsequent lease would be required to be submitted prior to the convening of next session. DHHL has also submitted comments on a measure (SB2424, HD1) that authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL and noted that the measure is unnecessary because section 214 of the HHCA includes broad authority so specifically defining a micro housing unit is unnecessary.

In addition to the bills and 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.

RECOMMENDED MOTION/ACTION

None; For information only.

DHHL's "Sufficient Funds" & Executive Biennium Budget FY 2019 – Purpose #4

	FY2019 DHHL	FY2019 GOV	FY2019 HB1900 HD1	FY2019 HB1900 SD2
A & O Budget Request (A)	(260) \$31,831,519	(200) ^\$25,120,730	(176) *\$23,590,442	(200) ^\$25,120,730
Operating R&M for Existing Infrastructure (A)	\$3,613,000			
CIP R&M for Existing Infrastructure (C)	\$35,315,000	\$10,000,000	\$3,000,000	\$3,001,000
Total HHC A & O Budget Request	\$70,759,519	\$35,120,730	\$26,590,442	\$28,121,730

*Includes \$6,865,887 in FY 19 to reflect the fringe benefit cost ^Includes fringe benefit costs

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DHHL's "Sufficient Funds" & Executive Biennium Budget FY 2019 – Purposes #1-3

	FY2019 DHHL	FY2019 GOV	FY2019 HB1900 HD1	FY2019 HB1900 SD2
Lot Development (C)	\$147,125,000	\$15,000,000	\$9,580,000	\$11,603,000
Loans (C)	\$73,100,000			
Rehab Projects (C)	*\$29,050,000			
Rehab Projects (A)	^\$13,109,100			
Total	\$262,384,100	\$15,000,000	\$9,580,000	\$11,603,000

*Total reflects projects requested by homestead leaders. ^ Includes \$365,000 requested by homestead leaders.



Measure #	Report Title	Measure Title	Description	Status	Introducer(s)	Current Referral	Comp.
			To adjust and request appropriations for				
		1	Fiscal Biennium 2017-19 funding				
			requirements for operations and capital				
			improvement projects of Executive Branch		SAIKI (Introduced by request of another		
HB1900 HD1 SD2	State budget.	RELATING TO THE STATE BUDGET.	agencies and programs.	S.4/6/2018: 48 Hrs. Notice 04-10-18.	party)	WAM	_
		1					
			Establishes the Mauna Kea Management				
			Authority and membership of the Authority.				
			Establishes and specifies duties of the				
			Mauna Kea candidate advisory council.				
			Limits the number of telescopes that may				
	8		be authorized on Mauna Kea. Authorizes				
			the renegotiation of leases, subleases,				
		1	easements, permits, and licenses pertaining				
			to Mauna Kea. Requires that revenue				
			derived from activities on Mauna Kea be				
			shared with the Office of Hawaiian Affairs				
			and the Department of Hawaiian Home				
			Lands, as well as used for educational and				
			other community purposes. Excludes		1		
			Mauna Kea lands from the definition of				
			"public lands". Provides for free access to				
			Mauna Kea for traditional cultural purposes.				
			Establishes police powers and provides for				
			enforcement of laws on land under the				
			jurisdiction of the Mauna Kea Management				
	Mauna Kea Management Authority;		Authority. Appropriates funds. Takes effect				
	Established; Mauna Kea; Appropriation	RELATING TO LAND USE.	upon approval. (SD1)	S 4/6/2018: 48 Hrs. Notice 04-10-18.	YAMANE, CULLEN, C. LEE, LOWEN	HRE/WTL/WAM	
NB1365 HU1 301	Established, Mauria Rea, Appropriation	RECATING TO DATE OUL.	apon approval. (301)	3 4/0/20188 HIS. NOTCE 04-10 18.	WHATE, COLLEN, C. LEE, CO H		
			Specifies certain government records				
			maintained by the Department of Hawaiian				
			Home Lands are not required to be publicly				1
			disclosed or made open to inspection				
			pursuant to public records requests and			1	
			may be discussed during an executive				1
	Department of Hawaiian Home Lands;	RELATING TO CONFIDENTIAL PERSONAL	meeting of the Hawaiian Homes		SAIK (Introduced by request of a not her		
UP3319 UD1 CD1	Disclosure of Government Records	INFORMATION.	Commission. Effective 7/1/2050. (SD1)	\$ 4/5/2018: 48 H/s. Notice 04-10-18.		JOC	
N02310 N01 301	Disclosure of Government Records		Commission. Effective 7/1/2030. (301)	5 4/5/2018: 48 His. Hot Ce 04-10-18.	party)		
			Requires the department of Hawaiian home				
			lands to conduct a study on the issue of				
			Hawaiian home lands lessees selling or				
			transferring their leases for a fee or other				
			personal gain and then applying for a				
			subsequent lease and submit a report of the				
					PERMIT CHURN CATES HASHERS HOLT		
			findings and recommendations of its study,		DECOITE, CULLEN, GATES, HASHEM, HOLT,		
			including any proposed legislation, to the		ITO, KEOHOKALOLE, LOWEN, LUKE, ONISHI,		
			legislature no later than twenty days prior		SAY, SOUKI, TODD, TOKIOKA, TUPOLA,		
	Department of Hawaiian Home Lands;	RELATING TO THE HAWAIIAN HOMES	to the convening of the regular session of	H 4/10/2018: House disagrees with Senate	WARD, YAMANE, YAMASHITA, Evans, Har,		
HB2464 HD2 SD2	Lessee s; Waitlists; Report	COMMISSION ACT.	2019. Takes effect on 7/1/2050. (SD2)	am on dment (s).	Ing, McKelvey	HWN. JDC	SB2984

Measure #	Report Title	Measure Title	Description	Status	Introducer(s)	Current Referral	Comp.
			Authorizes the construction and use of				
1			micro housing units on Hawaiian home				
			lands approved by the Department of				
			Hawaiian Home Lands, and leased to native		0		
			Hawaiian beneficiaries who meet the				
			minimum Hawaiian blood quantum				
			requirement, notwithstanding county				
			zoning laws. Authorizes the use of the				
			Hawaiian Home Loan Fund and Hawaiian				
			Home General Loan Fund for assistance in				
			purchasing or renting micro housing units				
1			for use on approved Hawaiian home lands				
			and leased to beneficiaries who meet the				
			minimum Hawaiian blood quantum				
			requirement. Makes appropriations to the				
			Department of Hawaiian Home Lands for				
			construction of micro housing units, subject to certain conditions, and to build general				1
			organizational capacity of native Hawaiian-				
	DHHL; HHFDC; Micro Housing; Tiny Homes;	RELATING TO HOUSING FOR NATIVE	controlled nonprofit housing developers.	H 4/6/2018: Forty eight (48) hours notice	ESPERO, Harimoto, Keith Agaran,		
SB2424 SD2 HD1	· · · · · · · · · · · · · · · · · · ·	HAWAIIANS.	(SB2424 HD1)		Shimabukuro	HSG/OMH, FIN	HB2473
				H 3/28/2018: Report adopted. referred to			1
		URGING THE DEPARTMENT OF HAWAIIAN		the committee(s) on FIN as amended in HD	WARD, BROWER, CACHOLA, CREAGAN,		
		HOME LANDS TO COMMIT TO PROVIDING		1 with none voting aye with reservations;	DECOITE, MCDERMOTT, SOUKI, THIELEN,		
		HOUSING FIRST FOR NATIVE HAWAIIAN		none voting no (0) and Representative(s)	TUPOLA, Ichiyama, Nishimoto, Saiki,		
HR157 HD1		BENEFICIARIES.		Souki excused (1).	Takayama, Takumi	HSG/OMH, FIN	
	1	APPROVING THE DEDICATION OF LEALIâ€ [™] I					
		PARKWAY, LAHAINA, HAWAII, TO THE		H 4/10/2018: Referred to HSG/OMH, FIN,	KOUCHI (Introduced by request of another	HSG/OMH, FIN	HCR9
SCR16 SD1	Maui; Legislative Authorization	COUNTY OF MAUI. REQUESTING THE DEPARTMENT OF		referral sheet 53	party)	h30/Own, rin	inch's
		HAWAIIAN HOME LANDS TO PROVIDE			HARIMOTO, ESPERO, INOUYE, KEITH-		
		MULTI-FAMILY, HIGH-DENSITY			AGARAN, K. RHOADS, TOKUDA, S. Chang,		
		DEVELOPMENT IN TRANSIENT-ORIENTED			Galuteria, Green, K. Kahele, Nishihara,		
		DEVELOPMENT ZONES AND TINY HOMES		H 4/10/2018: Referred to HSG/OMH, FIN,	Riviere, Shimabukuro, Taniguchi, L. Thielen,		
SCR48 SD1		FOR NATIVE HAWAIIANS.		referral sheet 53	Wakai, Ruderman	HSG/OMH, FIN	
		REQUESTING THE LEGISLATIVE REFERENCE					
		BUREAU TO CONDUCT A STUDY					
		REGARDING DESIGNATING, DISSOLVING,					
	Hawaii Community Development Authority;	I Contraction of the second se					
		DEVELOPMENT DISTRICTS UNDER THE			DELA CRUZ, ENGLISH, GALUTERIA, INOUYE,		
		HAWAII COMMUNITY DEVELOPMENT		H 4/10/2018: Referred to WAL, HSG/TRN,	KIDANI, S. Chang, K. Kahele, Keith-Agaran,		
SCR 50	Reference Bureau; Report	AUTHORITY.		FIN, referral sheet 53	Kim, Nishihara, Shimabukuro, Wakai	WAL, HSG/TRN - FIN	1

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 16-17, 2018

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager Subject: Quarterly Grants Status Report-End of 3rd Quarter 2018

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:

- Currently managing 33 grantees
- Old Grants (3)
 - o 2 Project Implementation Grants
 - o 1 Community Economic Develop Grant
- Grant in Aid (GIA) (9)
 - o Memo submitted to Governor to release 2017 GIA
 - o Grant extensions for old GIAs awaiting AG approval
- Capacity Building Grants (14)
 - o Four grantees still have not executed grant contracts
 - o Remaining 10 grantees started grant implementation
- Ag Peer-to-Peer Grants (7)
 - o One of three Ag Peer-to-Peer Grants in 2016 is completed. The other two are still in implementation
 - o All four Ag Peer-to-Peer Grants in 2017 contracted and implementation underway

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DHHL Grants Status Report End of 3rd Quarter - April 16-17, 2018

l	GRANT					DHHL Land	Amo			erage	Beneficiar	ies Served	
ISLAND	TYPE	ORGANIZATION (legal name)	Project Description	START DATE	END DATE	Disposition, if	Total	Balance	Cash	In-Kind	Planned	Actual	NOTES
			Data Management, Board training,										
			donor development, quarterly										
		Kailapa Community Association -	newsletter, travel for DHHL meetings										Process Underway - Awaitin
HAWAII	СВ	14.333 acres	and Legislative Hearings	8/7/2017	12/31/2018	LIC 751	\$5,000	\$2,000					Progress Report
		Kailapa Community Association -	Kailapa Pavilion & Playground plan,	0///2011	12/01/2010		\$0,000	φ2,000					Contract No. 64812 Closed
HAWAII	GIA-CIP	14.333 acres	design, construction	06/01/16	12/31/17	LIC 751	\$315,000	\$3,000					December 19, 2017
		Kailapa Community Association -		00/01/10	12/01/17		- 4010,000	φ0,000					Final Memo Sent to Govern
HAWAII		14.333 acres	Community Center CIP	TBD	тво	LIC 751	\$500,000						to release Funds
		14.000 acres	Increase membership, get training to				\$300,000						
			create and maintain website, create										
			and distribute KHHCA logo shirts to					3					
			members, survey homesteaders and										
	0.0	Kaumana Hawaiian Homes	surrounding residents about		10/01/0010		A 4 000	A 100	* ~~~		07		Progress Underway - Await
HAWAII	СВ	Community Association	community issues.	6/22/2017	12/31/2018	N/A	\$4,900	\$400	\$300	0	27		Progress Report
		Keaukaha Pana'ewa Farmers	Market Study & Business Plan for										Grantee returned funds to
HAWAII	PI	Association - 1.0 acre	Farmers Market	09/28/10	04/23/12	ROE 482	\$26,000	\$3,000					DHHL.
													Final Memo Sent to Govern
HAWAII	GIA-CIP		Community Center CIP	TBD	TBD	GL 286	\$500,000						to release Funds
		Pana'ewa Community Alliance	Kamoleao Cultural Resource Center										
HAWAII	GIA-CIP	12.77 acres	planning & design	06/01/16	12/31/17	LIC 788	\$150,000	\$75,000					First Invoice Processed
			Secure new partnerships, promote										
			board engagement, and increase										
			membership through a logo design									2	
			and creation process involving										
			homesteaders and students and										
			faculty at HCC. Logo will be put on t-										
		Piihonua Hawaiian Homestead	shirts, website, and educatioonal										Purchase Order - 180596
HAWAII		Community Association	materials.	8/4/2017	6/30/2018		\$5,455	\$500	\$455				September 29, 2017
		Waimea Hawaiian Homesteaders	Farming for the Working Class -										Contract Closed on June 19
HAWAII	AG	Association	greenhouses	08/31/15	12/31/16	N/A	\$93,968	\$0			7	7	2017
			Broad training, stratwegic planing,	00/01/10	12/01/10		400,000	\					2011
			develop marketing strategies,										
			develop marketing strategies, develop organizational functions,										Working with issue with
MAUI	СВ	Ahahui Aina Hoopulapula o Waiohuli		TBD	TBD		\$5,000						avanta a
MAUI		Ananui Ana Hoopulapula o Walonuli					\$5,000						grantee
			Train 28 beneficiaries on farm lot										
			prep using heavy equipment;										1/00/10 site visit shotes
			planning and purchasing green			DOF (00	477 700	400 700					1/30/18 site visit, photos,
MAUI	AG	Association	houses; cultivating cash crops	6/15/2017	12/31/2018	ROE 496	\$75,700	\$30,700		TBD			project on track
			Train farmers to use heavy										Need to make amendments
		Keokea Homestead Farm Lots	construction equipment so they can										then route to Association for
MAUI	СВ	Association	prepare their land for crops.	TBD	TBD	ROE 496	\$13,000			\$8,000			signature
			Update community vision plan for the										
		Paukukalo Hawaiian Homes	redeveloment of the former Armory										Funds encumbered; project
MAUI	СВ	Community Association	site as a health and education center	TBD	TBD	ROE 641	\$3,608						active
		Villages of Leali'i Association											Awaiting final report from
MAUI	PI	3 acres	Individual gardens project	08/01/09	12/31/13	ROE 497	\$15,000	\$0				TBD	grantee; Kuha'o Mau FS
		Waiohuli Hawaiian Homesteaders'	Community Center & Park Phase 2										
MAUI	•	Association Inc 17 acres	improvements	08/18/15	6/30/2018	LIC 695	\$1,500,000	\$300,000					On track.
		Waiohuli Hawaiian Homesteaders						,,					Final Memo Sent to Govern
			Community Center CIP	TBD		LIC 695	\$500,000						to release Funds

DHHL Grants Status Report End of 3rd Quarter - April 16-17, 2018

	GRANT					DHHL Land	Ame	ount	Leve	rage	Beneficiari	ies Served	
ISLAND	TYPE	ORGANIZATION (legal name)	Project Description	START DATE	END DATE	Disposition, if	Total	Balance		In-Kind	Planned	Actual	NOTES
			Board training, strategic planning,										
			develop/ improve organizational										
			management processes, increase										
			membership and outreach for 6										Funds encumbered; project
OLOKAI	CP	Ahupuaa o Molokai	homestead organizations.	10/20/2017	13/31/18	ROE 507	\$33,310	\$13,310	\$2,000	\$8,000			active
ULUKAI		Kalama'ula Homesteaders	nomestead organizations.	10/20/2017	10/01/10	102.007	φου,στο	<u>φισ,στο</u>	φ2,000	\$0,000			Awaiting retroactive grant
			Kiowea Park improvements	04/01/16	06/30/17	110 754	\$500,000	\$50,000					extension approval
IOLOKAI	GIA-CIP	Association - 5.15 acres	Klowea Park Improvements	04/01/10	00/30/17		\$500,000	\$50,000					Delayed and need extension;
				00/00/40	00/00/17	NI/A	¢70.000	\$00.000			15		site visit tbd
OLOKAI	AG	Makakuoha Cooperative	Natural Farming Systems	06/02/16	06/30/17		\$70,000	\$20,000			15		
			Develop a website, host a									18	Purchase Order - 180594
			professional presentation on				AF 700	C.		\$700			· · ·
OLOKAI	CB	Molokai Homestead Farmers Alliance	Hawaiian culture and history.	8/4/2017	6/30/2018		\$5,700			\$700			September 29, 2017
													Phase I & II complete. Phase
		Moloka'i Homestead Farmers											III to be completed - working
OLOKAI	GIA-CIP	Alliance	Lanikeha Center improvements	04/04/16	05/31/18	LIC 789	\$1,750,000	\$1,250,000					on time extension
			Financial training for kupuna,										
		Molokai Hawaiian Home Lands	awareness of financial benefits and										Purchase Order - 180595
OLOKAI	СВ	Kupuna Committee	housing.	8/4/2017	6/30/2018		\$6,000	\$500		\$1,000			September 29, 2017
			Train and assist 4 Co-op Members to										
		Sons of Ho'olehua (FS: Sust'ainable	develop ag lots into commercial										Contract No. 66065; project
OLOKAI		Molokai)	farming businesses	12/1/2017	12/31/2018		\$69,300	\$26,300		TBD			underway site visit tbd
OLONAI	<u>AG</u>				12,01,2010		+	+===,===					
/		Ka'ala Farm Inc.											Reports received from grantee.
лын I		98 acres	Ohana Gardana project	11/24/2015	12/31/16	110 724	\$36,032	\$9,229			6		Grant closeout in process.
AHU	AG		'Ohana Gardens project	11/24/2015	12/31/10		φ30,032	ψ3,223				100 C	
/													
			Train 6 Wai'anae homestead lessees								C homostood		
			and their families about farming wet								6 homestead	8	
			and dry land kalo processing and								families or ag		
AHU	AG	Ka'ala Farm Inc.	marketing kalo products	7/21/2017	12/31/2018	LIC 724	\$40,000	\$20,000	\$8,875		lessees		Site Visit Planned 5/30/18
													Contract No. 64719 - Waiting
		Kapolei Community Development											on retroactive grant time
AHU	GIA-CIP	Corporation - 0.52 acre	Heritage Center project construction	04/01/16	06/30/17	GL 288	\$500,000	\$100,000					extension
			Update and implement a strategic										
			plan and conduct at least 3										
		Papakolea Community Development	community and family engagement										Contract Signed; Purchase
AHU	СВ	Corporation	activities.	TBD	TBD	LIC 559	\$11,180			\$6,180			Order needs to be requested
													Received information from
/													grantee. New Grant Agreement
													being processed. ROE 448
,		Papakolea Community Development	Puowaina community economic			ROE 448							(14.53 acres) expired 08/31/16.
•			development project	01/05/12	12/31/14		\$250,000	\$70,000					Time extension in process.
		Corporation - 14.55 acres		01/03/12	12/31/14	rending	φ200,000	φ/0,000					
AHU	CED		Ecoup group interviewe with regidente						1	1			Funds encumbered; project
AHU	CED		Focus group interviews with residents										
AHU	CED		to plan products and services to										
			to plan products and services to serve the needs of Papakolea		0/00/00/0		AF 000						active; waiting on financial
		Papakolea Hawaiian Civic Club	to plan products and services to serve the needs of Papakolea residents.	6/15/2017	6/30/2018		\$5,600		\$600				
			to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial
			to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply for, execute, and report on	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial
			to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial
		Papakolea Hawaiian Civic Club	to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply for, execute, and report on	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial
		Papakolea Hawaiian Civic Club	to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply for, execute, and report on governmental and foundation funding by hiring a grantwriter to train board	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial
		Papakolea Hawaiian Civic Club	to plan products and services to serve the needs of Papakolea residents. Develop the capacity to locate, apply for, execute, and report on governmental and foundation funding	6/15/2017	6/30/2018		\$5,600		\$600				active; waiting on financial

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DHHL Grants Status Report

End of 3rd Quarter - April 16-17, 2018

	GRANT					DHHL Land	Amo	ount	Lev	erage	Beneficiar	ies Served	
ISLAND	TYPE	ORGANIZATION (legal name)	Project Description	START DATE	END DATE	Disposition, if	Total	Balance	Cash	In-Kind	Planned	Actual	NOTES
1			Improve website, develop social										
			media, marketing training, facilities							1 1			
			repair, create a business center,										Working with issue with
KAUAI	СВ	Kalalea/Anehola Farmers Hui	increase membership.	TBD	TBD		\$11,666			\$6,666			grantee
			Conduct 18 month pilot-test of Pu'u										
1			'Opae Ho'omakaukau Training					1					
		Kekaha Hawaiian Homestead	Program with 5-8 beneficiaries on										Project underway - site visit
KAUAI	AG	Association	Kaua'i Ag and Pastoral Waitlist	10/6/2017	6/1/2019		\$15,000	\$1,000		\$35,400			planned 8/15/18
			Conduct regular community activities,										
1			including movie nights, holiday										
			celebrations, community concerns										
		Kekaha Hawaiian Homestead	meetings. Secure long-term lease for										Purchase Order - 180604
KAUAI	1	Association		TBD	TBD		\$8,000	\$5,000		\$3,000			October 10, 2017
RAUAI			Pu'u Opae Farm plan.				φο,000	\$5,000		\$3,000			

GRANT TYPE

AG = DHHL Agriculture Peer-to-Peer grants

CB = DHHL Capacity Building grants

CED = DHHL Community Economic Development grants

PI = Project Implementation grant

GIA-CIP = HRS Chapter 42F State Grant in Aid, Capital Improvement Project

GIA-OP = HRS Chapter 42F State Grant in Aid, Operating

DHHL LAND DISPOSITION

GL = General Lease

LIC = License ROE = Right of Entry

State of Hawaii

Department of Hawaiian Home Lands

April 16 - 17, 2018

To: Chair and Members, Hawaiian Homes Commission

From:

Through: M. Kaleg Manuel, Acting Planning Program Manager Gigi O. Cairel, Grants Specialist Main E. Halealoha Ayau, Water Resources Specialist

Subject: Approval of Water Rate Increase for DHHL Ho'olehua Water System.

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) approve the water rate increase for the Department of Hawaiian Home Lands (DHHL) Ho'olehua water system. Rates shall take effect July 1, 2018.

BACKGROUND AND PURPOSE

The Department of Hawaiian Home Lands (DHHL) owns and operates the Ho'olehua drinking water system (PWS 2301) on the island of Moloka'i. Of the four water systems that DHHL owns statewide, the Ho'olehua system is the largest in size and service area and the oldest (over 85 years). It is also the only DHHL water system that serves both beneficiaries and nonbeneficiaries. The system serves an average of 600 connections and over 2,400 people. Homestead areas served are Ho'olehua, Kalama'ula, Nā'iwa and Pālā'au. Additionally, there are 38 community facilities and businesses that are connected to the system, such as the Ho'olehua Airport, US Post Office, schools and churches. The DHHL Ho'olehua water system also supplies water to Maui County PWS 235 Kalae and Molokai Ranch PWS 245 Kipu. Lastly, the DHHL system has an emergency inter-tie with the County of Maui water system. All other homestead areas on Moloka'i receive drinking water service from the County of Maui.

As the owner of water systems, HHC and DHHL are responsible for providing safe, clean water and protecting community health and safety, while maintaining compliance with federal and state

¹PWS is the Public Water System number assigned by the State Department of Health for every regulated drinking water system in the State of Hawaii.

laws. Drinking water for the DHHL Hoolehua system comes from two DHHL-owned groundwater wells and treatment consists of sodium hypochlorite. The source water is excellent and water quality testing meets all water quality standards. The Ho'olehua system is operated by DHHL personnel, who are beneficiaries and have achieved Grade 1 and Grade 2 operator certifications. Department of Health requires the DHHL Ho'olehua system to have a certified Grade 2 water operator.

To improve the operational efficiency of the Hoolehua water system, DHHL sought federal funds to make major capital improvements. The US Department of Agriculture (USDA) Rural Development obligated \$10 million for the improvements to the DHHL Ho'olehua system. DHHL is contributing over \$12 million, making the total project cost \$22 million. Typically, capital reserves are budgeted from the revenue generated by the water rates. DHHL is very fortunate to receive this federal grant assistance, thus making it possible to not pass on these capital improvement costs to the rate payers. The improvements, which includes installing a photovoltaic system (to reduce energy costs) and re-alignment of road access to the system, are scheduled to be completed by 2021. It is anticipated the system will achieve significant operational efficiency and cost reductions.

As with any government-owned water system, a major challenge is balancing water service adequacy and dependability with costs and customer rate affordability. DHHL's aging systems need continued investment to keep them operational. Many parts of the systems are near the end of their life cycle, such as storage tanks, booster pumps, and distribution lines. DHHL is not alone. Water utilities across the country are facing the same challenge. Over the past year, DHHL studied our systems needs and worked to understand the costs of providing water service. Every component critical to delivering water, protecting our ground water source wells, storage, distribution, and treatment, was closely analyzed and planned to ensure sustainability and viability for future generations. The results tell us that we must raise rates to continue providing clean, safe and dependable water supply to beneficiaries and customers served by the DHHL systems. To keep rates affordable to beneficiaries, we must seek other funds, including Trust funds. At the same time, the costs of providing water service have grown steeply - labor, materials, fuel, electric power to run our well pumps and other components. For example, for Ho'olehua, since 2003, costs increased by 90%, yet our last rate increase of 10% was in 2004.

Interim Cost of [Water Delivery] Service Analysis

The HHC approved Water Policy Plan, Policy #3, goal #17 states,

"Secure revenue and reduce operation costs so DHHL water systems break even financially over time."

As a first step in fulfilling this goal and to mitigate unsustainable financial losses from delivering drinking water to beneficiaries, DHHL sought technical assistance from the Rural Community Assistance Corporation (RCAC), a federal 501(c)(3) nonprofit with over 40 years experience with small, rural community water/wastewater utilities in the western region of the U.S. RCAC conducted an interim Cost of [Water Delivery] Service (COS) analysis on all four DHHL-owned water systems. The COS was completed in June 2017 for DHHL Fiscal Years 2015 and 2016. The COS analysis was based on after-the-fact reviews of DHHL expenses, all of which was not coded within the DHHL accounting system to the Hoolehua water system enterprise. The COS was presented at an informational workshop held at the June 2017 HHC regularly scheduled meeting. Also, information from the COS relative to the Hoolehua water system was shared at an informational meeting with Molokai beneficiaries in November 2017. The COS was intended to serve as the base to evaluate the current DHHL water rate schedules and make recommendations for provisional rates.

Since completion of the COS analysis, DHHL lessons learned include:

- Gathering water system expense data was extremely challenging, given DHHL's current budgeting and accounting systems. Thus, the COS may not have captured all of the "true costs" of each system.
- Address non-payment of water bills.
- Increase dedicated staff to manage and operate the DHHL water systems.
- Increase staff training and management oversight on accurate coding of water system expenses and revenue.
- Centralize internal management and oversight of the Hoolehua system with DHHL's other three water systems to achieve management and operational efficiencies and consistency.

The COS gave us a good start in understanding the financial needs of the Ho'olehua system. With the COS completed, the next step was to conduct an interim water rate study to help DHHL move toward sustainably managing its water systems.

Typically, water rate studies identify the total revenue required by a utility to conduct its normal day-to-day

operations, while anticipating future operating and capital needs, such as an emergency replacement of a pump. After determining revenue needs, a rate schedule is developed to divide the costs of delivering clean, safe water among users. There are numerous ways that rates can be structured. DHHL uses 3 types as follows.

- Increasing block rates a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 -25,000; over 25,000 gallons) is charged at a higher rate than the previous blocks. This is the rate structure used by the DHHL Ho'olehua, Anahola (Kauai), and Kawaihae (Hawaii) water systems.
- Decreasing block rates a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 -30,000, over 30,000 gallons) is charged at a lesser rate than the previous blocks. Typically, this rate structure is used to encourage local economic development. DHHL uses this structure for DHHL agriculture beneficiaries to encourage farming on Molokai and in Anahola (Kauai).
- Uniform rates all users pay the same amount regardless of the quantity of water used. This is the rate structure used for the DHHL Pu'ukapu non-potable water system on Hawaii island.

Water systems typically adopt policies or criteria to guide structuring rates such as encouraging water conservation, ensuring affordability for residents, encouraging economic development, etc.

DISCUSSION

For most small water systems, the main source of revenue, and often times the only source, is derived from Water Rate schedules. Generally, water rates fund daily operations, routine maintenance, repairs, electricity, and four types of reserves operating, emergency, capital and debt service. On this latter, DHHL is fortunate to not have any debt service on any of DHHL's water systems. The current DHHL water rate schedule for the Ho'olehua water system expires on June 30, 2018. The last time rates were raised was in 2004. The increase (10%) was done incrementally over a 10-year period to achieve parity with County water rates. While the County's rates have increased over time, DHHL has not.

In November 2017, DHHL staff conducted a series of wellreceived community education meetings statewide to increase awareness of the department's costs to deliver clean, safe water to beneficiaries. And, on March 12, 2018, the DHHL Beneficiary Consultation was held on the proposed rate increase to the Ho'olehua water system. From Table 1 below, the Ho'olehua system operated at a loss of close to \$530,000 in Fiscal Year 2016. Taking into account Reserves, the shortfall increases to \$1,241,000 (Table 2). Nonpayment of water bills amounted to \$121,360 (or 23% of the \$530,000 shortfall). The magnitude of these losses is indicative of a deficiency in the current water rates and, to some extent, indicative of system managerial and operational inefficiencies. The losses of the Hoolehua water system are paid out of Trust funds. This revenue shortfall continues to increase as operational costs increase, aging infrastructure needs to be repaired or replaced, and non-payment of water bills increases. DHHL must look for ways to reduce subsidization and operate the water system in a financially sufficient manner.

Table 1

DHHL Ho'olehua Water System FY 2016 - Revenue and Expenses without Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$395,997	\$274,637	\$121,360
Total Expenses to operate the system	\$803,433	\$803,433	-0-
Shortfall	<\$407,436>	<\$528,796>	\$121,360

Table 2 DHHL Ho'olehua Water System FY 2016 - Revenue and Expenses with Reserves

	BILLED	COLLECTED	Difference
	Amount	Amount	
Total Revenue	\$395,997	\$274,637	\$121,360
Total Expenses to operate the system	\$803,433	\$803,433	-0-
Reserve funds	\$711,984	\$711,984	-0-
TOTAL	\$1,515,417	\$1,515,417	-0-
Shortfall	<\$1,119,420>	<\$1,240,780>	\$121,360

As stated earlier, the Ho'olehua water system serves an average of 600 connections - over 80% are beneficiaries. By industry standards, this system is considered very small, so DHHL is not able to achieve economies of scale such as the County water departments. Additionally, our current rate schedule is very low and has not kept up with rising costs, so revenue generated from the rate schedule does not produce enough to recover costs. To financially break even, DHHL must look at decreasing expenses and finding new ways to increase revenue. Here are current approaches.

	Table 3							
Current	Approaches	to	Balance	Water	Budget			

Decrease expenses	Increase revenues
 Seek cost efficiencies in the water system budget 	 Address non-payment of water bills
 Continue leak detection 	 Increase water rates
 Investigate un-accounted for water 	 Obtained \$16 million in CIP funds from US Department of
 Increase routine maintenance 	Agriculture Rural Development
 Implement alternative energy/Photo Voltaic to reduce electricity costs 	 Explore other sources for CIP funding

For DHHL, the following five criteria were used for the interim Rate Study.

- 1. Aligned with the mandates of the Hawaiian Homes Commission Act of 1920 (HHCA) and the HHC Water Policy Plan.
- 2. DHHL is first and foremost a Public Trust for HHCA beneficiaries. For the Ho'olehua system rate schedule, customer classes identify HHCA beneficiaries from nonbeneficiaries (called "commercial accounts"), so support from Trust resources can be made available only to beneficiaries.
- 3. Beneficiary affordability Industry standard is that rates are considered affordable at 1.5% and not more than 3% of the US Census median household income.
- 4. Equitability rates are considered fair and equitable when each customer class pays its proportional share of the cost to provide for the delivery of clean, safe water.
- 5. Financial sustainability or "break even", per Water Policy Plan Goal #17.

Interim Water Rate Study - Findings and Recommendations

Major findings:

- Though DHHL's rate schedules are complex, they are highly equitable.
- Each DHHL water system serves diverse and unique communities with varying operating costs and numbers of connections. Thus, rate options were calculated separately and are unique to a particular system. Because of the uniqueness of each system, comparing rates among DHHL's four systems is generally not useful. Nor is it useful to compare DHHL's rate schedules to the County water departments or any other

water utility. The Counties are able to achieve economies of scale, due to their large population base and wide range of customer classes (residential (single- & multi-family), agriculture, community facilities, commercial/industrial).

- All DHHL water systems are operating at a deficit totaling \$900,000 annually.
- The current DHHL accounting system is not structured in a manner that allows capturing of costs by each individual water system. Thus, the amount each water system is supported by other funds is unclear.
- Management and operations of the DHHL water systems is highly de-centralized and severely under-staffed. Addressing staffing levels is an important step as this can increase costs further or reduce them; build internal capacity and expertise; and increase operational efficiencies.

Overall Recommendations from the interim Rate Study are as follows. DHHL is agreeable to these recommendations.

- Add 3% annual increase for inflation, regardless of which rate option DHHL implements.
- Implement rates in the range of 1.5% to 3.0% of US Census median household income. DHHL to consider conducting its own income surveys, if US Census data is not accurate in homestead areas.
- Change from bi-monthly billing to monthly to achieve fiscal sustainability and customer affordability objectives.
- When more reliable financial statements (based on Enterprise Accounting) are consistently generated, it is recommended that DHHL compare the projected costs used in the Rate Study to calculate rates to actual costs tracked.
- Develop long-term plan and have written policies to fund reserve accounts.
- Conduct annual reviews of accounts receivable's aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the budgeting process.
- Educate water customers regarding the costs of service and the need for rate increases. Often, when customers understand this, resistance to rate increases lessens.
- Develop and enforce stringent collections and water service shut-off policies to keep delinquent accounts at a minimum.

There are two areas where DHHL differs from the recommendations in the Study. These are discussed below.

1. The preferred rate option in the Study

The preferred rate option in the Study is to recover full operational costs and budget for reserves - operating,

capital, emergency. This option projects no shortfall. To achieve this, the rate increase in Year 1 is a 475% increase to the meter fee and 300% increase to the water usage fee. Then, add 3% for inflation every year thereafter. Per the Study, this rate increase is still considered affordable, except for high-volume water users. These increases would apply equally to all users - beneficiaries and nonbeneficiaries.

Though an admirable goal of any water system rate schedule is to recover all costs and set-aside funds for reserves, DHHL staff does not agree with the Study's preferred option. Two reasons: (1) this rate increase does not differentiate between beneficiaries and non-beneficiaries; and, (2) users will be impacted with high rate shock in Year 1. Minimizing rate shock and demonstrating priority for beneficiaries are important criteria.

The Ho'olehua water system is the only DHHL system that serves both beneficiaries and non-beneficiaries. Currently, system water rates are different for each customer class residential beneficiary, agriculture beneficiary, and nonbeneficiary (commercial).

The DHHL recommendation is a modified version of the Study's fourth option. DHHL believes this rate option best meets the five criteria, particularly rate affordability, Trust obligation to beneficiaries, and no Trust resources supporting non-beneficiaries.

For beneficiaries, the recommended rate increase is 79% to the meter fee and 50% to the water use fee. For nonbeneficiaries, the rate increase is 315% to the meter fee and 200% to the water use fee.

Note: the DHHL recommended figures differ from the Study because the final version of the Study changed from the time DHHL obtained HHC approval to conduct beneficiary consultation in February 2018.

2. <u>Phased approach to implementing rate increase</u> The Study cautions against using a phased approach because a phased approach may ultimately result in higher rates at the end of the period in which the incremental increase is implemented.

The DHHL recommendation is to use a phased approach to minimize the rate shock to beneficiaries and to help beneficiaries financially prepare. In the last rate increase in 2004, DHHL used a phased approach. Specifically, the recommendation is to incrementally increase the rates over a 10-year period. For beneficiaries this would be 7.9% (meter) and 5.0% (use) each year. For non-beneficiaries, 31.5% and 20% each year, respectively.

Lastly, DHHL recommends eliminating the "decreasing block rate" schedule for Non-beneficiary/Commercial Agriculture. The recommendation is to move those users to the Commercial/Nonagriculture rate. The primary reasons are to demonstrate priority to Trust beneficiaries and eliminating any Trust resources to Commercial users of the Ho'olehua water system. DHHL is aware of the impact of this rate change on commercial users, such as businesses could not or would not be willing to pay. This could put the community at risk for possibly losing some of its businesses.

See Exhibit A for existing and proposed water rate schedules

The table below is a comparison of current rates and new rates at Years 1, 5 and 10 for the major users on the Ho'olehua water system.

	·					
User type	Meter size	Average gallons per month per user	Current Rates	Year 1	Year 5	Year 10
Residential Beneficiary	5/8″	13,000	\$12.76	\$13.84	\$18.38	\$24.35
Agriculture Beneficiary	5/8″	50,000	\$33.72	\$36.45	\$47.90	\$62.98
Non- Beneficiary/ Commercial	5/8″	11,600	\$26.68	\$34.52	\$71.31	\$106.47
Non- Beneficiary/ Commercial Agriculture	1″	170,000	\$158.00	\$525.62	\$935.75	\$1,457.88

Table 4 Monthly Water Bill Projections By Major User Type

IMPLEMENTATION

To support this action to increase water rates, a comprehensive approach is required. Staff recommends the following five implementing actions - Central Water Division, Enterprise Accounting, Customer Education, water bill delinquencies, and enforcement.

1. Establish Central Water Utility Division It is recommended to organize a Central Water Utility work group with dedicated staff that possess technical, managerial,

HHC Item G-8

and financial expertise. This was discussed at the Water System 101 Training at the HHC June 2017 meeting and was the top recommendation in the Effective Utility Management paper, October 2017.

As an interim step, DHHL may consider a cross-divisional team that regularly meets to oversee the technical, managerial and financial aspects of all four DHHL water systems.

2. Implement Enterprise Accounting

Financial reports are needed for internal use as well as for federal USDA grant compliance. USDA has invested \$10 million in the Ho'olehua water system and DHHL has been struggling with producing the required financial reports.

It is critical that DHHL implement the Enterprise Accounting policy adopted by the HHC in 2012.

- a. First step is to establish water system budgets at the start of each fiscal year.
- b. Quarterly, track budget-to-actual. Adjust budget as needed.
- c. Invest in technology billing software, water usage data collection.
- d. Per Rules, regularly conduct COS and Rate Studies and adjust rates accordingly.
- e. Investigate integrity of data both internal and from contracted water system operators (ie, water usage data) accordingly.

3. Continue Water customer outreach and education

Best management practice in the drinking water industry is to educate customers regarding the costs to provide safe, clean water and the need for rate increases. Many people believe water should be free and do not understand the cost of making water safe and dependably delivered to their homes. Often, when customers understand this, resistance to a rate increase lessens. Customer education is a proactive effort to minimize "rate shock".

4. Address beneficiary non-payment of water bills DHHL to conduct annual reviews of accounts receivables aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the DHHL budgeting process. The older the account is, the less likely it will be collected. DHHL to consider including the annual water budget

At the same time, DHHL to continue assisting lessees with payment workout plans. When the Water Administrative Rules are approved (estimated by January 2019), DHHL will have the legal authority to better manage delinquencies including accepting

a cost for uncollectible accounts.

non-cash payment, imposing late payment penalties and shutting off water service as a last resort.

5. Enforcement

DHHL to implement stringent collections and water shut-off procedures to keep delinquent accounts at a minimum. No rate schedule adopted will succeed if customers do not pay their bills and enforcement provisions in the (pending) Water Administrative Rules are not followed.

AUTHORITY

- HHCA of 1920, as amended, Section 221f. "Water systems under the exclusive control of the department shall remain under its exclusive control."
- DHHL Hawaii Administrative Rules, Section 10-3-76(i). "Water from department systems shall be sold at rates established by the commission. The department shall establish the frequency of billing and may determine a minimum monthly charge."
- Public Utilities, Hawaii Revised Statutes Chapter 269, Section 31(a), regarding setting water rates. "This chapter shall not apply to . . . public utilities owned and operated by the State, or any county, or other political subdivision."
- Water Policy Plan, HHC approved July 2014 (Exhibit B)
 - <u>Mission</u>: Understand our trust water assets and manage water systems.
 - <u>Priority Policies</u>: Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses; and educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana.
 - O <u>Goals</u>: Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users.
 - Water System Enterprise Accounting Policy, HHC adopted 2012 (Exhibit C). DHHL will budget for the Water System utilizing an enterprise account accounting structure.

RECOMMENDATION

Staff respectfully requests approval of the recommended motion as stated above.

Hoʻolehua Water System Residential Beneficiaries

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$5.60
3/4"	\$7.00
1"	\$11.50
1 1/2"	\$22.00
2"	\$30.00
3"	\$60.00
4"	\$110.00
6"	\$195.00
8"	\$300.00

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$6.21	\$6.82	\$7.43	\$8.04	\$8.65	\$9.26	\$9.87	\$10.48	\$11.09	\$11.70
3/4"	\$7.76	\$8.53	\$9.29	\$10.05	\$10.82	\$11.58	\$12.34	\$13.10	\$13.87	\$14.63
1"	\$12.75	\$14.01	\$15.26	\$16.51	\$17.77	\$19.02	\$20.27	\$21.53	\$22.78	\$24.04
1 1/2"	\$24.40	\$26.80	\$29.19	\$31.59	\$33.99	\$36.39	\$38.79	\$41.18	\$43.58	\$45.98
2"	\$33.27	\$36.54	\$39.81	\$43.08	\$46.35	\$49.62	\$52.89	\$56.16	\$59.43	\$62.70
3"	\$66.54	\$73.08	\$79.62	\$86.16	\$92.70	\$99.24	\$105.78	\$112.32	\$118.86	\$125.40
4"	\$121.99	\$133.98	\$145.97	\$157.96	\$169.95	\$181.94	\$193.93	\$205.92	\$217.91	\$229.90
6"	\$216.26	\$237.51	\$258.77	\$280.02	\$301.28	\$322.53	\$343.79	\$365.04	\$386.30	\$407.55
8"	\$332.70	\$365.40	\$398.10	\$430.80	\$463.50	\$496.20	\$528.90	\$561.60	\$594.30	\$627.00

The rates and fees are based on a 7.9% increase to the meter service (base) fee per year (or 79% increase for base spread over 10 years), plus 3% inflation per year, or a total of 10.9% increase to base fee per year.

Residential

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.42
Tier 2	10,001 - 25,000	\$1.91
Tier 3	Over 25,000	\$2.25

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$1.53	\$1.65	\$1.76	\$1.87	\$1.99	\$2.10	\$2.22	\$2.33	\$2.44	\$2.56
Tier 2	\$2.06	\$2.22	\$2.37	\$2.52	\$2.67	\$2.83	\$2.98	\$3.13	\$3.29	\$3.44
Tier 3	\$2.43	\$2.61	\$2.79	\$2.97	\$3.15	\$3.33	\$3.51	\$3.69	\$3.87	\$4.05

The rates and fees are based on a 5% increase to the usage fee per year (or 50% increase for usage spread over 10 years), plus 3% inflation per year, or a total of 8% increase to base fee per year.

Hoʻolehua Water System Agriculture Beneficiaries

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$5.60
3/4"	\$7.00
1"	\$11.50
1 1/2"	\$22.00
2"	\$30.00
3"	\$60.00
4"	\$110.00
6"	\$195.00
8"	\$300.00

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$6.21	\$6.82	\$7.43	\$8.04	\$8.65	\$9.26	\$9.87	\$10.48	\$11.09	\$11.70
3/4"	\$7.76	\$8.53	\$9.29	\$10.05	\$10.82	\$11.58	\$12.34	\$13.10	\$13.87	\$14.63
1"	\$12.75	\$14.01	\$15.26	\$16.51	\$17.77	\$19.02	\$20.27	\$21.53	\$22.78	\$24.04
1 1/2"	\$24.40	\$26.80	\$29.19	\$31.59	\$33.99	\$36.39	\$38.79	\$41.18	\$43.58	\$45.98
2"	\$33.27	\$36.54	\$39.81	\$43.08	\$46.35	\$49.62	\$52.89	\$56.16	\$59.43	\$62.70
3"	\$66.54	\$73.08	\$79.62	\$86.16	\$92.70	\$99.24	\$105.78	\$112.32	\$118.86	\$125.40
4"	\$121.99	\$133.98	\$145.97	\$157.96	\$169.95	\$181.94	\$193.93	\$205.92	\$217.91	\$229.90
6"	\$216.26	\$237.51	\$258.77	\$280.02	\$301.28	\$322.53	\$343.79	\$365.04	\$386.30	\$407.55
8"	\$332.70	\$365.40	\$398.10	\$430.80	\$463.50	\$496.20	\$528.90	\$561.60	\$594.30	\$627.00

The rates and fees are based on a 7.9% increase to the meter service (base) fee per year (or 79% increase for base spread over 10 years), plus 3% inflation per year, or a total of 10.9% increase to base fee per year.

Ho'olehua Water System Agriculture Beneficiaries

Agriculture

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.42
Tier 2	10,001 - 25,000	\$1.91
Tier 3	Over 25,000	\$0.76

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$1.53	\$1.65	\$1.76	\$1.87	\$1.99	\$2.10	\$2.22	\$2.33	\$2.44	\$2.56
Tier 2	\$2.06	\$2.22	\$2.37	\$2.52	\$2.67	\$2.83	\$2.98	\$3.13	\$3.29	\$3.44
Tier 3	\$0.82	\$0.88	\$0.94	\$1.00	\$1.06	\$1.12	\$1.19	\$1.25	\$1.31	\$1.37

The rates and fees are based on a 5% increase to the usage fee per year (or 50% increase for usage spread over 10 years), plus 3% inflation per year, or a total of 8% increase to base fee per year.

Ho'olehua Water System Non-Beneficiaries Commercial / Non-Agriculture

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$30.00
3/4"	\$44.00
1"	\$70.00
1 1/2"	\$136.00
2"	\$210.00
3"	\$390.00
4"	\$640.00
6"	\$1,270.00
8"	\$2,000.00

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$40.35	\$50.70	\$61.05	\$71.40	\$81.75	\$92.10	\$102.45	\$112.80	\$123.15	\$133.50
3/4"	\$59.18	\$74.36	\$89.54	\$104.72	\$119.90	\$135.08	\$150.26	\$165.44	\$180.62	\$195.80
1"	\$94.15	\$118.30	\$142.45	\$166.60	\$190.75	\$214.90	\$239.05	\$263.20	\$287.35	\$311.50
1 1/2"	\$182.92	\$229.84	\$276.76	\$323.68	\$370.60	\$417.52	\$464.44	\$511.36	\$558.28	\$605.20
2"	\$282.45	\$354.90	\$427.35	\$499.80	\$572.25	\$644.70	\$717.15	\$789.60	\$862.05	\$934.50
3"	\$524.55	\$659.10	\$793.65	\$928.20	\$1,062.75	\$1,197.30	\$1,331.85	\$1,466.40	\$1,600.95	\$1,735.50
4"	\$860.80	\$1,081.60	\$1,302.40	\$1,523.20	\$1,744.00	\$1,964.80	\$2,185.60	\$2,406.40	\$2,627.20	\$2,848.00
6"	\$1,708.15	\$2,146.30	\$2,584.45	\$3,022.60	\$3,460.75	\$3,898.90	\$4,337.05	\$4,775.20	\$5,213.35	\$5,651.50
8"	\$2,690.00	\$3,380.00	\$4,070.00	\$4,760.00	\$5,450.00	\$6,140.00	\$6,830.00	\$7,520.00	\$8,210.00	\$8,900.00

The rates and fees are based on a 31.5% increase to the meter service (base) fee per year (or 315% increase for base spread over 10 years), plus 3% inflation per year, or a total of 34.5% increase to base fee per year.

Hoʻolehua Water System Non-Beneficiaries Commercial / Non-Agriculture

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$1.80
Tier 2	10,001 - 30,000	\$3.35
Tier 3	Over 30,000	\$4.95

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$2.21	\$2.63	\$3.04	\$3.46	\$3.87	\$4.28	\$4.70	\$5.11	\$5.53	\$5.94
Tier 2	\$4.12	\$4.89	\$5.66	\$6.43	\$7.20	\$7.97	\$8.74	\$9.51	\$10.28	\$11.06
Tier 3	\$6.09	\$7.23	\$8.37	\$9.50	\$10.64	\$11.78	\$12.92	\$14.06	\$15.20	\$16.34

The rates and fees are based on a 20.0% increase to the usage fee per year (or 200% increase for usage spread over 10 years), plus 3% inflation per year, or a total of 23% increase to usage fee per year.

Hoʻolehua Water System Non-Beneficiaries Commercial / Agriculture

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$30.00
3/4"	\$44.00
1"	\$70.00
1 1/2"	\$136.00
2"	\$210.00
3"	\$390.00
4"	\$640.00
6"	\$1,270.00
8"	\$2,000.00

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$40.35	\$50.70	\$61.05	\$71.40	\$81.75	\$92.10	\$102.45	\$112.80	\$123.15	\$133.50
3/4"	\$59.18	\$74.36	\$89.54	\$104.72	\$119.90	\$135.08	\$150.26	\$165.44	\$180.62	\$195.80
1"	\$94.15	\$118.30	\$142.45	\$166.60	\$190.75	\$214.90	\$239.05	\$263.20	\$287.35	\$311.50
1 1/2"	\$182.92	\$229.84	\$276.76	\$323.68	\$370.60	\$417.52	\$464.44	\$511.36	\$558.28	\$605.20
2"	\$282.45	\$354.90	\$427.35	\$499.80	\$572.25	\$644.70	\$717.15	\$789.60	\$862.05	\$934.50
3"	\$524.55	\$659.10	\$793.65	\$928.20	\$1,062.75	\$1,197.30	\$1,331.85	\$1,466.40	\$1,600.95	\$1,735.50
4"	\$860.80	\$1,081.60	\$1,302.40	\$1,523.20	\$1,744.00	\$1,964.80	\$2,185.60	\$2,406.40	\$2,627.20	\$2,848.00
6"	\$1,708.15	\$2,146.30	\$2,584.45	\$3,022.60	\$3,460.75	\$3,898.90	\$4,337.05	\$4,775.20	\$5,213.35	\$5,651.50
8"	\$2,690.00	\$3,380.00	\$4,070.00	\$4,760.00	\$5,450.00	\$6,140.00	\$6,830.00	\$7,520.00	\$8,210.00	\$8,900.00

The rates and fees are based on a 31.5% increase to the meter service (base) fee per year (or 315% increase for base spread over 10 years), plus 3% inflation per year, or a total of 34.5% increase to base fee per year.

Hoʻolehua Water System Non-Beneficiaries Commercial / Agriculture

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons			
Tier 1	1 - 10,000	\$1.80			
Tier 2	10,001 - 30,000	\$3.35			
Tier 3	Over 30,000	\$1.15			

Proposal is to eliminate the "decreasing block rate" structure (table above) and, instead, utilize the same rate schedule being proposed for the Commercial/Non-Agriculture as shown below.

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$2.21	\$2.63	\$3.04	\$3.46	\$3.87	\$4.28	\$4.70	\$5.11	\$5.53	\$5.94
Tier 2	\$4.12	\$4.89	\$5.66	\$6.43	\$7.20	\$7.97	\$8.74	\$9.51	\$10.28	\$11.06
Tier 3	\$6.09	\$7.23	\$8.37	\$9.50	\$10.64	\$11.78	\$12.92	\$14.06	\$15.20	\$16.34

The rates and fees are based on a 20.0% increase to the usage fee per year (or 200% increase for usage spread over 10 years), plus 3% inflation per year, or a total of 23% increase to usage fee per year.

STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

August 20, 2012

- To: Chairman and Members, Hawaiian Homes Commission
- From: Dreana Kalili, Policy and Program Analyst Ray Enos, Land Issues Officer
- Subject: Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands to Submit with USDA-RUS Applications

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission adopt these management and accounting guidelines for water systems owned and operated by the department.

DISCUSSION

Within Hawaii, water is free, however, there is a cost to pump, store, treat, and transport the water to homes, businesses, and public facilities like schools. On Hawaiian Home Lands, water systems have been and continue to be constructed by the department, and then are either leased to the applicable County water department, or are operated and maintained by the department. Water users of the system pay a fraction of the cost to operate the system and the operating costs of the water systems owned and operated by the department are heavily supplemented by trust funds.

Since 2008, the department has partnered with Na Kupaa O Kuhio to apply for and receive grant and low-interest loan assistance from the U.S. Department of Agriculture Rural Utilities Service (USDA RUS) to develop water systems for homesteaders. The department is eligible to directly apply for USDA-RUS assistance. However, under the department's current accounting structure, the water system expenses and receipts are imbedded in the overall department budget process and as such, the department is not able to demonstrate financial sustainability throughout the life of the improvements and meet the USDA-RUS grant determination criteria.

Section 213(e) of the Hawaiian Homes Commission Act, as amended,

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authorizes the Operating portion of the Hawaiian Home Operating Fund to be used for the construction, operation and maintenance of revenue-producing activities that are intended to serve principally occupants on Hawaiian home lands (such as the Molokai Water System, and the Anahola Farm Lots Water System, on the island of Kauai, and the Kawaihae Water System on the island of Hawaii).

The department is able to create separate enterprise accounts for all water system revenue producing activities in the Operating portion of the Hawaiian Home Operating Fund. The separate ledger accounts will be referred to collectively as the Hawaiian Home Lands (HHL) enterprise account.

In basic terms, this method of accounting will effectively isolate the water system budget from the department's larger budget. An enterprise account establishes a separate accounting and financial reporting mechanism for services for which a fee is charged in exchange for goods or services. The Administrative Services Office has indicated that the enterprise account, as an alternative method of accounting, can be prepared using existing accounting records.

The specific management and accounting guidelines for the water systems owned and operated by the DHHL are found attached in Exhibit A.

USDA RUS Grant Criteria

The purpose of USDA-RUS Water and Environment Program is to provide loan and grant funds for water and waste projects serving the most financially needy communities. Financial assistance from the program should result in reasonable user costs for rural residents, rural businesses, and other rural users. The excerpts of the grant criteria are found in Exhibit B and are designed to ensure this program purpose is met.

As a grant and loan applicant, DHHL must meet these criteria and demonstrate the following:

- That grants it receives will not result in an Equivalent Dwelling Unit (EDU) costs below similar system user cost. The EDU means the level of service provided to a typical rural residential dwelling;
- 2) That the debt service portion of the average annual EDU cost, for users in the applicant's service area, exceeds the following percentages of median household income by 0.5% when the median household income of the service area is equal to or below 80% of the statewide nonmetropolitan median income (in other words, if the median income for

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the service area is \$48,000, a water system is eligible for a grant if the debt service portion to individual system users is more than \$240 over one year);

- That its annual cost for delivery of service is subsidized; and
- 4) That water system user charges are reasonable, or the planned revenue should be sufficient to provide for all debt service, debt reserve, operation and maintenance, and, if appropriate, additional revenue for facility replacement of short-lived assets without building a substantial surplus.

The staff recommendation is to adopt the "Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands" to align DHHL's operating and accounting processes related to these water systems with the USDA-RUS program criteria and goals.

It is critical that DHHL demonstrate these criteria are met so it can qualify for the maximum grant award allowed per project. These grant funds are needed to increase the operating efficiency of its water systems to decrease trust subsidies, and maximum grant awards means less funds expended from the trust.

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EXHIBIT

MANAGEMENT AND ACCOUNTING GUIDELINES FOR THE WATER SYSTEMS OWNED AND OPERATED BY THE DEPARTMENT OF HAWAIIAN HOME LANDS

August 2012

- 1) The Water System will carry out the Department's goals, objectives and policies through a service delivery system financed through the utility's operating and capital budgets. The relationship between the operating and capital budgets will be explicitly recognized and incorporated into the budget process in a manner consistent with sound accounting and management practices. Funding for these budgets shall be adequate to provide operating services and maintenance or enhancement of fixed assets needed to support the demand for the water utility. The Commission will establish all user charges fees at a level related to the full costs (operating, direct, indirect and capital) of providing the service. Supplemental funding for the Water System enterprise account may be made by the Commission in order to avoid rate shock to the users. The Commission will review fees/charges at least every four years. As the need arises the Commission may adjust the rates by resolution. The Department will maintain records to document compliance with the user charge requirements, including records of the review, and such records will be available to the users.
- 2) The Water System user charge shall consist of a base rate and a consumption charge which combined shall be considered the water utility user charge. The Department Budget Officer shall establish a account or account within the Department's budget for the Water System utility charges. Moneys received as a result of the Water System utility user charge shall be allocated to the Water System Enterprise Account in the amounts established in the water utility charge resolution of the Commission. Except as otherwise provided or allowed by state law, the utility account or accounts shall be used solely for the purposes of the utility.
- 3) It is recognized that in order for the Water System to be a sustainable, self-supporting enterprise, there would need to be a substantial rate increase to users which would result in rate shock and have undesirable consequences. It is recognized that the utility rate for the Water System will need to be reviewed and reauthorized by the Commission. The Water System

EXHIBIT A

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EXHIBIT

enterprise account may continue to be subsidized by the Department as to avoid rate shock and the Commission may consider financial self-sufficiency and sustainability along with its other goals and objectives when establishing the Water System rates in the future.

4) DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. However, the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency conditions or public health and safety considerations.

EXHIBIT

U.S. DEPARTM. I OF AGRICULTURE RURAL U. _ITIES SERVICE WATER AND WASTE LOANS AND GRANT CRITERIA (Excerpts from the Code of Federal Regulations, Title 7, Part 1780)

§ 1780.1 General. (Excerpts)

(c) RUS debt instruments will require an agreement that if at any time it shall appear to the Government that the borrower is able to refinance the amount of the indebtedness to the Government then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan.

(j) Water and waste applicants must demonstrate that they possess the financial, technical, and managerial capability necessary to consistently comply with pertinent Federal and State laws and requirements. In developing water and waste systems, applicants must consider alternatives of ownership, system design, and the sharing of services.

§ 1780.3 Definitions and grammatical rules of construction. (Excerpts)

Equivalent Dwelling Unit (EDU) means the level of service provided to a typical rural residential dwelling.

Rural and rural areas means any area not in a city or town with a population in excess of 10,000 inhabitants, according to the latest decennial census of the United States.

Rural Development means the mission area of the Under Secretary for Rural Development. Rural Development State and local offices will administer this water and waste program on behalf of the Rural Utilities Service.

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture established pursuant to section 232 of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103–354, 108 Stat. 3178), successor to the Farmer's Home Administration and the Rural Development Administration with respect to certain water and waste disposal loan and grant programs.

Service area means the area reasonably expected to be served by the project.

Similar system cost means the average annual EDU user cost of a system within a community having similar economic conditions and being served by the same type of established system. Similar system cost shall include all charges, taxes, and assessments attributable to the system including debt service, reserves and operation and maintenance costs.

§ 1780.7 Eligibility.

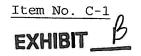
Facilities financed by water and waste disposal loans or grants must serve rural areas.

(a) Eligible applicant. An applicant must be:

(1) A public body, such as a municipality, county, district, authority, or other political subdivision of a state, territory or commonwealth;

(2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community; or

(3) Indian tribes on Federal and State reservations and other Federally recognized Indian tribes.



(c) Eligible projects. (1) Projects must serve a rural area which, if such project is completed, is not likely to decline in population below that for which the project was designed.

(2) Projects must be designed and constructed so that adequate capacity will or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area to the extent practicable.

(3) Projects must be necessary for orderly community development and consistent with a current comprehensive community water, waste disposal, or other current development plan for the rural area.

(d) Credit elsewhere. Applicants must certify in writing and the Agency shall determine and document that the applicant is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

(e) Legal authority and responsibility. Each applicant must have or will obtain the legal authority necessary for owning, constructing, operating, and maintaining the proposed facility or service and for obtaining, giving security for, and repaying the proposed loan. The applicant shall be responsible for operating, maintaining, and managing the facility, and providing for its continued availability and use at reasonable user rates and charges. This responsibility shall be exercised by the applicant even though the facility may be operated, maintained, or managed by a third party under contract or management agreement. Guidance for preparing a management agreement is available from the Agency. Such contracts, management agreements, or leases must not contain options or other provisions for transfer of ownership.

(f) Economic feasibility. All projects financed under the provisions of this section must be based on taxes, assessments, income, fees, or other satisfactory sources of revenues in an amount sufficient to provide for facility operation and maintenance, reasonable reserves, and debt payment. If the primary use of the facility is by business and the success or failure of the facility is dependent on the business, then the economic viability of that business must be assessed.

(g) Federal Debt Collection Act of 1990 (28 U.S.C. 3001 et seq.). An outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a loan or grant until the judgment is paid in full or otherwise satisfied.

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999]

§ 1780.9 Eligible loan and grant purposes.

Loan and grant funds may be used only for the following purposes:

(a) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.

(b) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(c) To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(d) For payment of other utility connection charges as provided in service contracts between utility systems.

EXHIBIT B

(e) When a necessary part of the ..., ect relates to those facilities authorize..., paragraphs (a), (b), (c) or (d) of this section the following may be considered:

(1) Loan or grant funds may be used for:

(i) Reasonable fees and costs such as: legal, engineering, administrative services, fiscal advisory, recording, environmental analyses and surveys, possible salvage or other mitigation measures, planning, establishing or acquiring rights;

(ii) Costs of acquiring interest in land; rights, such as water rights, leases, permits, rights-of-way; and other evidence of land or water control or protection necessary for development of the facility;

(iii) Purchasing or renting equipment necessary to install, operate, maintain, extend, or protect facilities;

(iv) Cost of additional applicant labor and other expenses necessary to install and extend service; and

(v) In unusual cases, the cost for connecting the user to the main service line.

(2) Only loan funds may be used for:

(i) Interest incurred during construction in conjunction with multiple advances or interest on interim financing;

(ii) Initial operating expenses, including interest, for a period ordinarily not exceeding one year when the applicant is unable to pay such expenses;

(iii) The purchase of existing facilities when it is necessary either to improve service or prevent the loss of service;

(iv) Refinancing debts incurred by, or on behalf of, an applicant when all of the following conditions exist:

(A) The debts being refinanced are a secondary part of the total loan;

(B) The debts were incurred for the facility or service being financed or any part thereof; and

(C) Arrangements cannot be made with the creditors to extend or modify the terms of the debts so that a sound basis will exist for making a loan; and

(v) Prepayment of costs for which RUS grant funds were obligated.

(3) Grant funds may be used to restore loan funds used to prepay grant obligated costs.

(f) Construction incurred before loan or grant approval.

(1) Funds may be used to pay obligations for eligible project costs incurred before loan or grant approval if such requests are made in writing by the applicant and the Agency determines that:

(i) Compelling reasons exist for incurring obligations before loan or grant approval;

(ii) The obligations will be incurred for authorized loan or grant purposes; and

(iii) The Agency's authorization to pay such obligations is on the condition that it is not committed to make the loan or grant; it assumes no responsibility for any obligations incurred by the applicant; and the applicant must subsequently meet all loan or grant approval requirements, including environmental and contracting requirements.

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(2) If construction is started with Agency approval, post-approval in act ance with this section may be considered, provided the construction meets applicable requirements including those regarding approval and environmental matters.

(g) Water or sewer service may be provided through individual installations or small clusters of users within an applicant's service area. The approval official should consider items such as: quantity and quality of the individual installations that may be developed; cost effectiveness of the individual facility compared with the initial and long term user cost on a central system; health and pollution problems attributable to individual facilities; operational or management problems peculiar to individual installations; and permit and regulatory agency requirements.

(1) Applicants providing service through individual facilities must meet the eligibility requirements in §1780.7.

(2) The Agency must approve the form of agreement between the applicant and individual users for the installation, operation, maintenance and payment for individual facilities.

(3) If taxes or assessments are not pledged as security, applicants providing service through individual facilities must obtain security necessary to assure collection of any sum the individual user is obligated to pay the applicant.

(4) Notes representing indebtedness owed the applicant by a user for an individual facility will be scheduled for payment over a period not to exceed the useful life of the individual facility or the RUS loan, whichever is shorter. The interest rate will not exceed the interest rate charged the applicant on the RUS indebtedness.

(5) Applicants providing service through individual or cluster facilities must obtain:

(i) Easements for the installation and ingress to and egress from the facility if determined necessary by RUS; and

(ii) An adequate method for denying service in the event of nonpayment of user fees.

§ 1780.10 Limitations.

(a) Loan and grant funds may not be used to finance:

(1) Facilities which are not modest in size, design, and cost;

(2) Loan or grant finder's fees;

(3) The construction of any new combined storm and sanitary sewer facilities;

(4) Any portion of the cost of a facility which does not serve a rural area;

(5) That portion of project costs normally provided by a business or industrial user, such as wastewater pretreatment, etc.;

(6) Rental for the use of equipment or machinery owned by the applicant;

(7) For other purposes not directly related to operating and maintenance of the facility being installed or improved; and

(8) A judgment which would disqualify an applicant for a loan or grant as provided for in §1780.7(g).

(b) Grant funds may not be used to:

(1) Reduce EDU costs to a level less than similar system cost;

EXHIBIT B

(2) Pay any costs of a project when the median household income of the set. Le area is more than 100 percent of the nonmetropolitan median household income of the State;

(3) Pay project costs when other loan funding for the project is not at reasonable rates and terms; and

(4) Pay project costs when other funding is a guaranteed loan obtained in accordance with 7 CFR part 1779 of this title.

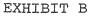
(c) Grants may not be made in excess of the following percentages of the RUS eligible project development costs. Facilities previously installed will not be considered in determining the development costs.

(1) 75 percent when the median household income of the service area is below the higher of the poverty line or 80% of the state nonmetropolitan median income and the project is necessary to alleviate a health or sanitary problem.

(2) 45 percent when the median household income of the service area exceeds the 80 percent requirements described in paragraph (c)(1) of this section but is not more than 100 percent of the statewide nonmetropolitan median household income.

(3) Applicants are advised that the percentages contained in paragraphs (c)(1) and (c)(2) of this section are maximum amounts and may be further limited due to availability of funds or the grant determination procedures contained in 1780.35 (b).

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999; 66 FR 23151, May 8, 2001]





HAWAIIAN HOMES COMMISSION WATER POLICY PLAN

July 22, 2014

Vision

Our vision is that there will be adequate amounts of <u>water</u> and supporting infrastructure so that homestead lands will always be usable and accessible, to enable us to return to our lands to fully support our self-sufficiency and self-determination in the administration of the Hawaiian Homes Commission Act (HHCA), and the preservation of our values, traditions, and culture.

Mission

In a manner consistent with our <u>values</u>, the Hawaiian Homes Commission (HHC) and Department of Hawaiian Home Lands (DHHL) shall strive to ensure the availability of adequate, quality <u>water</u> by working cooperatively to:

- Understand our trust <u>water</u> assets;
- Plan for our <u>water</u> needs;
- Aggressively understand, exercise and assert our kuleana as stewards of water;
- Develop and protect water sources; and
- Manage <u>water</u> systems.

Values

- 1. Waiwai: <u>Mōhala i ka wai ka maka o ka pua</u>. Unfolded by the water are the faces of the flowers. The availability of <u>water</u> to our lands and people is integral to the trust and our mission.
- 2. Waihona: <u>Ua lehulehu a manomano ka `ikena a ka Hawai`i</u>. *Great and numerous is the knowledge of the Hawaiians.* Honoring and documenting our knowledge about <u>water</u> is essential to managing it.
- Mālama: <u>He ali`i ka `āina; he kauwā ke kanaka</u>. The land is a chief; man is its servant. We consider <u>water</u> to be part of our genealogy and so we manage it in a manner that cares for its long-term sustainability for all things, as we also use it productively for our mission.
- 4. Laulima: <u>E lauhoe mai nā wa'a; i ke kā, i ka hoe; i ka hoe, i ke kā; pae aku i ka 'āina</u>. Everybody paddle the canoes together; bail and paddle, paddle and bail, and the shore is reached. We are one people who now share Hawai`i with others. DHHL is only one of many Hawaiian serving institutions. We will assert our rights while considering our larger lāhui `ōiwi and the larger world in which we live.



Policies

The HHC and the DHHL are seeking to be proactive in our management of water. Our Priority Policies are to:

- 1. Expressly determine and plan for future <u>water</u> needs and actively participate in broader <u>water</u> management, use and protection efforts in Hawai'i in order to secure <u>water</u>.
- 2. Aggressively exercise, reclaim, and protect Hawaiian home land water kuleana.
- 3. Develop, manage, and steward <u>water</u> in a manner that balances cost, <u>efficiency</u> <u>measures</u>, and <u>Public Trust</u> uses in the short and long term.
- Affirmatively communicate our decisions, our reasoning, and our performance in managing, stewarding, and using <u>water</u> before and after making major <u>water</u> decisions.

Additionally, the HHC and the DHHL should consider in their work the following statements:

- 5. Educate beneficiaries, the DHHL, HHC, and other stakeholders continually on our <u>water kuleana</u>.
- 6. Foster self-sufficiency of beneficiaries by promoting the adequate supply of <u>water</u> for homesteading when developing or managing <u>water</u>.
- 7. Foster the self-determination of beneficiaries by seeking ways for beneficiaries to participate in the management of <u>water</u> by delegating authority related to <u>water</u> subject to the discretion of the HHC as described in the <u>HHCA</u>.
- 8. Make <u>water</u> decisions that incorporate traditional and place-based knowledge of our people and are clear and methodical in their reasoning.
- 9. Make efforts to understand, maintain, and improve the quality of <u>water</u> as it moves into and through our lands and is used by beneficiaries.
- 10. Affirmatively consider the development and use of <u>alternative sources</u> of <u>water</u> and <u>efficiency measures</u> in <u>water</u> decision-making.
- 11. Ensure that <u>water</u> decisions are consistent with other Departmental <u>policies</u>, programs, and plans including but not limited to the <u>Energy Policy</u> and Agricultural Program.
- 12. Explicitly consider <u>water</u> availability and the costs to provide adequate <u>water</u> when developing new homestead areas, designating land uses, issuing land dispositions, or exchanging properties.



Goals

To make progress on achieving our Mission and complying with our Policies, the Priority Goals of the HHC and the DHHL are to:

- 1. Affirmatively communicate with beneficiaries regarding <u>water</u> decisions, performance, and <u>water</u> rights on a regional and annual basis.
- 2. Aggressively, proactively, consistently and comprehensively advocate for the <u>kuleana</u> of the beneficiaries, the DHHL, and the HHC to <u>water</u> before all relevant agencies and entities.
- 3. Develop and manage a Water Assets Inventory (WAI).
- 4. Support watershed protection and restoration on DHHL lands and source areas for DHHL <u>water</u>.

Additional goals that DHHL and the HHC shall seek to achieve, based on the availability of resources, organized by Mission activities, are:

Part I. Understand our trust water assets

- 1. Revise the DHHL submittal template to the HHC for <u>water</u> related decisions.
- 2. Revise budgets to show the total costs of a) <u>water</u> system management b) all spending on <u>water</u> issues.
- 3. Staff and organize the DHHL consistent with importance of <u>water</u> to the trust.

Part II. Plan for our water needs

- 4. Determine current and foreseeable future needs based upon periodic reviews of <u>water</u> availability projections that incorporate climate change, projected beneficiary demand, <u>alternative sources</u> and <u>efficiency measures</u>.
- 5. Design homesteads and manage lands to create and enhance <u>water</u> availability, optimizing costs, use of <u>alternative sources</u> and <u>efficiency measures</u>.

Part III. Aggressively understand, exercise and assert our water rights

- 6. Secure adequate and enforceable reservations of <u>water</u> for current and foreseeable future needs for all of its lands across the islands.
- 7. Partner with trust beneficiaries in water advocacy efforts.
- 8. Engage in updates to all <u>Hawai`i Water Plan</u> elements to ensure DHHL <u>water</u> needs and rights are addressed.
- 9. Advocate that all <u>Water Use Permit Applications</u> properly address the <u>water</u> rights of DHHL and other Hawaiian <u>water</u> rights.
- 10. Advocate that County Boards of Water Supply and other County agencies that affect <u>water</u> have the spirit of the <u>HHCA</u> faithfully carried out to protect DHHL

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EXHIBIT C

water uses as a <u>Public Trust</u> use of <u>water</u> and manage rates so they are affordable by beneficiaries.

11. Ensure that all legal provisions for the licensing of state water are followed.

Part IV. Develop and protect water sources

- 12. Carefully weigh alternatives regarding the dedication or DHHL management of new <u>water</u> systems.
- 13. Methodically and consistently manage and allocate water credits.
- 14. Support the drilling of wells by beneficiaries for their own use on lots where appropriate.
- 15. Partner with Department of Health and others on <u>water</u> quality education and outreach.
- 16. Continue to pursue development of agricultural water systems.

Part V. Manage water systems

- 17. Secure revenue and reduce operation costs so DHHL <u>water</u> systems break even financially over the long term.
- 18. Increase security and reliability for DHHL water users.
- 19. Pursue resolution by the Department of Agriculture of prior audit findings in the management of the Moloka`i Irrigation System and full repair of the System



Delegation of Authorities, Reporting, and Consultation

- 1. Delegation
 - a. The HHC delegates authority to the Chairperson to prepare an Implementation Program for this Water Policy Plan, which shall be subject to the approval by HHC. The Program shall identify tasks to implement each goal, and shall specify tasks that apply statewide as well as tasks that apply to different islands or regions under each goal.
- 2. Reporting
 - a. The Chairperson shall submit the proposed Implementation Program to the HHC annually in conjunction with the Department's budget request.
 - b. The Chairperson shall annually report on progress on execution of the approved Implementation Program and overall progress towards achieving the goals of and maintaining compliance with the Water Policy Plan.
- 3. Consultation
 - a. The Chairperson shall consult with the HHC on any major water issues not contained in the Implementation Program.

Legal Authorities

- 1. Hawai'i State Constitution
- 2. Hawaiian Homes Commission Act of 1921, as amended
- 3. Hawai`i State Water Code, HRS 174C
- 4. In the Matter of Water Use Permit Applications (Waiāhole I case)
- 5. <u>Wai`ola o Moloka`i</u>
- 6. Kauai Springs, Inc. v. Planning Commission of the County of Kauai

Related Plans and Policies

- 1. DHHL General Plan
- 2. DHHL Energy Policy
- 3. Hawaiian Homes Commission Beneficiary Consultation Policy

References

- 1. 1983. Pūku`i, Mary Kawena. 'Õlelo No'eau: Hawaiian Proverbs & Poetical Sayings. Honolulu: Bernice Pauahi Bishop Museum.
- 2. Aia i hea ka wai a Kāne? (Traditional chant, "Where is the water of Kāne?")



Definitions

Alternative sources: Alternative sources include but are not limited to the water developed through reuse and recycling technologies and best practices, capture of flood waters, desalinated waters, and other sources as may be appropriate for proposed uses.

Hawai'i Water Plan: The Hawai'i Water Plan and its parts, as detailed in Part III of the Hawai'i State Water Code (HRS 174C), is the state's "program of comprehensive water resources planning to address the problems of supply and conservation of water" (HRS 174C-2(b)).

Efficiency Measures: Efficiency measures include optimal design and development, alternative energy utilization, changing in behavioral practices and technologies that support onsite distributed wastewater systems.

Kuleana: Kuleana encompasses both rights and responsibilities. DHHL's water kuleana includes its responsibilities under its mission and the legal rights to water enshrined in the HHCA and state Constitutional and statutory provisions. Kuleana exists within the genealogical and spiritual relationship between water and the lāhui `ōiwi.

Public Trust: As delineated in the Hawai`i Supreme Court <u>Waiāhole I</u> and <u>Wai`ola</u> <u>O Moloka`i</u> cases, public trust uses of water include domestic uses, traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and reservations of water for the DHHL.

Water: In this policy, water includes mists, fog, rain, and other precipitation; water as it flows above or below ground, and into the ocean; water used for homesteading; alternative sources including waste, brackish, and salt water; water used in the exercise of traditional and customary practices; infrastructure used to produce, store and transmit water; and water we use as well as water to which we have rights.

Water Assets Inventory (WAI): A comprehensive geographically referenced database of the water assets of the DHHL, including traditional knowledge related to water, DHHL owned water infrastructure, current and future water demand, water agreements, water credits, and potential water sources.

Approval Date

Policy approved by the Hawaiian Homes Commission on July 22, 2014.



DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION April 16 & 17, 2018 Kalama'ula, Moloka'i

J-ITEMS GENERAL AGENDA

EXHIBIT J-2, J-3, J4

From: Sent: To: Subject: Faith Tuipulotu <auli@hawaii.edu> Wednesday, April 04, 2018 10:52 AM Burrows Nuuanu, Leatrice W Re: J agenda

Hi Lea,

Debbie Kelly and the Molokai Lanai SWSD Board would like to go on the agenda too. Is it possible for it to be after Rosie and I because I sit on that Board too? Sorry to be a pest but everyone is telling me last minute. Please let me know if can.

Thank you, Faith







From:	Liko Wallace <likowallace@ymail.com></likowallace@ymail.com>
Sent:	Thursday, March 08, 2018 12:32 PM
То:	Burrows-Nuuanu, Leatrice W
Subject:	Request to be put on the Homestead Commissioners J Agenda

Aloha Leah,

I would like to request to be put on the J Agenda. When does the J Agenda fall? Also, is there anything else I need to provide to be put on? Call me if need or you can email me. Mahalo, Aunty Liko



EXHIBIT Fb

March 09, 2018 My name in Linda Judoit. I am requesting to voice they concerns / issues at a meeting here on Thalokai pehedueed for april 16, 2018 and/or april 17, 2018. Ohy usued are . 1. Erosion to morning due to the impace of the Kings Till and very High Tided. 2. We are now living on a fixed income pince relirement and our home is in badly, needed repairs. land requesting to be put on to your Charle Lon for Lousfime, Viala film

From: Sent: To: Subject: Stephanie Lauifi <kalamaula@live.com> Wednesday, March 28, 2018 8:54 AM Burrows Nuuanu, Leatrice W J Agenda

Aloha Leah,

I would like to request placement of the J Agenda for the Molokai Meeting. I will again try to Thank the commission for supporting our blood quantum bill. (The same thing I tried in January, but had to catch my plane). See you soon.

Mahalo, Kapua

Sent from Mail for Windows 10



From: Sent: To: Subject:

Kilia Purdy-Avelino <molokai.aom@gmail.com> Monday, March 26, 2018 5:33 PM Burrows-Nuuanu, Leatrice W HHC Contact: To Commission Secretary EXHIBIT

To: HHC Secretary

First Name: Kilia Last Name: Purdy-Avelino

Email: molokai.aom@gmail.com

Subject: To Commission Secretary

Message: Aloha Leah,

Can the Ahupua'a o Molokai request to be on the J agenda for April's meeting, please? It will be in regards to our current lease of the 14 Pua Kukui property (the old Hoolehua Headstart). Please let me know if you need anything from me.

Mahalo nui, Kilia

Akismet Spam Check: passed Sent from (ip address): 174.239.4.3 (3.sub-174-239-4.myvzw.com) Date/Time: March 26, 2018 5:33 pm Coming from (referer): http://dhhl.hawaii.gov/hhc/ Using (user agent): Mozilla/5.0 (Macintosh; Intel Mac OS X 10_13_3) AppleWebKit/604.5.6 (KHTML, like Gecko) Version/11.0.3 Safari/604.5.6

Subject:

FW: HHC Contact: To Commission Secretary

To: HHC Secretary

First Name: Sybil Last Name: Lopez



lopezs808@gmail.com

Subject: To Commission Secretary

Message: I would like request to be on the J Agenda for the April 16-17 HHC meeting on Molokai?

I have two requests to bring to the attention of the Commission:

Wa'akapaemua Canoe Club: Regarding Malama Cultural Park, to support the Special District Designation for the 4 acre parcel

Personal: Lot 12 Hoomalu Drive, Kalama'ula Mauka Homestead, on behalf of Winnifred K Lopez to request an updated Arechological Inventory Survey addressing February 26, 2018 letter failure to build and occupy Lease

Mahalo;

Sybil K Lopez

Akismet Spam Check: passed Sent from (ip address): 72.234.55.132 (72.234.55.132) Date/Time: April 3, 2018 1:14 pm Coming from (referer): <u>http://dhhl.hawaii.gov/hhc/</u> Using (user agent): Mozilla/5.0 (Windows NT 6.1; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/65.0.3325.181 Safari/537.36