



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

# **INFORMATIONAL BRIEFING**

## **Senate Committee on Hawaiian Affairs**

August 14, 2019

# TODAY'S DISCUSSION

1. Mauna Kea Access Road (*15 minutes*)
2. The Planning Process (*5 minutes*)
3. Lot Development (*30 minutes*)
4. DHHL Rulemaking for Rental Housing (*5 minutes*)
5. DHHL Beneficiary Community (*30 minutes*)
6. Foreclosure/Lease Cancellation (*5 minutes*)
7. Feral Cattle Removal Project Contract (*15 minutes*)
8. Kalaeloa Photo-Voltaic Solar Project (*15 minutes*)



# **TODAY'S DISCUSSION**

## **Mauna Kea Access Road**

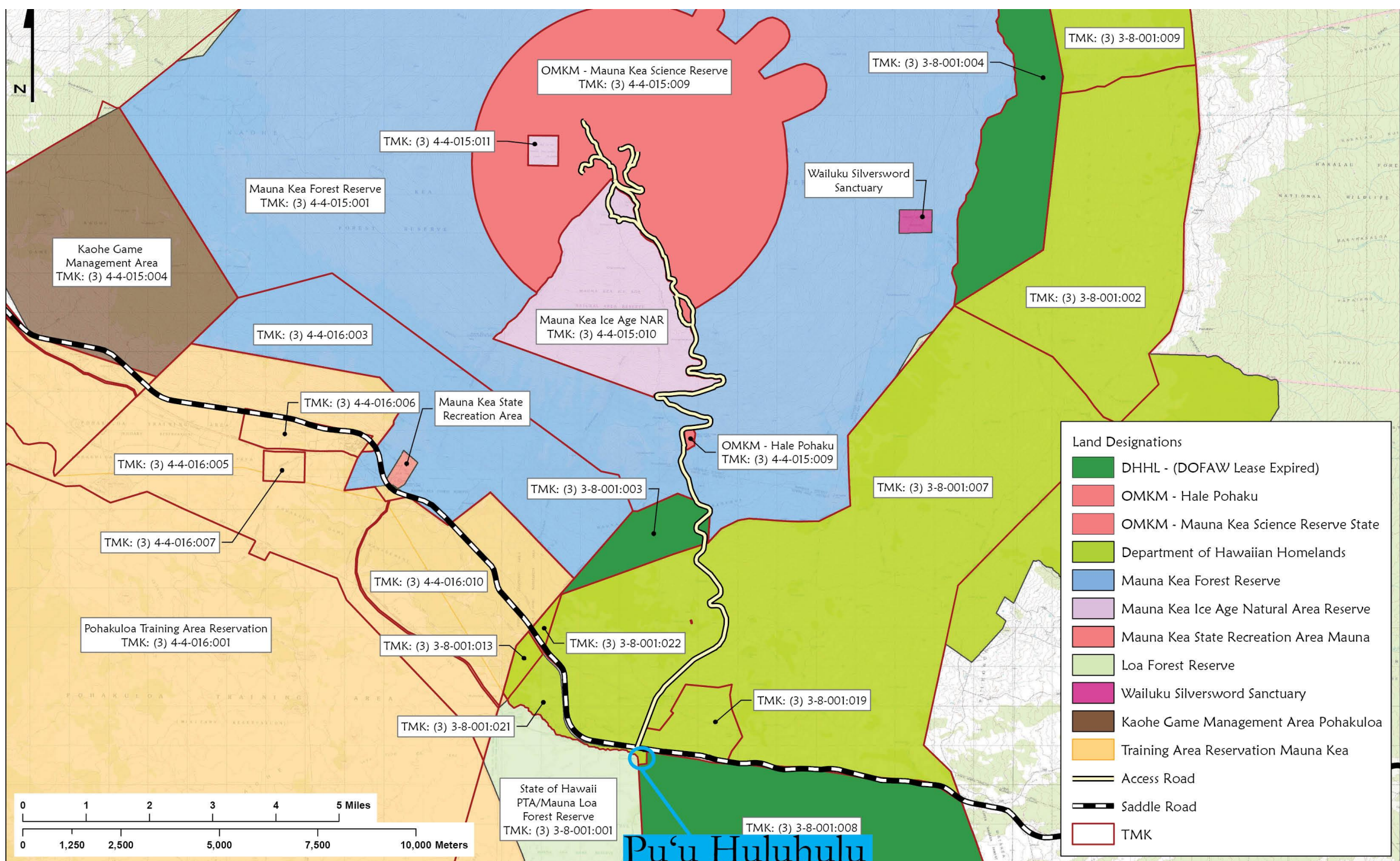


# Mauna Kea Access Road

- Mauna Kea Access Road is under the jurisdiction of the State Department of Transportation.
- The State Department of Transportation designated Mauna Kea Access Road to the State Highway System as Route 210.

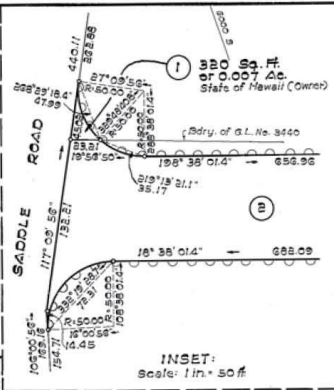
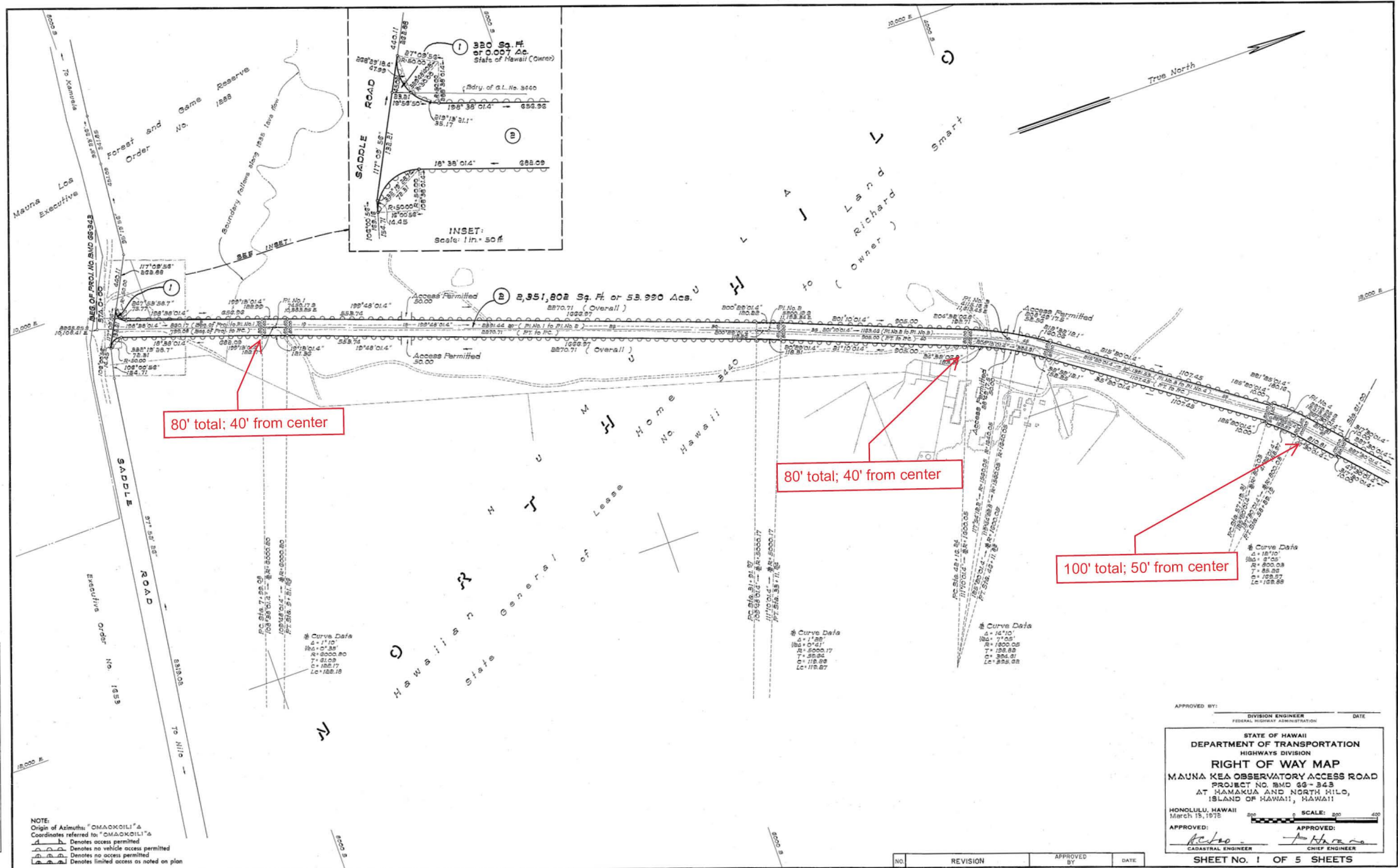






DRAWN BY: W.A. BAY, PLS. 238  
 FIELD CHIEF: W.A. BAY, PLS. 238  
 CHECKED BY: W.A. BAY, PLS. 238  
 CERT. FILED: 238  
 DRAFTSMAN: W.A. BAY, PLS. 238  
 SCALE: 1" = 100'

NOTE:  
 Origin of Azimuths: "OMAKOILI"  
 Coordinates referred to: "OMAKOILI"  
 ——— Denotes access permitted  
 ——— Denotes no vehicle access permitted  
 ——— Denotes no access permitted  
 ——— Denotes limited access as noted on plan



APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
 DIVISION ENGINEER  
 FEDERAL HIGHWAY ADMINISTRATION

STATE OF HAWAII  
 DEPARTMENT OF TRANSPORTATION  
 HIGHWAYS DIVISION  
**RIGHT OF WAY MAP**  
 MAUNA KEA OBSERVATORY ACCESS ROAD  
 PROJECT NO. BMD 66-343  
 AT HAMAKUA AND NORTH HILO,  
 ISLAND OF HAWAII, HAWAII

HONOLULU, HAWAII  
 March 13, 1972

APPROVED: \_\_\_\_\_  
 CADASTRAL ENGINEER

APPROVED: \_\_\_\_\_  
 CHIEF ENGINEER

SCALE: 1" = 100'

SHEET NO. 1 OF 5 SHEETS

NO.	REVISION	APPROVED BY	DATE



# Myths about DHHL and Mauna Kea

- Chair Aila did not call for the arrest of any Kupuna
- DHHL did not remove the lua that were at Puu Huluhulu
  - Puu Huluhulu is DHHL property
- TMT materials are not stored on DHHL property
  - They are on Pokahukola Training Area (PTA) leased from DLNR
- A DHHL lessee will not face lease cancellation for getting arrested on the Mauna
  - DHHL lessee's may display Hawaiian flags as long as it follows their respective DCCRs



# **TODAY'S DISCUSSION**

## **The Planning Process**



# DHHL PLANNING SYSTEM

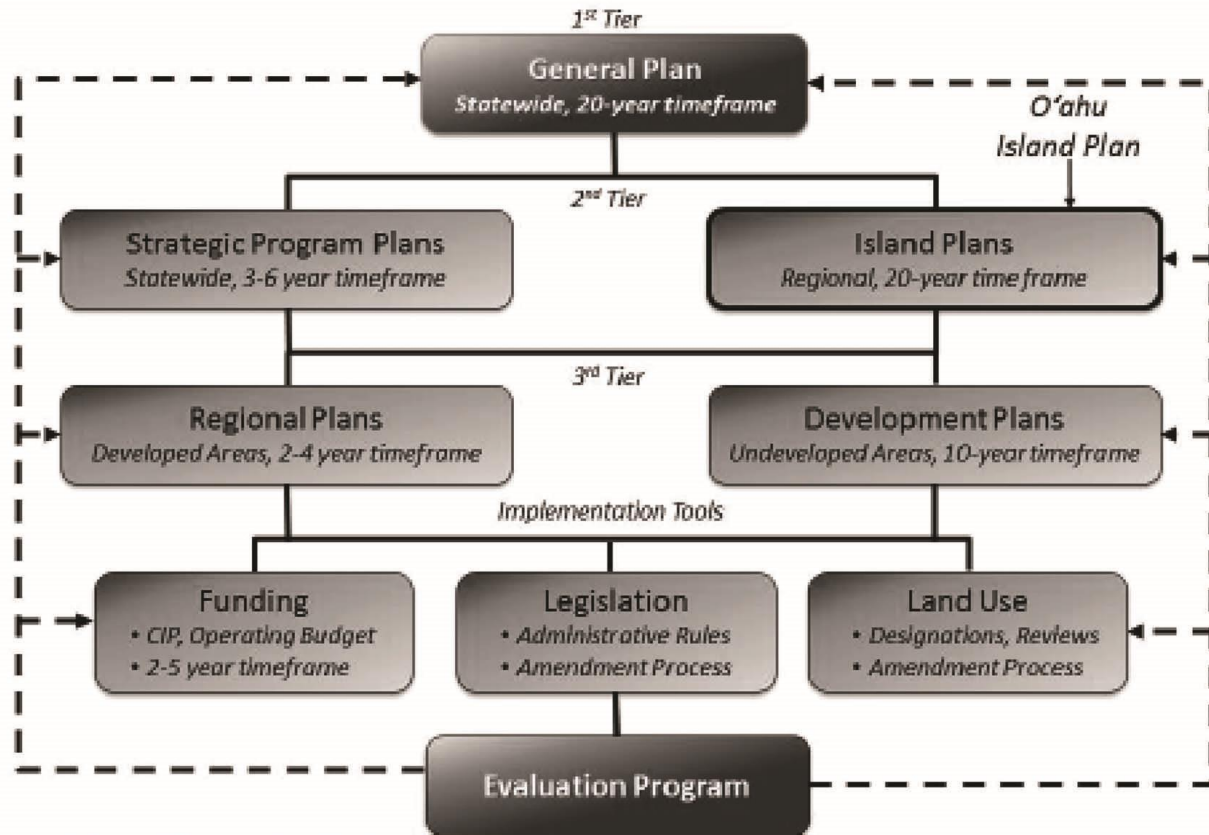


Figure 1-1 DHHL Planning System

The Planning System functions in (3) tiers.

## ● Tier 1 - The General Plan:

- Identifies long-term goals, articulates vision, and organizes priorities for the Department of Hawaiian Home Lands (DHHL) and the Hawaiian Homes Commission (HHC).

## ● Tier 2 - Island Plans and Strategic Program Plans:

- Focuses on statewide programs and policies as well as island-specific land use projections. Island Plans identify priority areas for lot development on each island.

## ● Tier 3 - Regional Plans and Area Development Plans:

- Identifies and addresses issues and opportunities relative to existing homestead communities and their future development.



# DHHL PLANNING SYSTEM

DHHL Island Plans have a 20 year development outlook



Figure 1-2 Island Planning Process



# **TODAY'S DISCUSSION**

## **Lot Development**



# LOT DEVELOPMENT

## FOUR PHASES TO HOMESTEAD DEVELOPMENT

### 1. PLANNING

- a. Development and Phasing Plan
- b. Environmental Compliance (EA/EIS/ERR)

### 2. ENGINEERING DESIGN

- a. Subdivision application
- b. County and State approval

### 3. CONSTRUCTION

- a. Construction management

### 4. POST-CONSTRUCTION

- a. Subdivision approval
- b. Disposition of licenses
- c. Lease Offering Information transfer





# LOT DEVELOPMENT

## OFFSITE AND ONSITE DEVELOPMENT

### Offsite costs

- Major highway improvements
- Potable Water system improvements
- Sewer system improvements
- Regional drainage improvements

### Onsite costs within subdivision

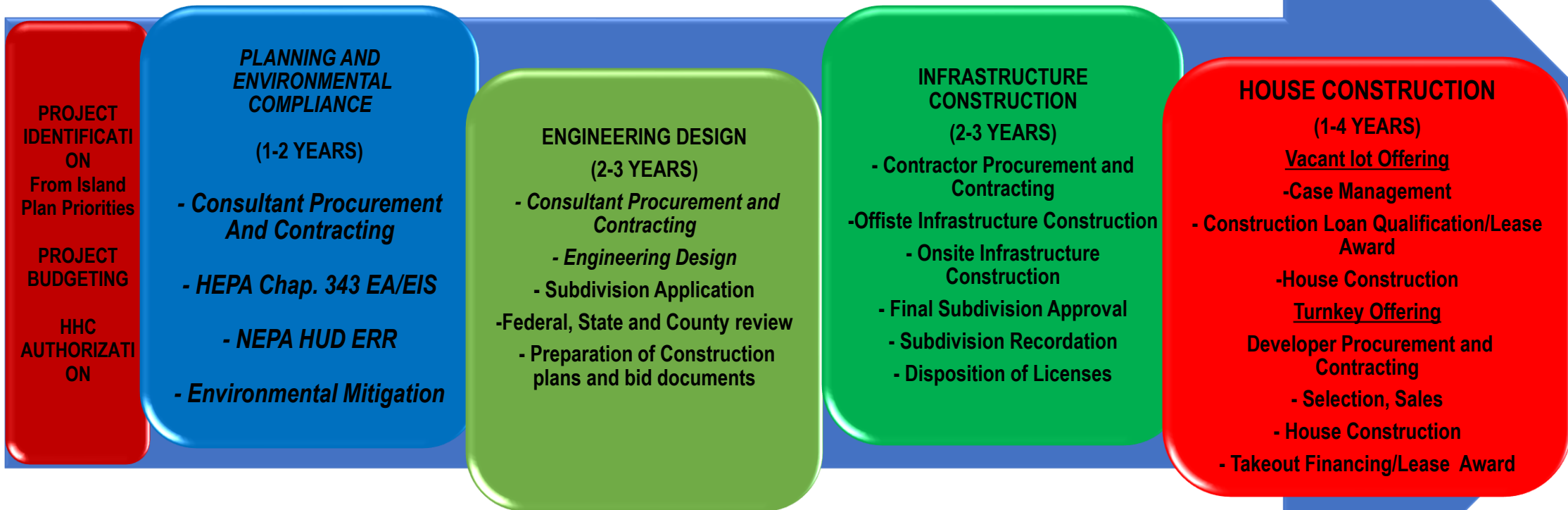
- Roadways
- Waterlines
- Sewerlines
- Storm drainlines
- Electrical and Telecommunications
- Lot Grading
- Archaeological and Environmental remediation



# DHHL DEVELOPMENT PROCESS

Generalized 6-8 year process:

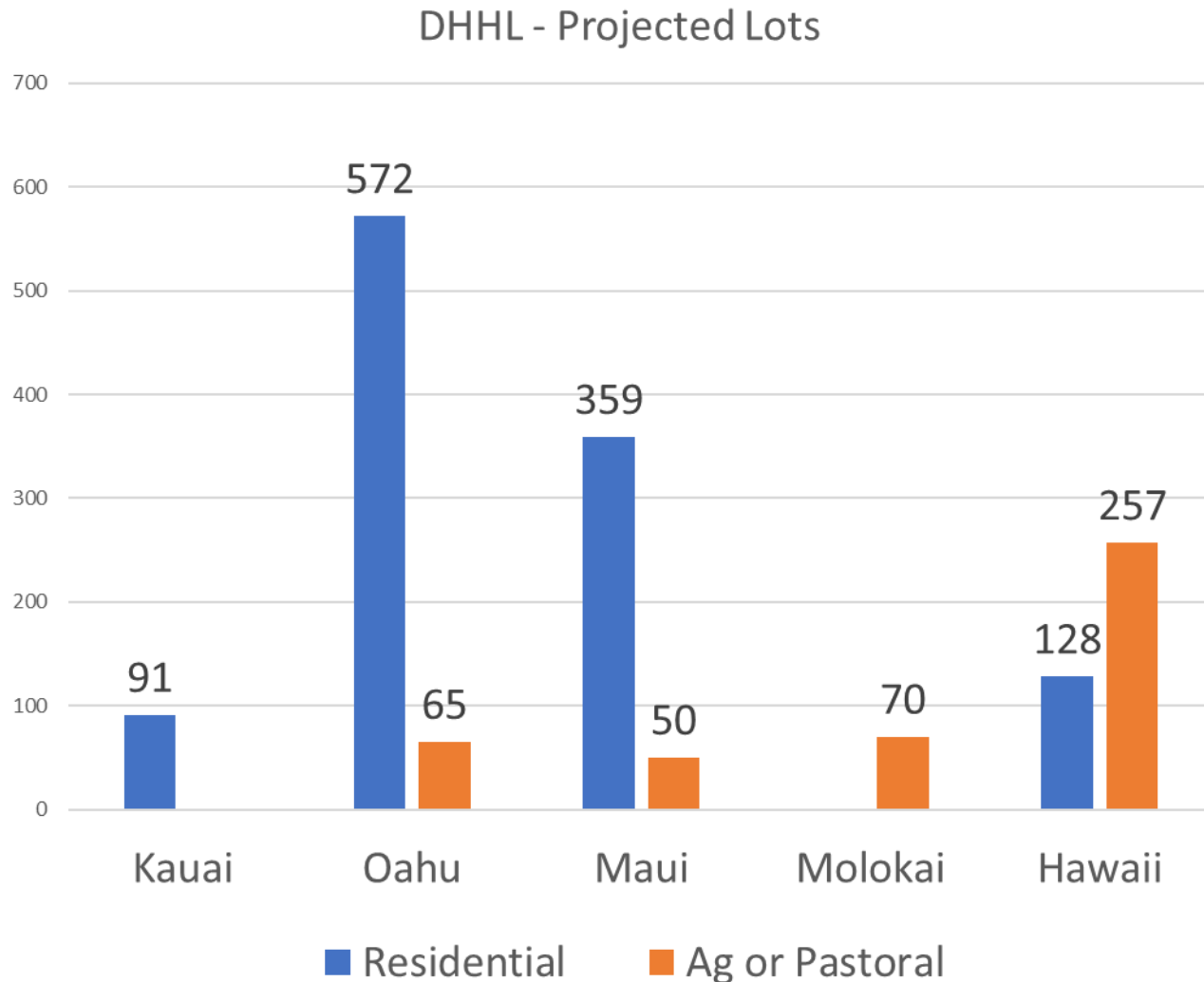
**Unimproved Land to House Construction\***



Assumes that all stages have funding authorization and procurement approvals.



# WHAT IS IN THE PIPELINE?



**OVER \*1300**  
**LOTS IN THE PIPELINE**  
**TO BE DEVELOPED**  
**OVER THE NEXT 5**  
**YEARS**

\*Assuming funding is available




# DEVELOPMENT PLAN – YEAR 1 (FY 2020)

PROJECT	LOTS PLANNED	CURRENT PHASE	FUNDING	STATUS
Waianae Res, Increment 4	8	Design	Trust FY20: \$840,000	Subdivide parcel to 8 lots. Advertise for bid in July 2019.
Maui Scattered Lots	10	Assessment and Design	Leg FY19: \$200,000	Lot assessment in process. Number of lots subject to change. Lots subject to consolidation and resubdivision, subject to cost.
Honomu Subsistence Ag	16	Design	Trust FY19: \$1,000,000 (D) Leg FY20: \$2,000,000 (C)	Master Plan/FEA October 2019; engineering designs in process for Phase 1; 16 one-acre lots.
Kaumana Lot Rehab	3	Design	Leg FY18: \$50,000 (D) \$450,000 (C)	Design contract encumbered. IFB in FY20.
TOTAL	37			







Kaupuni  
Neighborhood  
Park

Freitas Dairy Residential Lots (32  
lots)

Waianae  
Residence Lots

Waianae Valley, Increment 4  
Proposed residential lots, per O'ahu Island Plan



# Lot Assessment & Preparation for Award

(Kula Residence Lots)

Lot 45



Lot 85



Lot 112



Lot 206



Lot 209



Lot 121



Lot 122



Lot 213



Lot 235



# Preparation for Award

(Hikina Residence Lots)



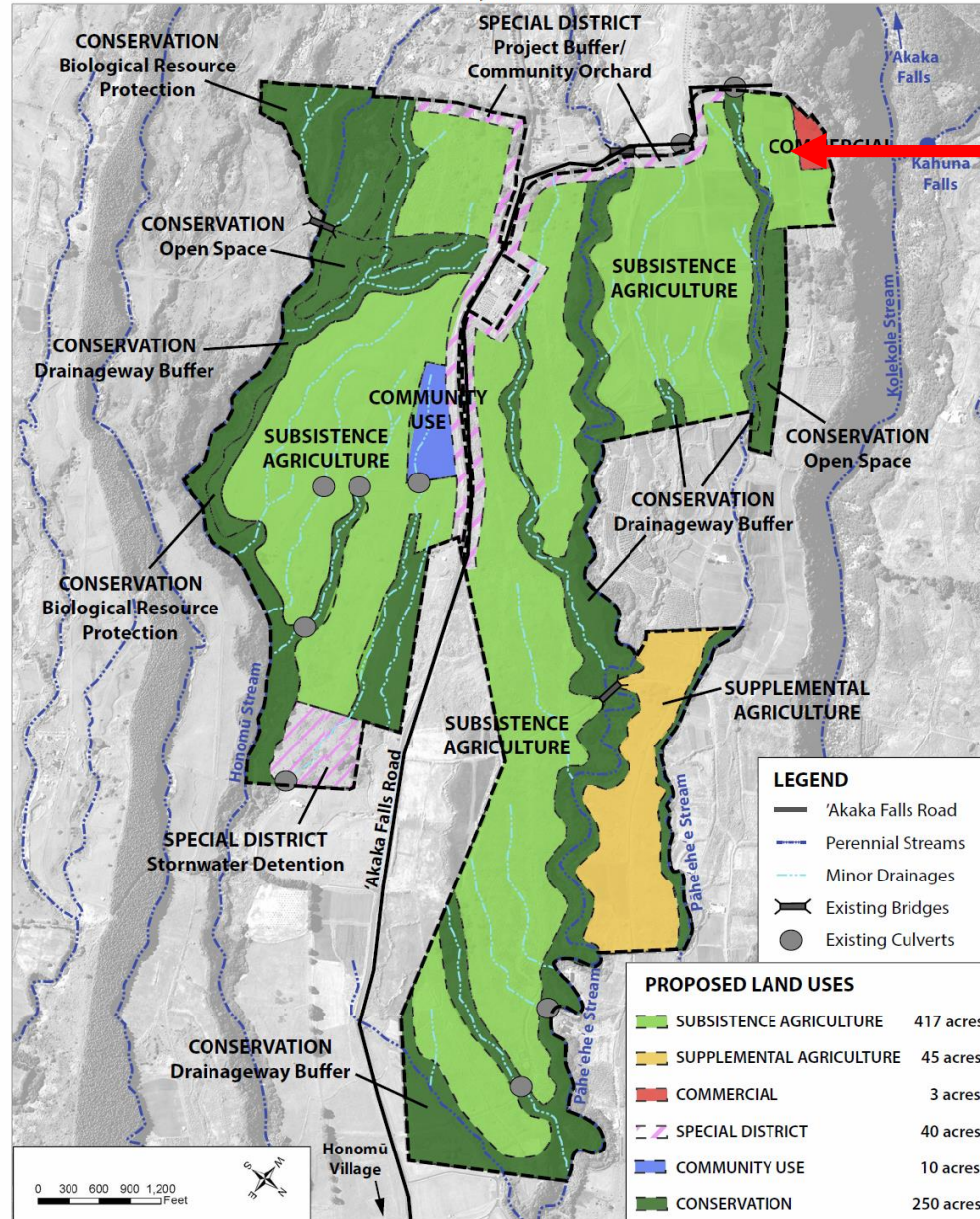


# Honomu Subsistence Agricultural Community



## Honomu Subsistence Agricultural Homestead Community CONCEPTUAL PLAN ALTERNATIVE B

May 23, 2018



Phase 1  
16 one-acre lots



# DEVELOPMENT PLAN – YEAR 2 (FY 2021)

PROJECT	LOTS PLANNED	CURRENT PHASE	FUNDING	STATUS
East Kapolei IIC	130	Design	Trust Funds FY20: \$15,000,000	Construction plans 84% completed. IFB early 2020.
Mali-Ulu Ke Kukui	80	Planning	Developer financing	Structural assessment completed. RFP August 2019
Waimanalo Ag (Waikupanaha)	15	Planning	Leg FY18: \$1,300,000 Leg FY20: \$3,500,000	Planning/engineering consultant selected. Construction funding appropriated.
Keokea Waiohuli Ph 1-B	44	Design	Leg FY19: \$1,000,000(por) Designs. Leg FY19: \$5,000,000	Design contract certified. IFB planned for early 2020.
Panaewa Lot 185 Subdivision	16	Design	Trust funds for Construction FY20: \$1,500,000	Advertise for bids in September 2019. 16 half-acre Subsistence ag lots .
Honomu Subs. Ag	25	Design	\$3-4 Million required	Master Plan/FEA October 2019.
TOTAL	310			



University of Hawaii  
West Oahu

Kualaka'i Parkway

Ho'opili

Incr II-O

Incr II-B

Incr II-A

Kauluokahai

*Kānehiki*

Hale  
Kalaniana'ole

Kapolei Parkway

Ka Makana Ali'i



DEPARTMENT OF HAWAIIAN HOME LANDS

June 2017



# Waikupanaha Agricultural Lots



Legislative Appropriations: FY18 \$1,300,000

FY20 \$3,500,000



## Legislative Appropriations

Keokea-Waiohuli, Phase 1B and 2:

FY18 - \$1,000,000

FY19 - \$5,480,000

FY20 - \$12,000,000

Non-potable Water System Improvements:

FY18 - \$2,000,000

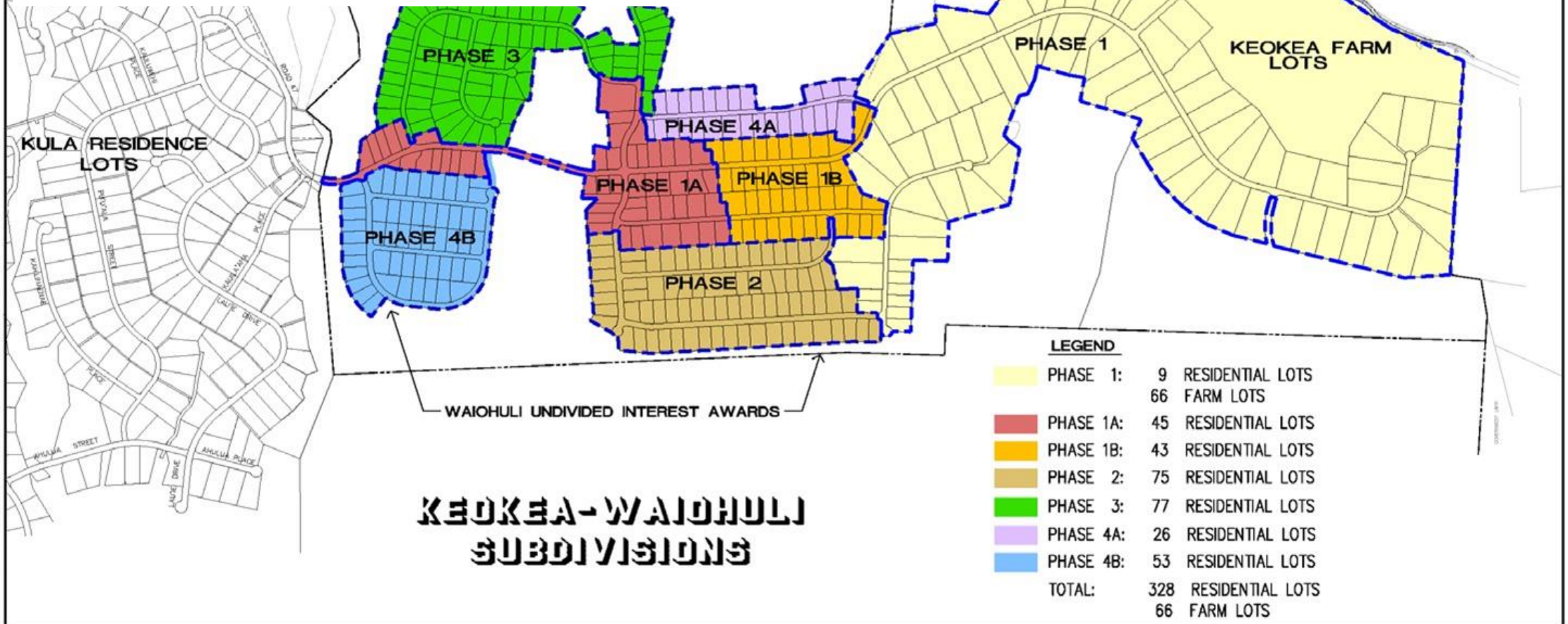
Roadway and Drainage Improvements:

FY18 - \$1,200,000

FY19 - \$1,200,000

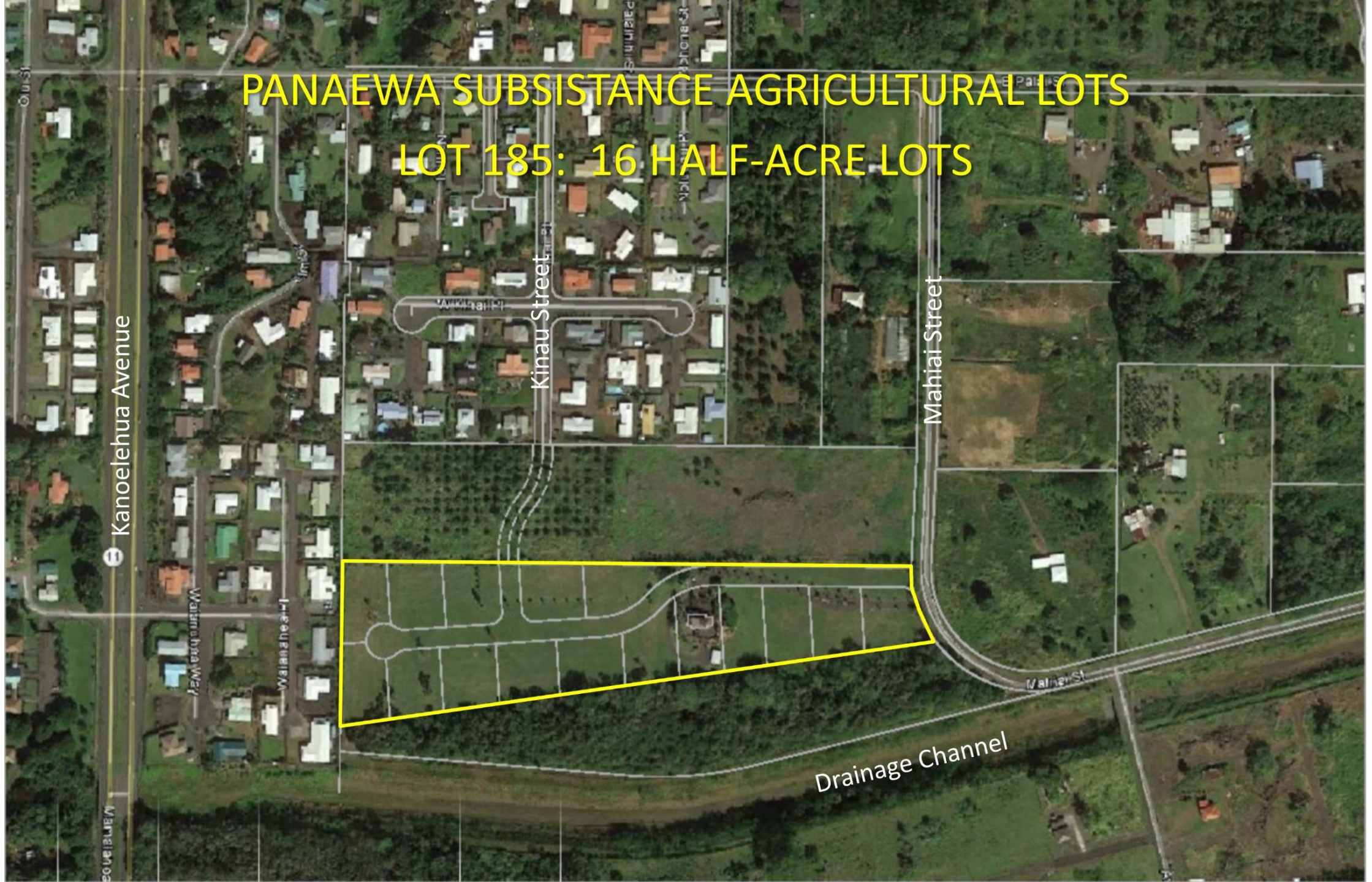
Archaeological Preservation Improvements:

FY18 - \$1,000,000





PANAEWA SUBSISTANCE AGRICULTURAL LOTS  
LOT 185: 16 HALF-ACRE LOTS



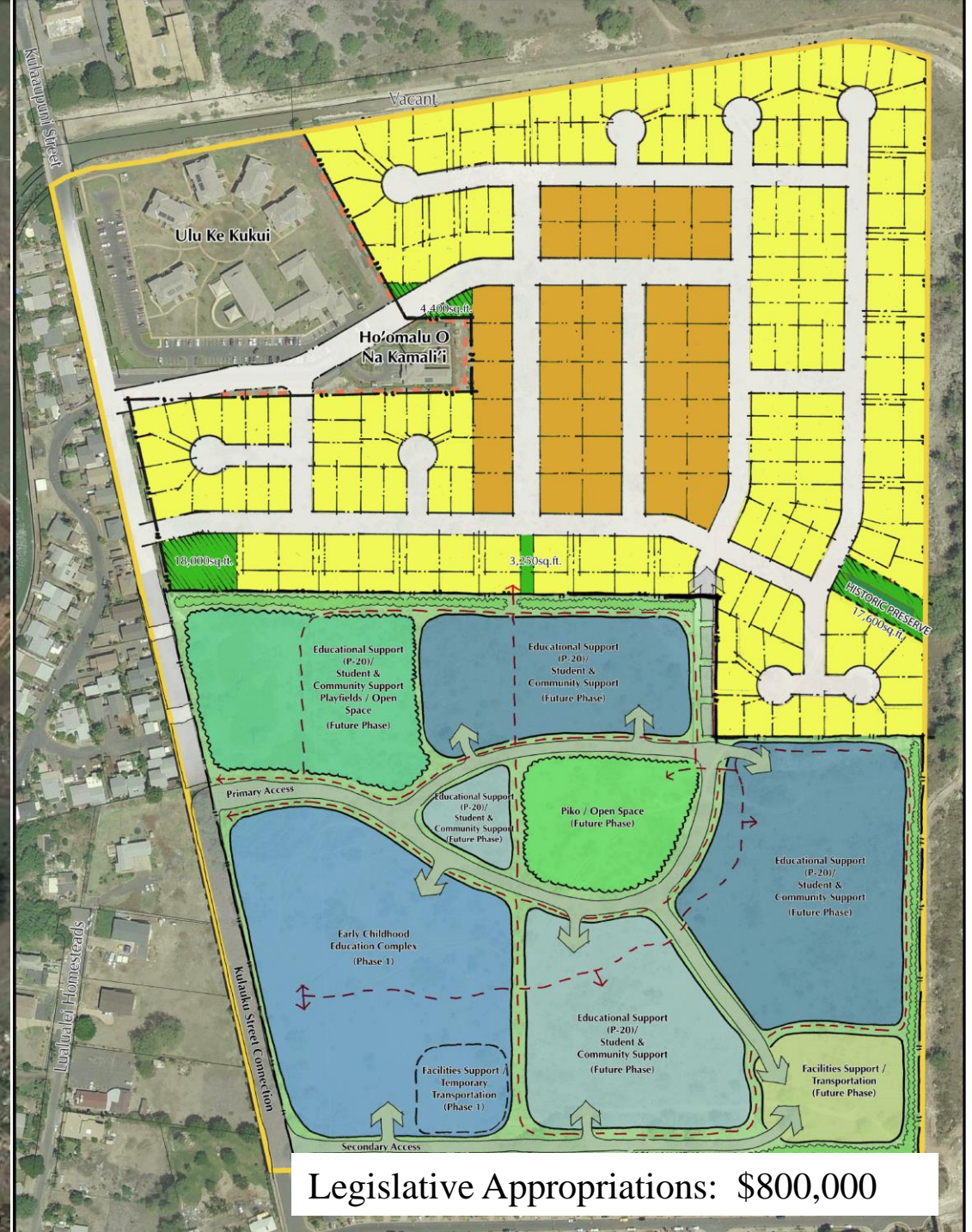


# DEVELOPMENT PLAN – YEAR 3 (FY 2022)

PROJECT	LOTS PLANNED	CURRENT PHASE	FUNDING	STATUS
East Kapolei IIA (TOD)	157	Planning	Developer financing	Contract executed with consultant to assist with RFP.
Maili – VOA Ph 1	72	Planning	Leg FY18: \$800,000	Legislative appropriations released.
Waimanalo Res & Agr (Wong)	175	Acquisition		Executing conveyance documents.
Keokea Waiohuli Ph 2	76	Design	Leg FY18: \$1,000,000 (por)(D) Leg FY19: \$400,000 (D) Leg FY20: \$12,000,000 (C)	Design contract certified. IFB for Phase 2 (Mauka) planned for early 2020. Phase 2 (Makai) under design.
Honokowai Subs Ag Ph 1	25	Planning	Trust Funds: \$500,000	Masterplan EA for Honokowai. Initiate FY20.
Hoolehua- Pala' au	12	Plng/Design	Leg FY18: \$1,500,000	Legislative appropriations released.
Naiwa	58	Plng/Design	Leg FY19: \$1,500,000	Legislative appropriations released.
Laiopua Village 4 Ph 2 (Hema)	125	Design	USDA-RD: \$2,759,000 Trust Funds: \$11,000,000	Advertise for bids in March 2020, subject to new CIP request for \$11 million. 24 lots require water credits.
Honomu Subsistence Ag	50	Design	Requires \$5-6 Million	Master Plan/FEA October 2019.
Kau Water/ Kamaoa Lots	25	Design	Leg FY18: \$400,000 (P/D) \$1,100,000 (C)	Planning/Design contract encumbered. Partial Water improvements to be constructed in FY21
TOTAL	775			







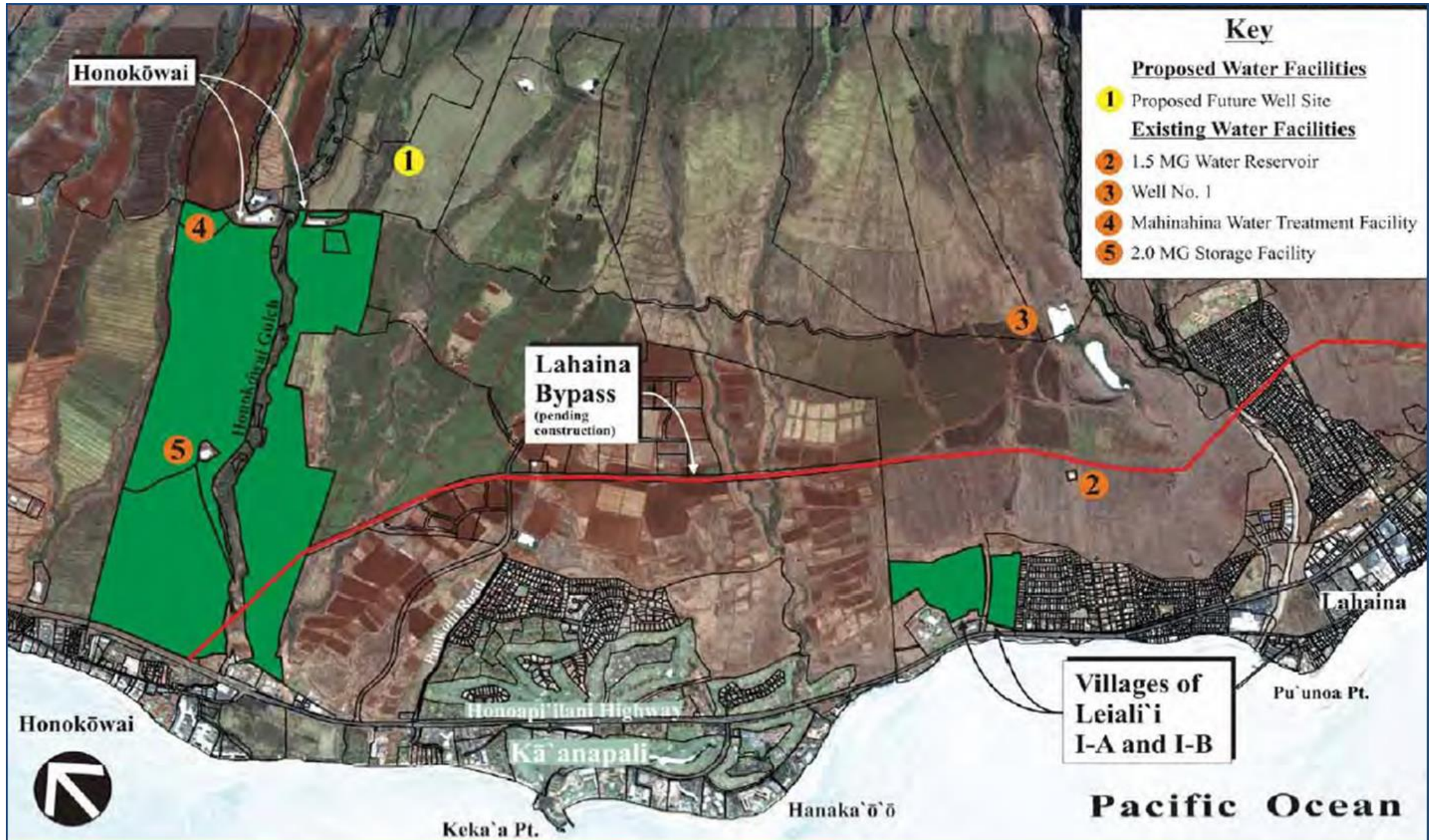
Legislative Appropriations: \$800,000



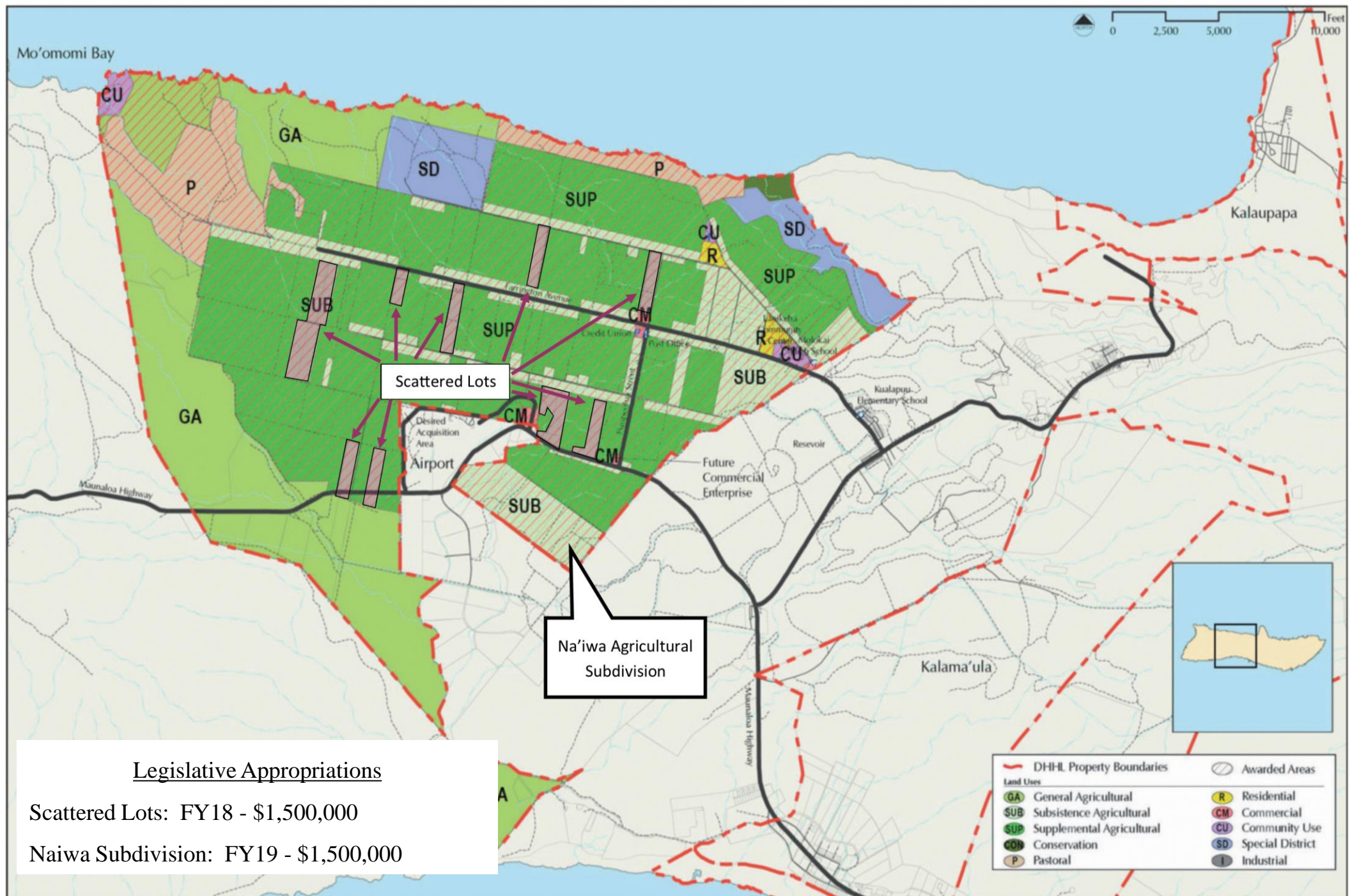




# HONOKOWAI WATER DEVELOPMENT







### Legislative Appropriations

Scattered Lots: FY18 - \$1,500,000

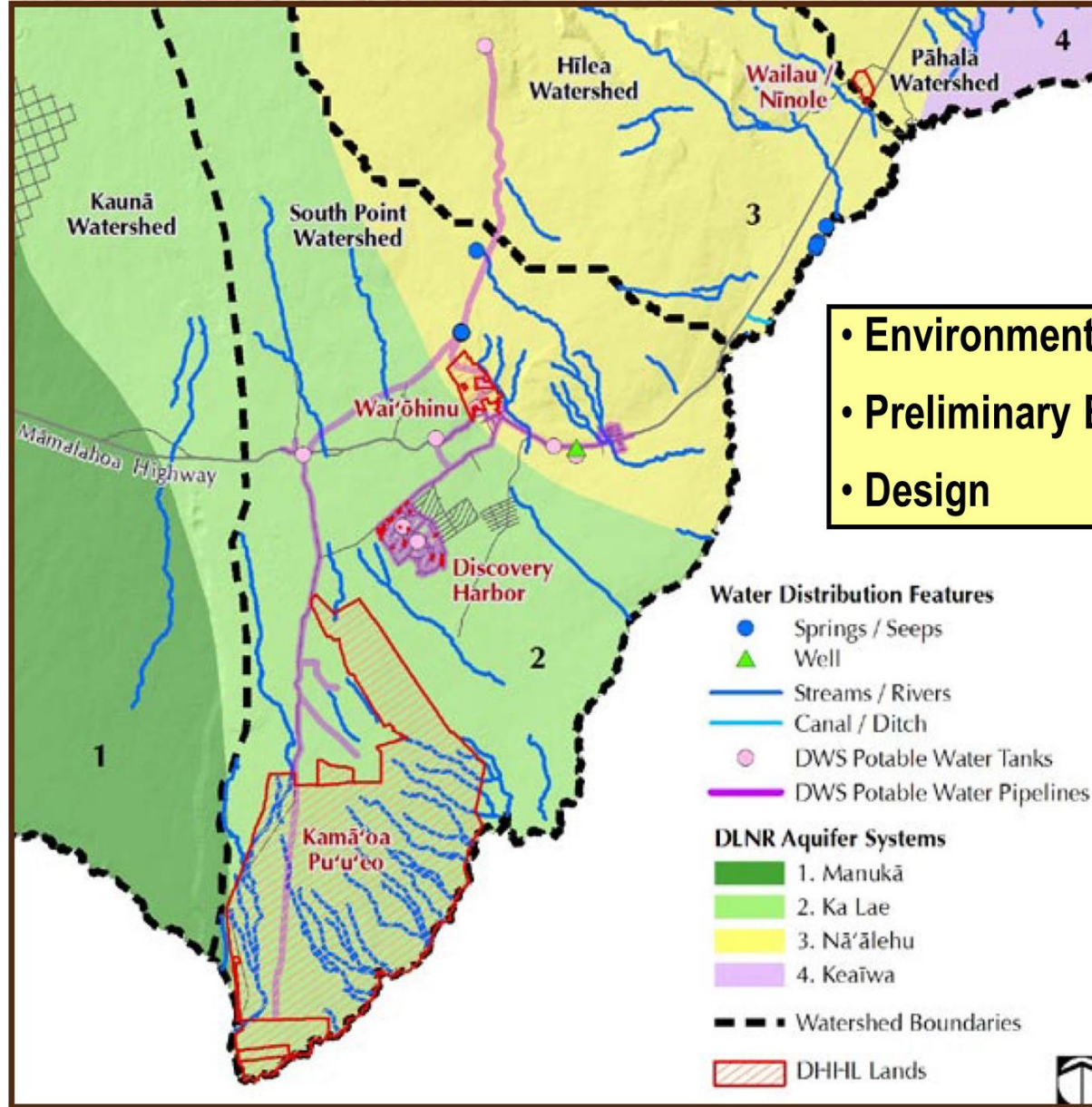
Naiwa Subdivision: FY19 - \$1,500,000



Villages of La'i 'Ōpua  
Kealakehe, Hawai'i







- Environmental Review Record
- Preliminary Engineering Report
- Design

# Kau Water System

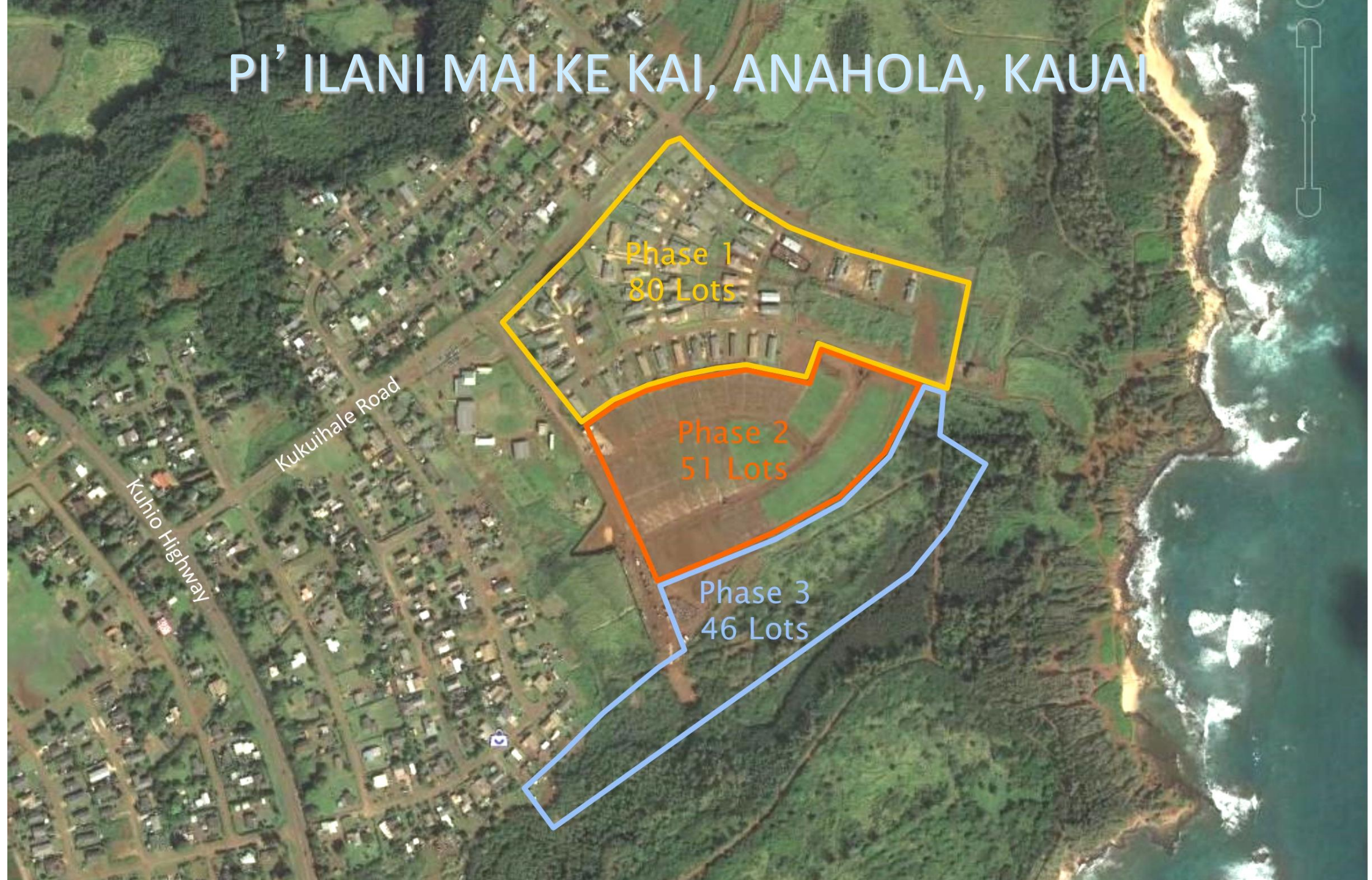
Legislative Appropriations: \$1,500,000

# DEVELOPMENT PLAN – YEAR 4 (FY 2023)

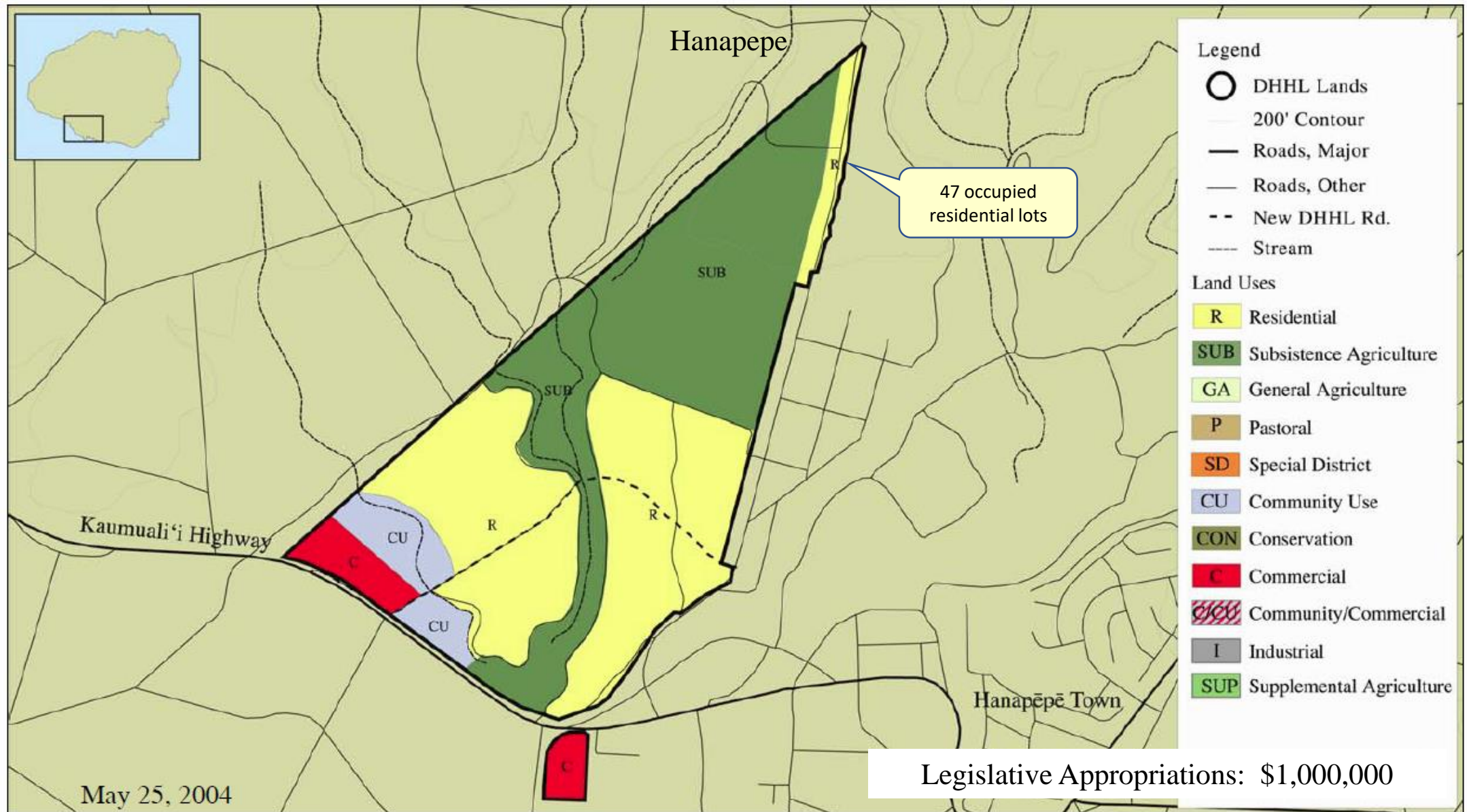
PROJECT	LOTS PLANNED	CURRENT PHASE	FUNDING	STATUS
Piilani Mai Ke Kai Ph 3	41	Planning	\$1,500,000 required for environmental and subdivision design.	Part of PMKK phasing plan; lotting plan established.
Hanapepe Residential, Ph 2	50	Planning	Leg FY18: \$1,000,000	Planning/EA and Design contracts certified. Requires significant offsite water requirements.
Leialii – Ph 1B	75		Leg FY19: \$1,400,000 Trust Funds: \$1,200,000 \$8-10 Million needed for construction. \$8-10 Million needed for highway and access improvements. \$10M HHFDC DURF funding agreement	Leg appropriations for designs for hwy and pkwy improvements. Offsite water improvements funded by HHFDC DURF.
Honokowai Subs Ag Ph 1	25	Planning		Masterplan for Honokowai
Honomu Subs. Ag	50	Design		Master Plan/Draft FEA October 2019.
TOTAL	241			



# PI' ILANI MAI KE KAI, ANAHOLA, KAUAI







R = 168 acres; 482 lots @ 10,000 sf  
 SUB = 158 acres; 13 lots @ 3 acres & 36 @ 2 acres

CU = 22 acres; 7 acres along Hwy & 15 acres behind Commercial  
 C = 17 acres; 6 acres makai & 11 acres mauka



Legislative Appropriations: FY19 - \$1,400,000



# DEVELOPMENT PLAN – YEAR 5 (FY 2024)

PROJECT	LOTS PLANNED	PHASE	FUNDING	STATUS
Keokea Waiohuli Ph 2	29	Design		Design contract certified. IFB for Phase 2 (Makai) planned for early 2020. Phase 2 (Mauka) under design.
Leialii – Ph 1 B	125			Leg appropriations for hwy and pkwy improvements, plus DHHL funds for Village 1B designs subject to water improvements funded by HHFDC DURF.
Honomu Subsistence Ag	50	Design		Master Plan/EA FONSI August 2019.
Kau Water/Kamaoa Lots	25	Design		Planning/Design contract encumbered.
TOTAL	229			



# LOT DEVELOPMENT

## Barriers to Development

- FUNDING
- OFFSITE INFRASTRUCTURE CAPACITY
- ENVIRONMENTAL COMPLIANCE
- REGULATORY PROCESSING
- RISING LABOR AND MATERIAL COSTS
- DEVELOPMENT IN REMOTE AREAS
- REDEVELOPMENT OF AGED INFRASTRUCTURE AND SUBDIVISIONS



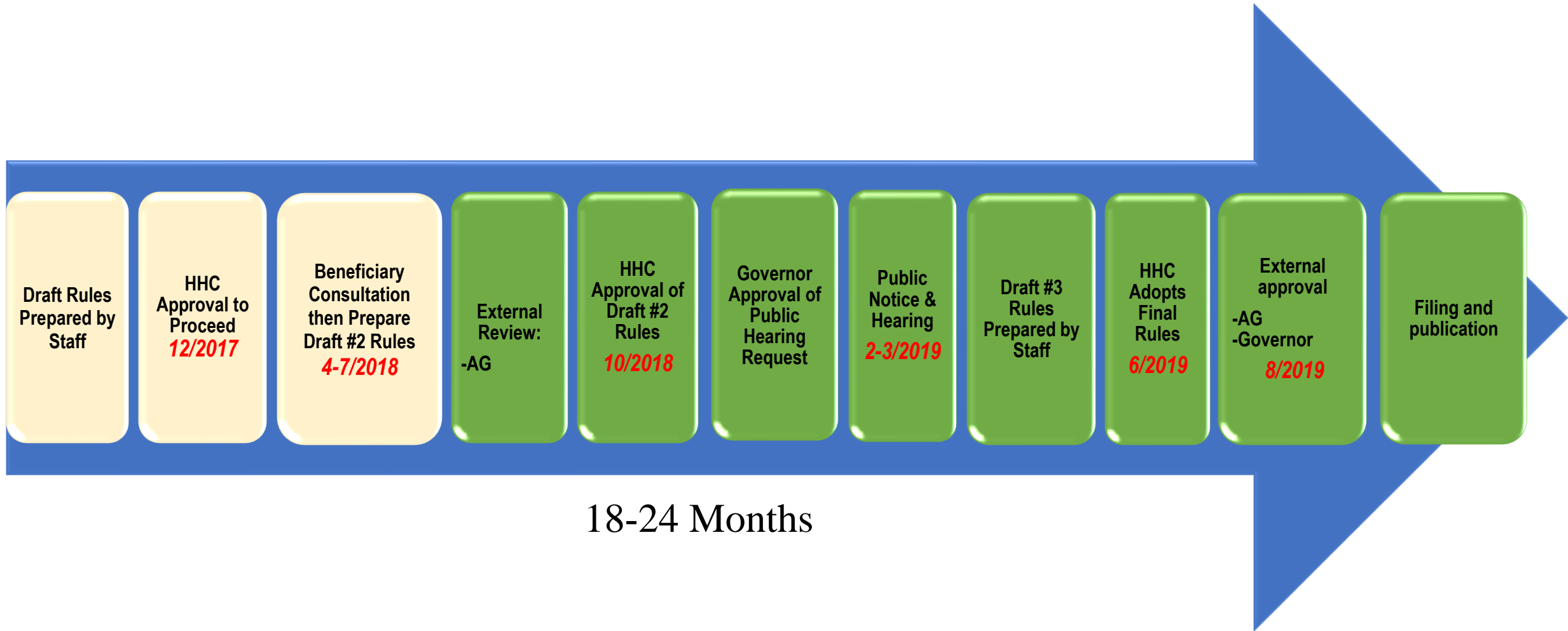


# **TODAY'S DISCUSSION**

## **DHHL Rulemaking for Rental Housing**



# DHHL RULEMAKING PROCESS FOR RENTAL HOUSING





# HOW WOULD THE RENTAL HOUSING RULES WORK?

- Offers would be made to residential area or island wide waiting lists based on where the development is located.
- The rental agreement would control the rights and responsibilities between the renter and management company.
- Renters would remain on the waiting list as homestead applicants until they become lessees.
- Successorship would be governed by HAR 10-3-8 (application). A qualified successor can take the rental unit if they meet program requirements or succeed to the application.



# HOW WOULD THE KUPUNA HOUSING RULES WORK?

- Kupuna housing would be offered based on age requirements.
- A kupuna lessee who accepts kupuna housing offer must transfer or surrender the homestead lease and would become a renter.
- A spouse eligible under HHCA section 209 and qualified for the kupuna housing unit, may succeed to the rental agreement.





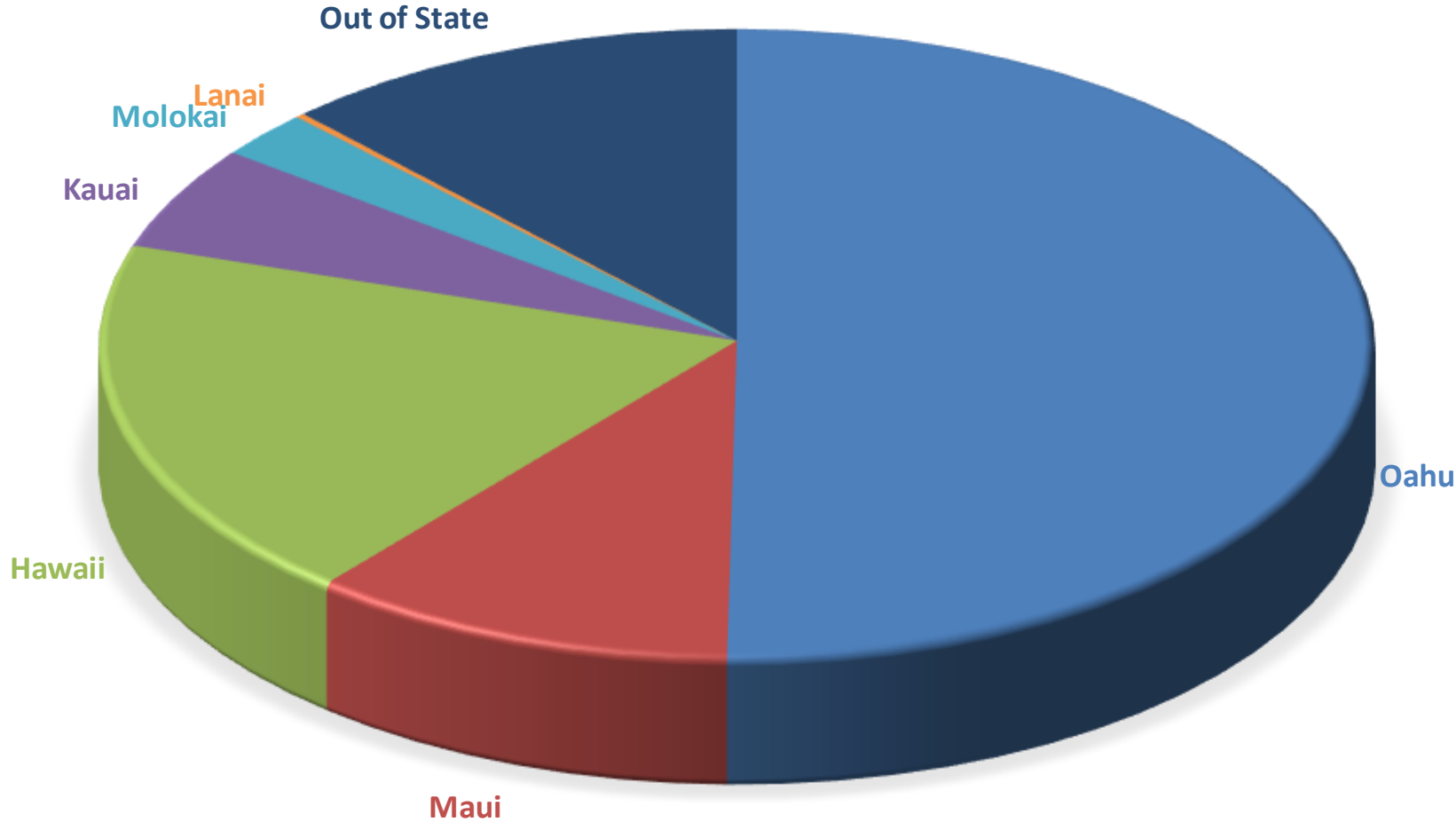
# **TODAY'S DISCUSSION**

## **DHHL Beneficiary Community**



# APPLICANT INFORMATION

APPLICANTS BY AREA



AREA	COUNT	PERCENT
OAHU	14,356	50%
MAUI	3,098	11%
HAWAII	5,380	19%
KAUAI	1,533	5%
MOLOKAI	695	2%
LANAI	65	>1%
OUT OF STATE	3,446	12%
TOTAL	28,753	

\*As of June 27, 2019





# APPLICANT INFORMATION – WHO THEY ARE?

- The median age of DHHL applicants in 2014 was 57 years. Nearly one-third of the applicants are over the age of 65.
- The average household size is four persons and applicant households are notably more likely to have children in them.
- Just over half of all DHHL applicants own their current home (51%) and are most often single-family dwellings (63.9%).
- For the majority of applicants, there are typically one or two adults in the household who work full-time (71.7%).



# APPLICANT INFORMATION – WHAT THEY WANT?

- Among residential applicants, approximately two-thirds (68%) would choose to have a turn-key unit (*a residential lot with a single-family dwelling*).
- A lot with water, sewer, and electrical connections provided but no housing unit was a distant second with only 9.4% of residential applicants preferring this alternative.
- In keeping with the overall aging of the applicant pool, a larger percentage of applicants would prefer kupuna housing in 2014 at 3.9%, up 2.6 points.



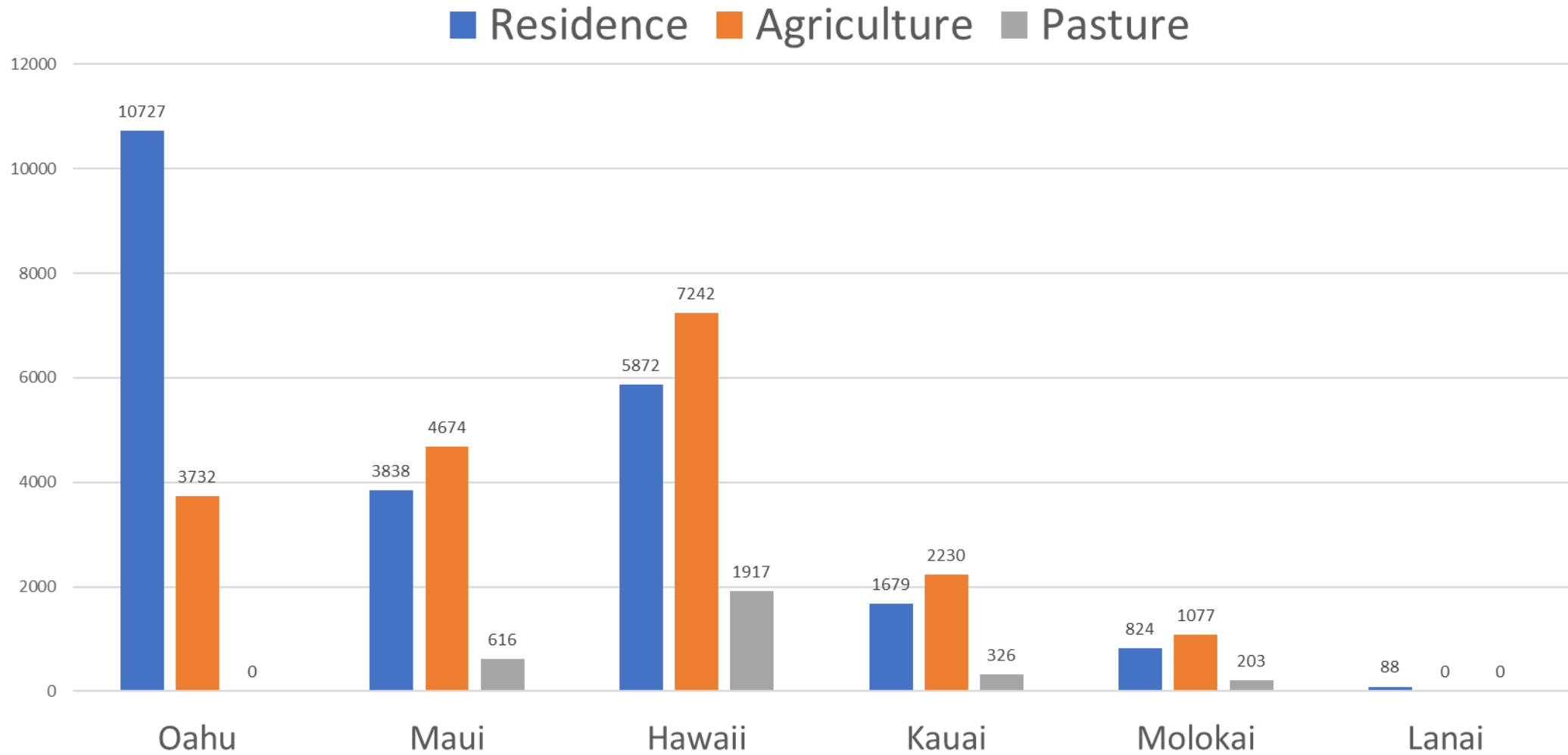


# APPLICANT INFORMATION – WHAT THEY CAN AFFORD?

- The median annual income of the applicant household in 2014 was \$59,932. While the percentage of applicants with incomes over \$100,000 per year has increased somewhat, the percentage earning less than \$25,000 per year has also risen slightly.
- 45% of all applicants make less than 80% of HUD median income.
- The median housing payment in 2014 among all applicants who pay a mortgage or rent payment each month is \$1,197. This median payment amount is slightly higher among owners (\$1,459).



# DEMAND - APPLICATIONS



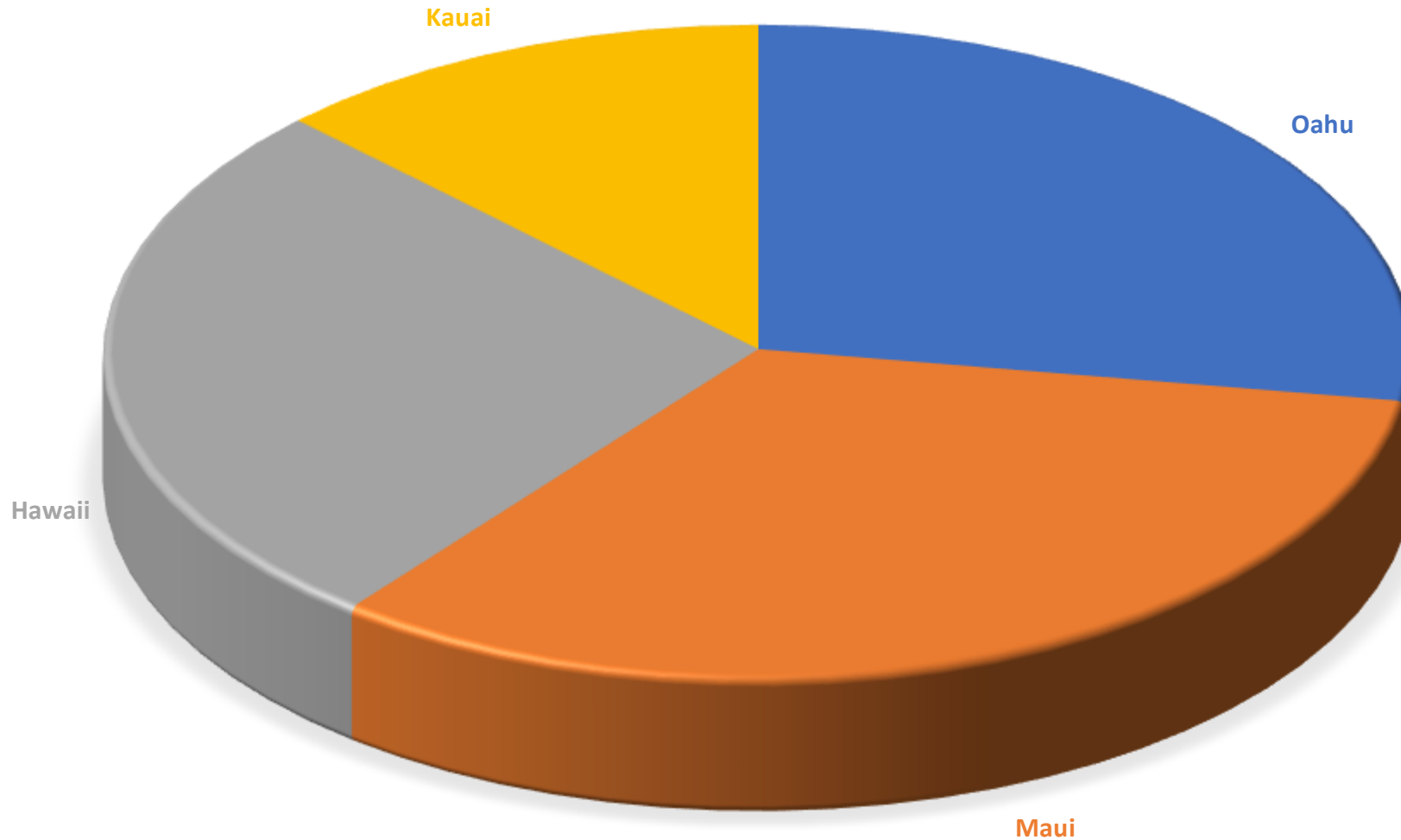
\*As of June 30, 2019





# UNDIVIDED INTEREST LESSEE INFORMATION

UNDIVIDED INTEREST LESSEES BY ISLAND



ISLAND	COUNT	PERCENT
OAHU	228	27.5%
MAUI	274	33%
HAWAII	222	27%
KAUAI	104	12.5%
TOTAL	828	

\*As of June 17, 2019



# UNDIVIDED INTEREST LESSEES – WHO THEY ARE?

- The majority of Lessees with an undivided interest award in 2014 were between the ages of 35 to 54 (38%) and 55 to 64 (33%). The median age of undivided interest lessees was 55 years.
- About half of Undivided Interest Lessees in 2014 were renting their residence (49.5%), while 37.8% were homeowners. Nearly seven of ten live in a single family dwelling (68.6%).





# UNDIVIDED INTEREST LESSEES – WHAT THEY WANT?

- Among undivided interest lessees, a turn-key lot was the top choice of the majority of respondents (57.3%).
- A lot with basic improvements (sewer and water) but no house was the second most frequently mentioned top choice (27.5%).

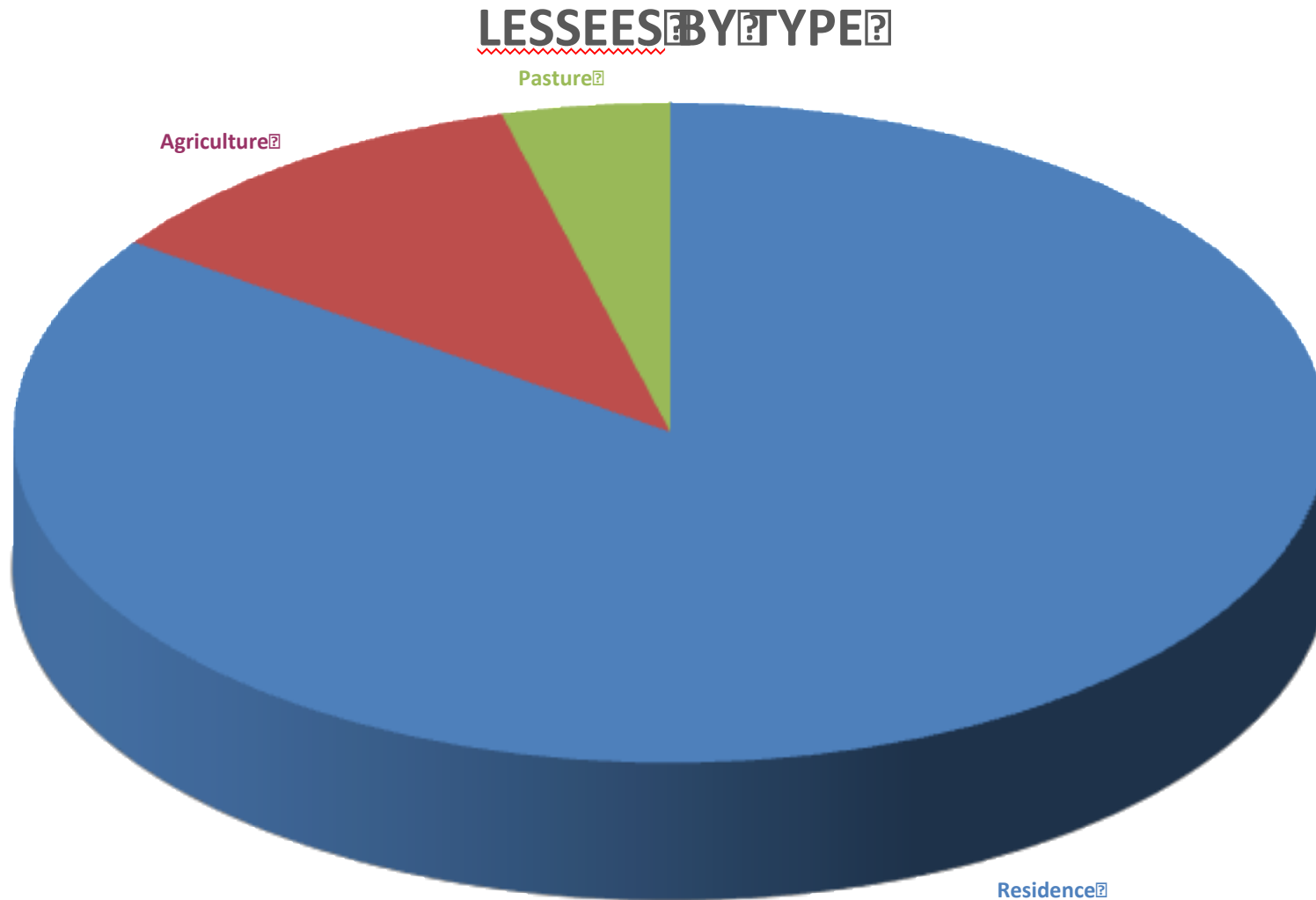


# UNDIVIDED INTEREST LESSEES – WHAT THEY CAN AFFORD?

- Undivided Interest Lessees had an annual household income of between \$49,681 and \$79,572 in 2014, depending on which county they live in. The median annual income for these households statewide was \$64,933.
- When asked if they would be financially prepared to qualify for their award when their lot became available, 60.8% responded positively.
- An additional 30.5% indicated that they were simply not sure if they would be financially prepared to receive a lot, and only 8.7% felt that they would not be fully prepared. These unprepared households also reported the lowest income levels among undivided interest lessees.



# LESSEE INFORMATION



TYPE	COUNT	PERCENT
RESIDENCE	8,392	85%
AGRICULTURE	1,096	11%
PASTURE	410	4%
TOTAL	9,898	

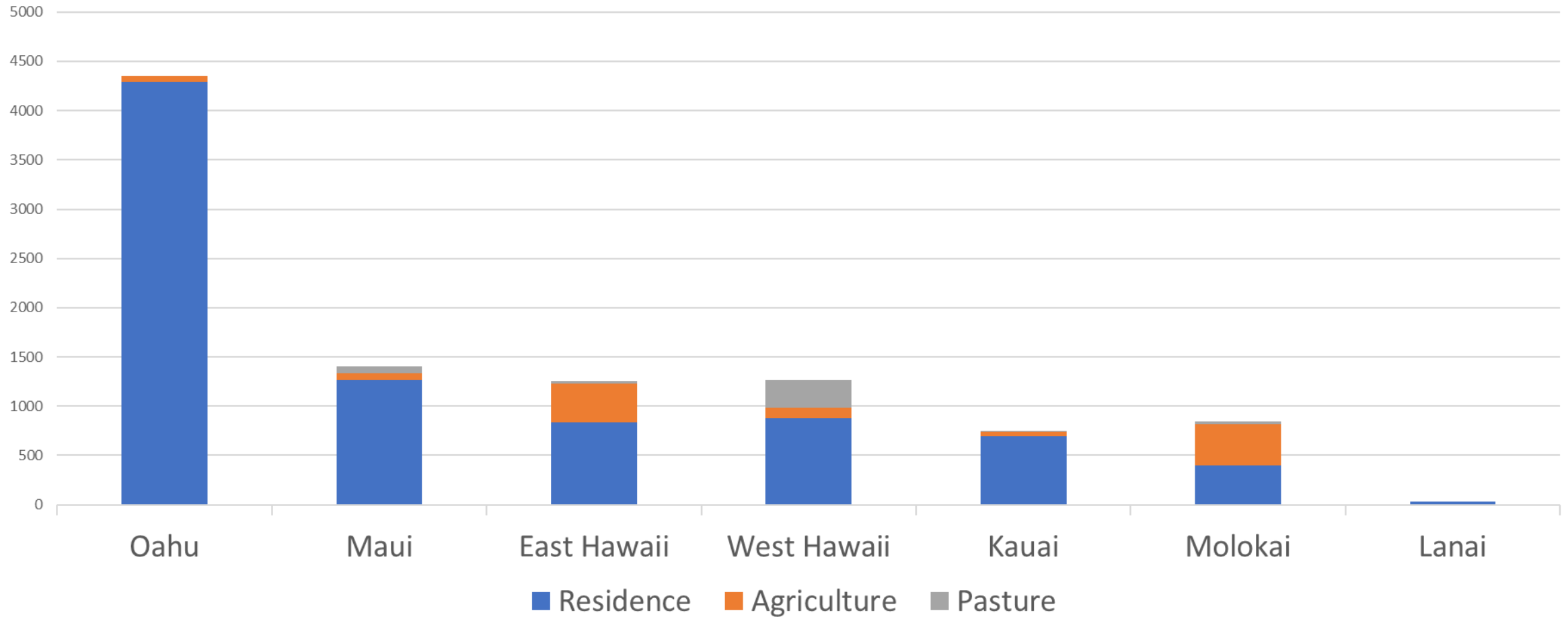
\*As of June 30, 2019





# LESSEE INFORMATION

Lessees By Island



\*As of June 30, 2019



# LESSEES – WHO THEY ARE?

- Nearly 85% of the Lessees statewide in 2014 were over the age of 45. Among those, 46% were between the ages of 46 and 64, and 39% were age 65 or older.
- The average household size among Lessee households were 4.2 persons, with the majority of Lessee households consisting of 3 to 7 members (61%).
- The majority of Lessee households (85%) had one or more adults employed full-time.



# LESSEES – WHAT THEY WANT?

- The Lessee survey classified the issues Homestead Communities are facing into four types: *community quality/maintenance, crime, community organization, and community structure.*
- The problems rated as serious by Lessees in 2014 were predominantly related to quality and maintenance issues. Four out of ten Lessees rated abandoned cars or trash in yards as a serious problem, while the same number cited the lack of places for children to play as an equally serious problem with Homestead communities.

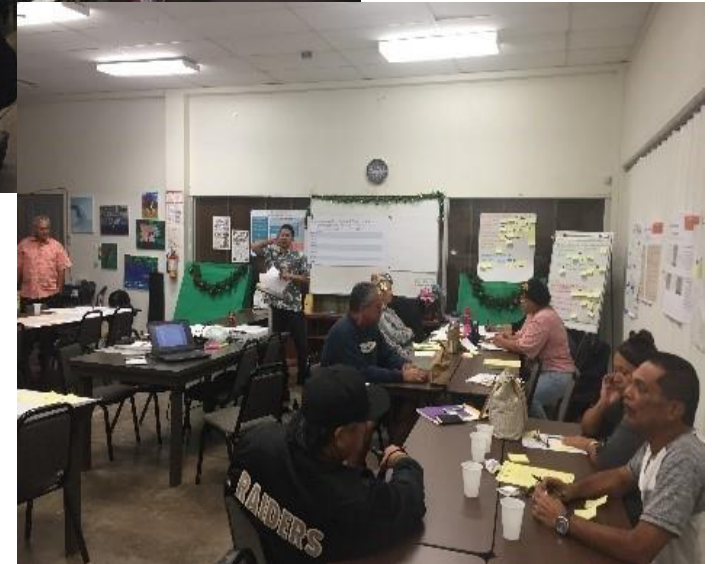




# LESSEES – WHAT THEY WANT?

## 22 Regional Plans across the State

- Oahu has 5 regions – Kapolei, Nanakuli, Papakolea, Waianae & Lualualei, and Waimanalo
- Maui has 4 regions – Kahikinui, Keokea-Waiohuli, Lealii-Honokowai, and Waiehu Kou-Paukukalo
- Hawaii has 8 regions – Kau, Kaumana-Piihonua, Kawaihae, Kealakehe-Lai Opuu, Keaukaha, Makuu, Panaewa and Waimea Nui
- Kauai has 3 regions – Anahola, Wailua & West Kauai
- Molokai and Lanai are the final 2 regions



# LESSEES – WHAT THEY CAN AFFORD?

- The median household income among Lessee households increased significantly since 2008, climbing from \$48,731 in 2008 to \$59,600 in 2014. Despite this increase in median household income, a notably larger proportion of Lessees are currently below the HUD 80% of median income guide (58.7%) than in 2008 (46.1%).
- Slightly less than half of all Lessees (48%) reported the need for one or more types of repair to their current housing unit. Among those in need of repair, over half of the units require relatively minor repairs (63%) while about 38% need more extensive repair work. The need for repair is directly related to the age of the unit and also to lower incomes and the lack of financial resources.



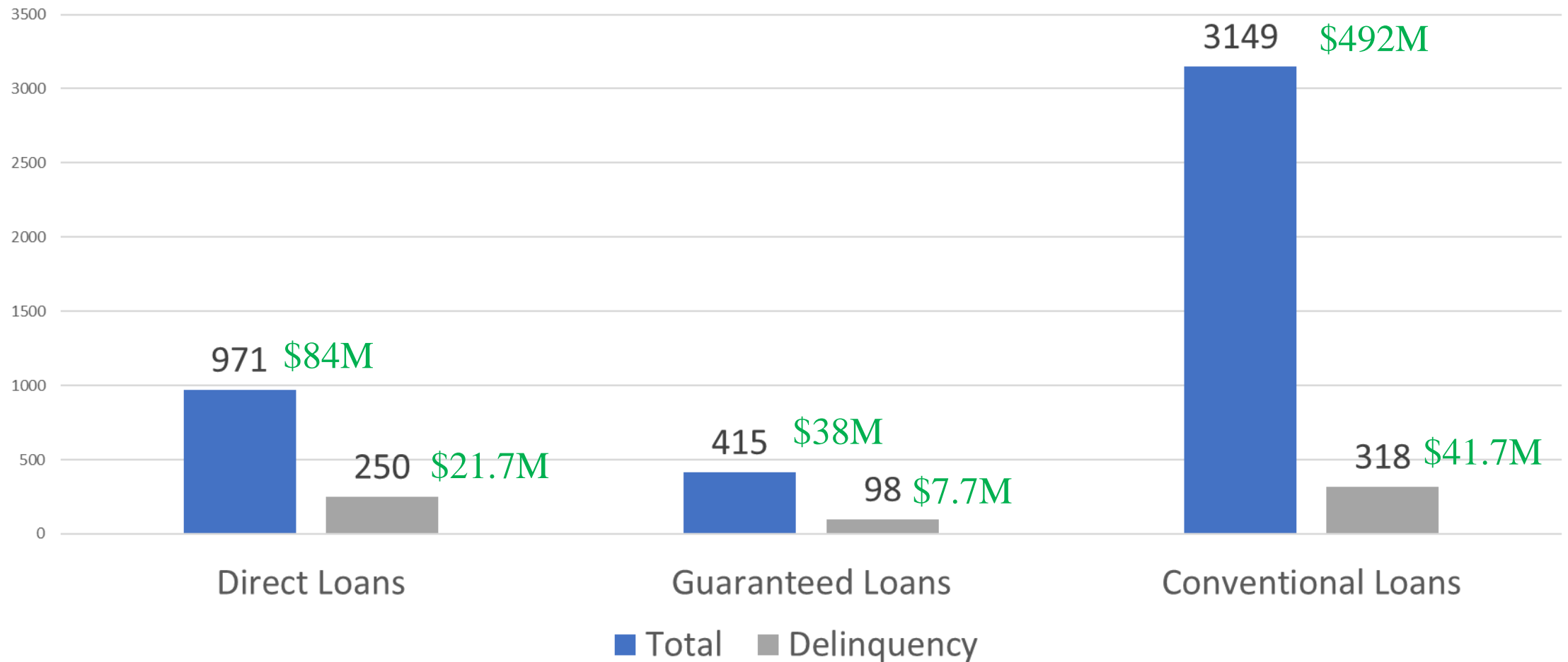
# **TODAY'S DISCUSSION**

## **Foreclosure/Lease Cancellation**





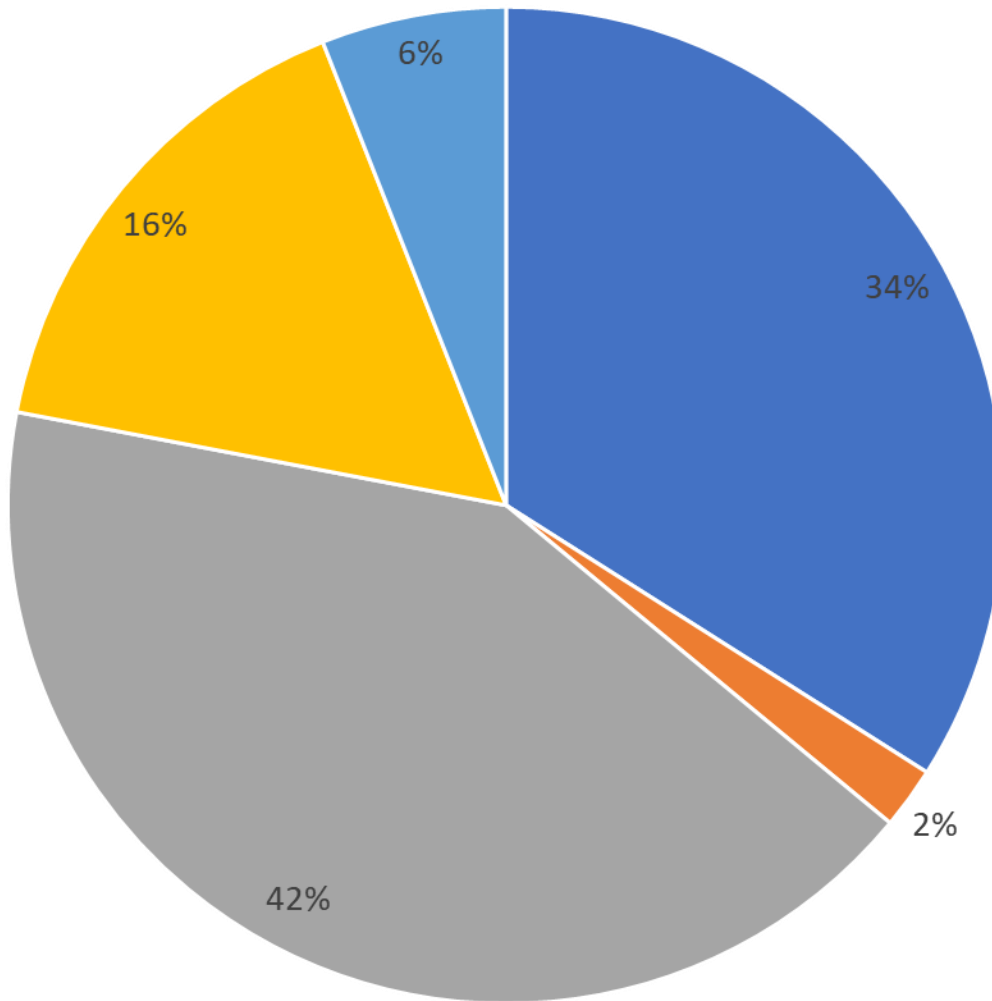
# DHHL LOAN PORTFOLIO



\*As of July 15, 2019



# DISPOSITION OF LOAN DELINQUENCY CONTESTED CASES



■ Dismissal or No Hearing ■ Delinquency Paid ■ Payment Plan ■ Cancellation ■ Pending

DISPOSITION	COUNT	PERCENT
DISMISSAL OR NO HEARING	33	34%
DELINQUENCY PAID	2	2%
PAYMENT PLAN	41	42%
CANCELLATION	15	16%
PENDING	6	6%
TOTAL	97	



# Private Mortgage

## REASONS DHHL DOES NOT GET INVOLVED IN PRIVATE LOANS

- The private lender has full jurisdiction over their loans and they have their own processes for loss mitigation
  - The lenders must follow guidelines set forth by HUD
- Staff is currently managing DHHL's existing loan portfolio
- DHHL's HALE financial services cost \$2,000 per occurrence
  - Depending on referral volume, the referrals could go beyond the capacity of DHHL's existing financial counselors.





# **TODAY'S DISCUSSION**

## **Feral Cattle Removal Project Contract**



# Feral Cattle Removal

- License No. 831 for the Capture and Removal of Feral Cattle at Aina Mauna, Humuula Section issued to Lazy L Ranch LLC on June 12, 2019
- License No. 832 for the Capture and Removal of Feral Cattle at Aina Mauna, Piihonua Section issued to Kelonu Enterprises LLC on June 21, 2019
- Work has not begun due to closure of Mauna Kea Access Road



# **TODAY'S DISCUSSION**

## **Kalahealo Photo-Voltaic Solar Project**





# Kalaeloa Solar

- 2009 HHC adopts a Ho`omaluo Energy Policy
  - Objective 2 of the policy, “Ko’o”,. Identify properties in DHHL’s land inventory that have potential for renewable energy projects.

January 2009

**OBJECTIVE**  
**2**

**Ko'o:** Facilitate the use of diverse renewable energy resources.

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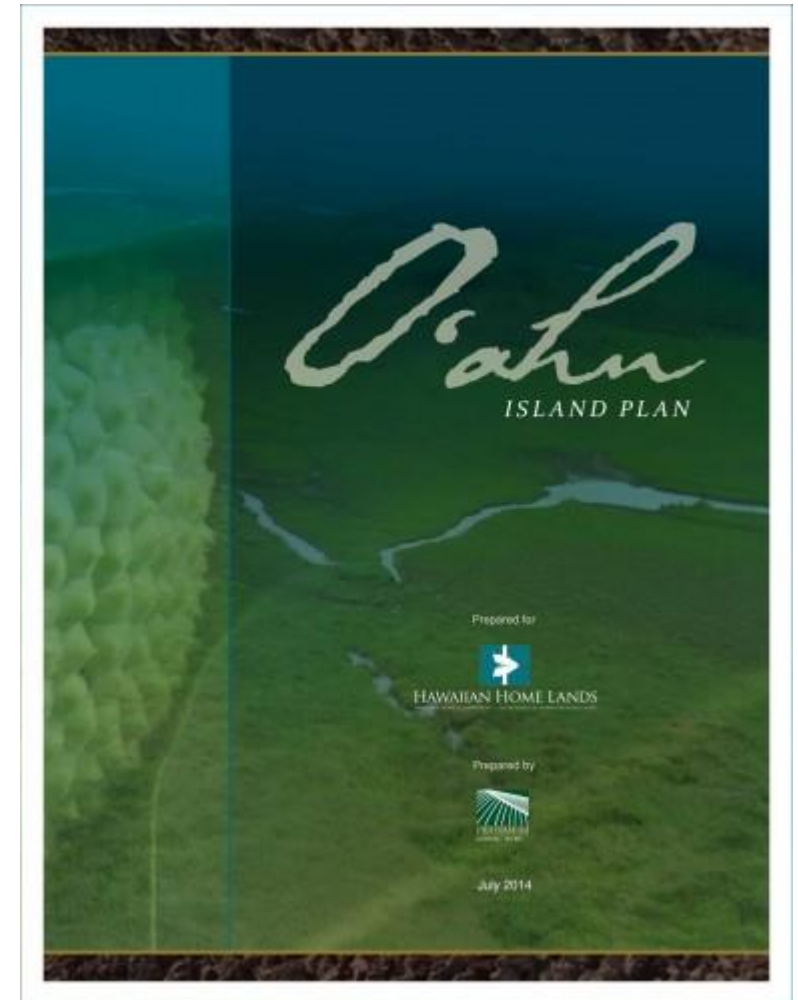
**ACTIVITIES:**

Identify properties in DHHL's land inventory that have potential for renewable energy projects.	Evaluate DHHL's available authorities/powers that could expedite renewable energy projects for the state of Hawai'i.
Pursue the leasing of those lands that are identified as suitable for renewable energy projects. (First priority should be given to entities that would provide "firm" renewable energy power such as garbage-to-energy (mass-burn), geothermal, pump-storage hydropower, solar-thermal and second priority to "as-available" renewable energy power such as wind, solar-photovoltaic, and wave.)	Seek innovative processes to provide reliable electricity, by assisting electric utilities (in a world where energy is an essential but very limited resource) to reduce Hawaii's dependency on fossil fuels.
Encourage existing and future general lessees and licensees of DHHL's properties to design and build their facilities so that they are energy and resource efficient.	
Seek partnerships for the development of renewable energy resources. In this connection, build relationships that could assist DHHL on non-energy related issues.	

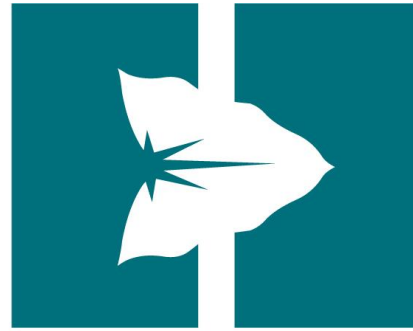


# Kalaeloa Solar

- 2014 HHC adopts the current Oahu Island Plan
  - Crafted with Oahu-wide beneficiary input
  - Kalaeloa Parcels 38 and 40 were among parcels identified for renewable energy projects
    - Remote location
    - Lack of infrastructure (*no water, no sewage*)
    - Existing WWII historical structures
- Dec 2018 – DHHL issues RFP for a Renewable Energy Project
- July 9, 2019 – ROE approved



# MAHALO



DEPARTMENT OF HAWAIIAN HOME LANDS

[www.dhhl.hawaii.gov/legislative-briefings](http://www.dhhl.hawaii.gov/legislative-briefings)

