

Unsolicited Proposals from Non-profit Organizations for Long-Term Use of DHHL Lands

Item G-4
HHC Meeting
March 18-19, 2019

Non-Homestead Use of Hawaiian Home Lands

Authorization: HHCA Section 204(2) & 207(c)
HRS Chapter 171

For-Profit Commercial Use HRS 171

- DHHL pro-actively solicits development proposals for its properties
- Competitive application process (RFP or IFB)

Non-Profit Programmatic Use HRS 171-43.1

- DHHL reactively receives unsolicited requests for use of its property
- Allows for direct-negotiation with non-profit entity on long-term disposition

Long-term (term of more than one year of consecutive use)

ISSUE: DHHL application process to utilize land for Non-Homestead Non-profit use has been unclear and not standardized.

- 1. Unclear understanding regarding expectations about application requirements**
- 2. Unclear expectations regarding DHHL response time to submitted applications**
- 3. Unclear expectations regarding level of assistance and/or resources DHHL can provide for application proposals that are submitted by DHHL beneficiaries**

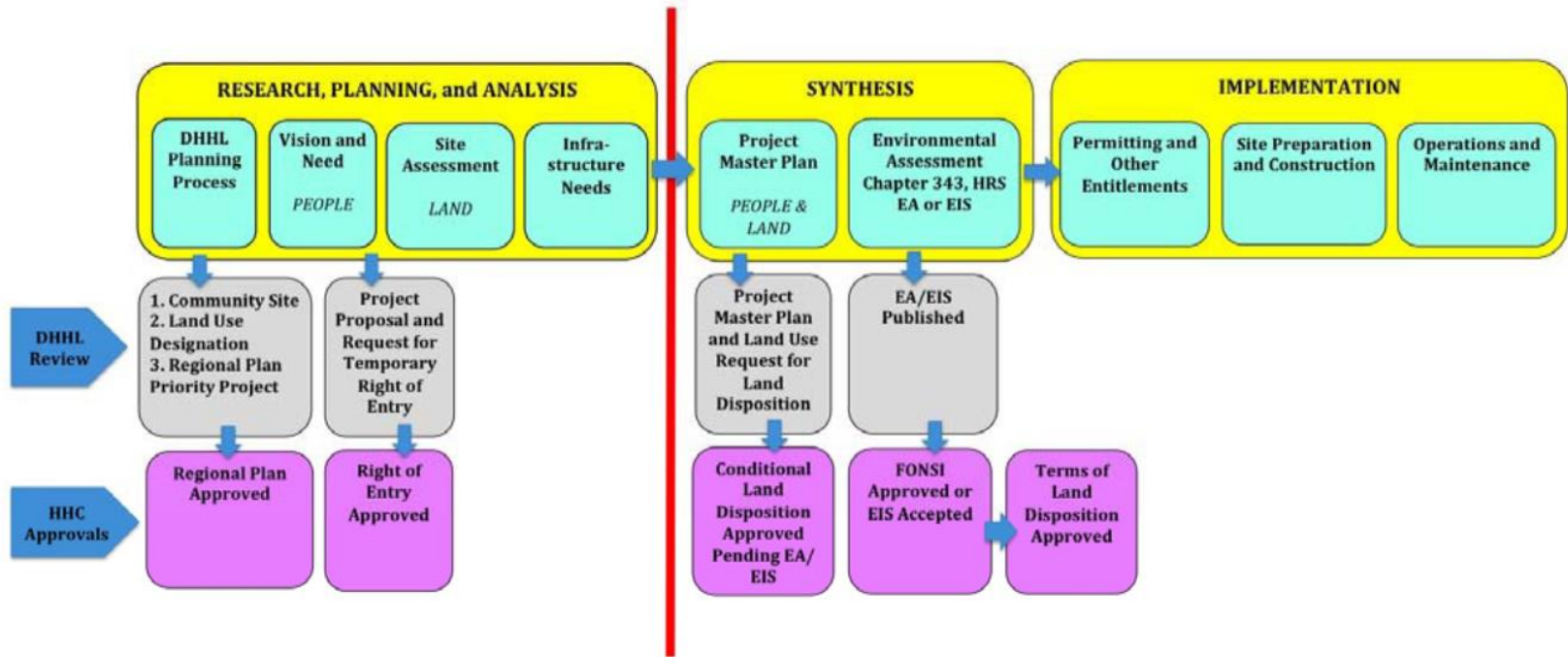
Goal and Intent of Application Process:

To create a **TRANSPARENT & FAIR** application process

- **By TRANSPARENT we want to identify and communicate:**
 - Who is applying
 - What is the applicant's project idea: Why is it needed; How does the applicant intend to utilize/develop, manage, and maintain DHHL lands for the benefit of beneficiaries and the Trust
 - When did the applicant submit an application and when will DHHL make an initial response
 - Where is the project being located
 - How long does the applicant intend to utilize DHHL lands
 - Beneficiaries that have an interest in an application proposal are notified
- **By FAIR we want to ensure DHHL responds to similar requests in the same way by:**
 - Developing criteria for decision-making that is standardized and applied equally when reviewing different applications*
 - Information about the application process is consistently communicated and uniform



MASTER PLANNING AND LAND DEVELOPMENT PROCESS ON HAWAIIAN HOME LANDS



Application Process will mirror the Master Planning and Land Development Process

Non-Profit Application to Utilize Hawaiian Home Lands

Two Parts:

- **Pre-Application (“Mature” Idea):**
 - Ensure proposed area is consistent with Island Plan Land Use Designation
 - Applicant prepares a Project Proposal
 - Beneficiary Consultation (if required)
 - Pre-application intended to minimize risk of investing significant time and resources for the applicant and give DHHL a better idea about proposal and applicant potential capacity to implement.
- **Application**
 - Good project proposal; positive comments from beneficiary consultation
 - HHC approves ROE for due diligence studies
 - Applicant prepares due diligence studies
 - Staff review of due diligence studies
 - HHC approves long-term disposition

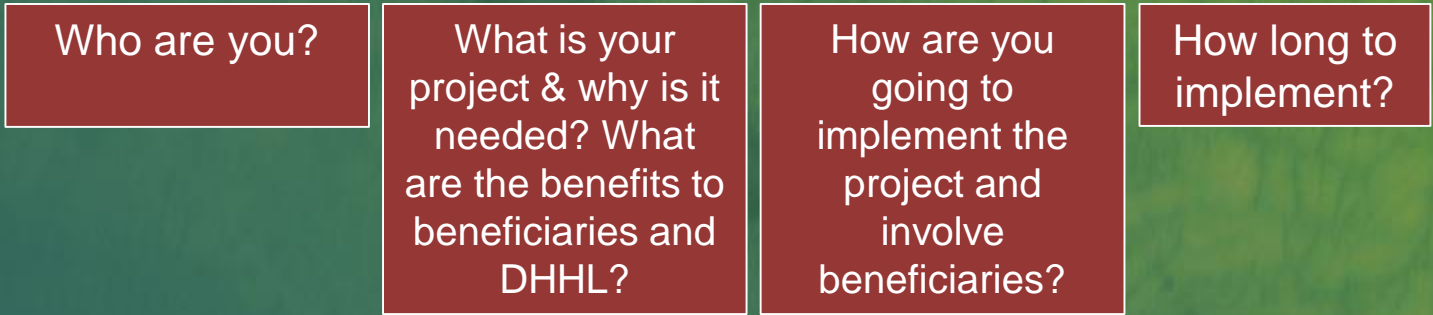
Non-Profit Application Process Overview:

DHHL Review Steps

1. Island Plan Land Use Designation



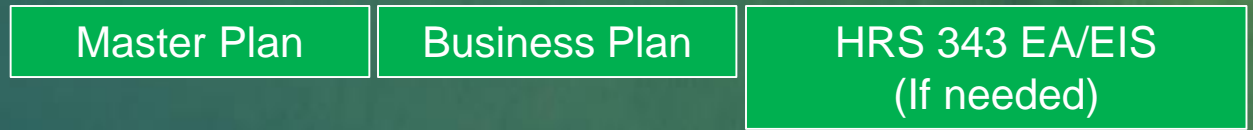
2. Project proposal review (Pre-Application)



3. Regional Plan Priority Project (Y/N)



4. HHC approves ROE for due diligence studies (Application)



5. HHC approves FONSI; then long-term disposition



6. Monitoring and Reporting



Non-Profit Application Process Overview:

Applicant Submits Pre-application

Application Step	Timeframe	Responsible Entity
1. DHHL receives pre-application. Notifies applicant if pre-application is complete	Up to 30 days	LMD
2. DHHL reviews project proposal and schedules review meeting with applicant to review questions, concerns, staff may have*	Up to 90 days	PO & LMD
3. DHHL schedules beneficiary consultation meeting	Meeting scheduled 3 months before on island HHC meeting	PO & Applicant
4. HHC ROE approval for due diligence	3 months after beneficiary consultation meeting	LMD & HHC
5. Conduct due diligence studies*	12-24 months	Applicant*
6. HHC approves FONSI	TBD	PO & HHC
7. HHC approves long-term disposition	TBD	LMD & HHC
8. Monitoring and reporting	TBD	Applicant & PO & LMD

Unresolved Issues

- **Developing criteria to fairly assess applicant capacity to implement their proposal;**
- **How much assistance does DHHL provide during the application and/or implementation process;**

got capacity?

“After extensive investigation and survey on the part of various organizations organized for the purpose of rehabilitating the race, it was found that the only method in which to rehabilitate the race was to place them back upon the soil.”

– Excerpt from a letter from Prince Kuhio to the U.S. Senate

**Provide Beneficiary
Access to Hawaiian
Home Lands**



**Gain Capacity
Towards
Rehabilitation**

**Beneficiary Needs
Capacity**



**Have Access to
Hawaiian Home Lands**

Balance

Providing beneficiaries opportunities to access land to support their rehabilitation

Fiduciary responsibility to ensure that the proposed action does not harm DHHL's ability to help other current & future beneficiaries



Reasonable Safeguards in **Disposition**:

- Requiring liability insurance
- Requiring compliance with laws
- Realistic milestones that demonstrate growing capacity
- Requiring proactive inclusion of other interested beneficiaries

How much assistance does DHHL provide during the application and/or implementation process?

- Previous forms of DHHL assistance:
 - Kulia I Ka Nuu Program
 - Pilot Projects:
 - Waimea Hawaiian Home Lands Association
 - Panaewa Hawaiian Home Lands Association
 - Staff review, comment, and edit due diligence reports

Recommendation: In the application, make it clear that DHHL funding and staff technical assistance is not guaranteed. DHHL may consider providing funding assistance to projects that can attract other funders. Projects that rely primarily on DHHL resources (other than land) for implementation will not be considered.

Next-Steps

- Incorporate feedback and comments from HHC and revise;
- Deputy Attorney General review of the form.
- Orientate Planning Office and Land Management Division staff on process, roles, and responsibilities;
- Orientate homestead community associations about application process, starting with those associations who already have submitted land use requests to DHHL;
- Upload application form to DHHL website;
- Evaluate process and revise as necessary;