



# Non-Traditional Lease Award Evaluation

1

PRESENTATION FOR  
HAWAIIAN HOMES COMMISSION  
NOVEMBER 2019



# Agenda

2

- Objectives of the evaluation
- Method
- Accelerated Lease Awards
- Kūleana Hou Lease Awards
- Undivided Interest Lease Awards
- Recommendations for the Future



# Objectives

3

- Purpose of an evaluation: to determine if a program accomplished what it set out to accomplish? Why or why not?
- What has been the impact of Non-Traditional Lease Awards (NTLA) on successfully “enabling native Hawaiians to return to their lands?
- What are the positive and negative consequences?
- Should NTLA be considered for the future?
- If so what adjustments should be made based on these three programs.



# Methodology

4

- In-depth research through DHHL files - thanks to Darrell Yagodich and Julie Ann Cachola
- Web searches
- Discussions with Office of Planning Staff, including Darrell
- Four discussion groups:
  - Kahikinui - Pastoral Lessees
  - Waiohulu Unit 1 – Accelerated Lessees
  - Waiohuli – Undivided Interest Lessees
  - Kēōkea – Accelerated Agricultural Lessees

# Accelerated Lease Awards

5

1984 - 1987





# Background

6

- 1982 – Federal-State Task Force on the Hawaiian Homes Commission Act (Task Force) Mission
  - “To better effectuate the purposes of the HHCA & to accelerate the distribution of benefits of the Act to the beneficiaries.”
- 1983 Report issued – “The findings & recommendations come from a single purpose and that is to accelerate the distribution of benefits of the HHCA of 1920 to the native Hawaiian.”
- Task Force estimated \$250 million to complete basic site infrastructure so that housing could be developed for all beneficiaries on the waiting list.
  - Requested \$25 million per year



# Alternative Recommendations, if full scale not fully funded

7

1. Undeveloped raw land, no improvements
2. Minimally approved ag lots (graded access to lot)
3. Cluster ag development (farm on cooperative basis)
4. Minimally improved residential lots (graded)
5. Cluster housing development (esp. O‘ahu)
6. General leases with rights to transfer
7. Cluster housing for needs of elderly beneficiaries
8. Non-land benefits



# Accelerated Lease Awards Between 1984 and 1987

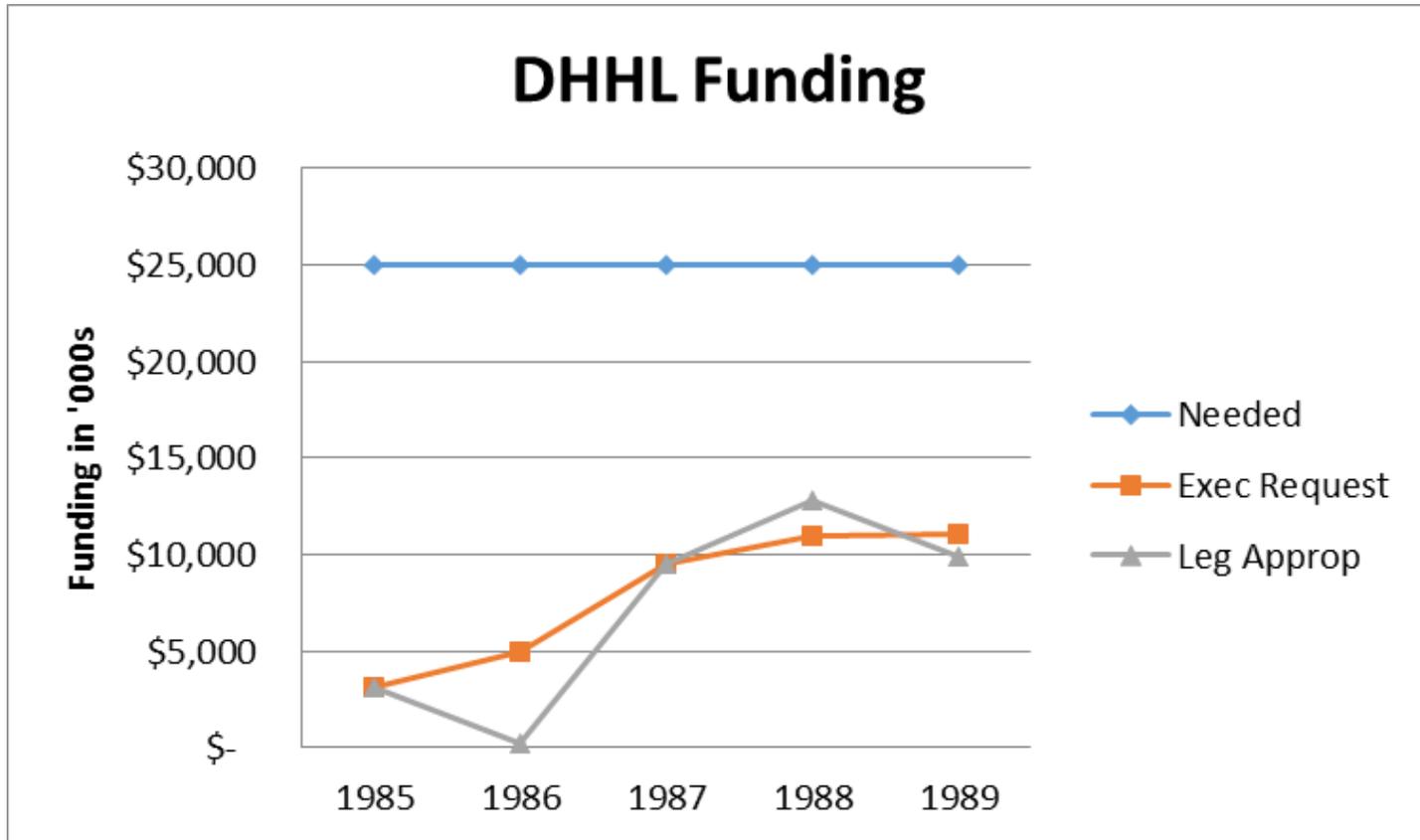
8

- 2, 629 leases awarded mostly as raw land
  - 1671 residential, 731 farm, 227 pastoral
- Use of these unimproved surveyed parcels was delayed until funds could be secured for lot infrastructure.
- DHHL expectation was ten years to complete planning, design & construction.



# Funding did not live up to Hopes

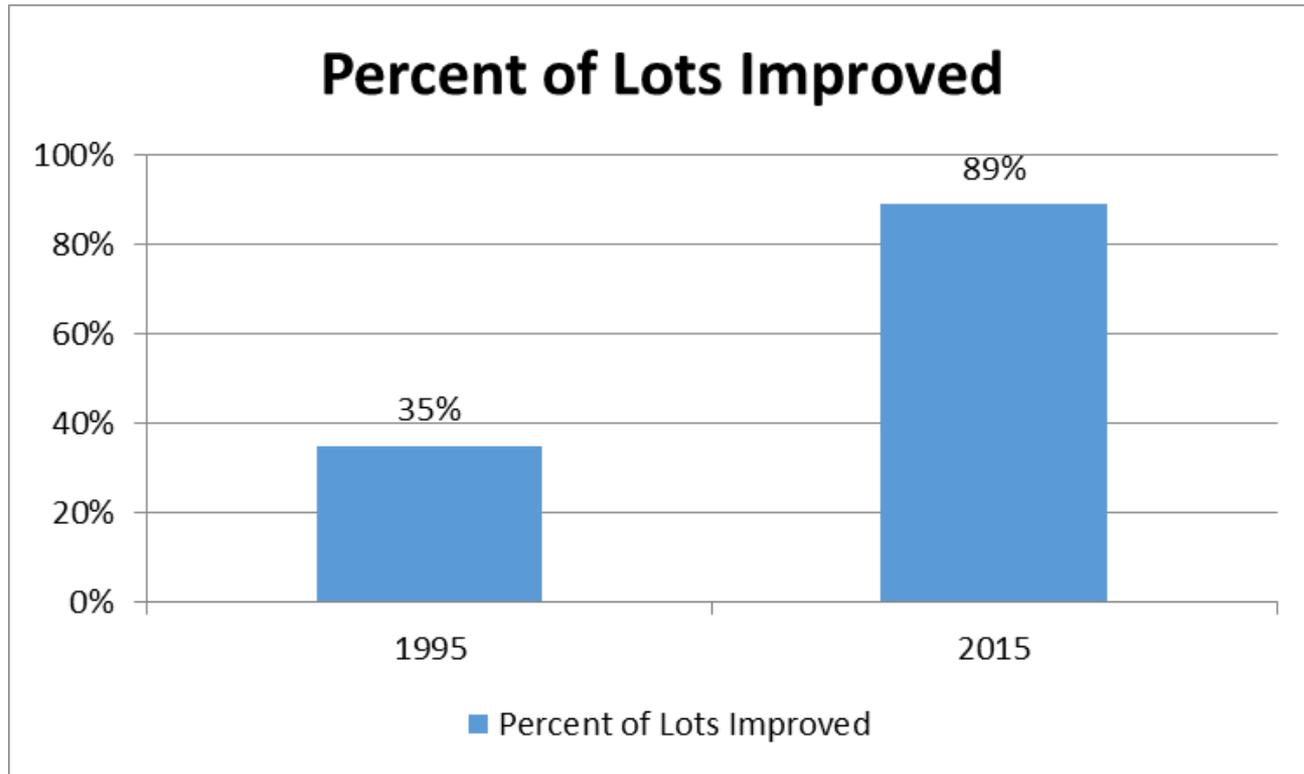
9





# Outcome – 25 years later 11% of lots not improved

10





# Accelerated Lessee Feedback

11

- Residential
- The expectation was 10 years but the reality was much longer than ten years
  - Families that could have afforded to build a house no longer could at the time the lot was ready
  - Promise not kept, DHHL should find more ways to fund projects
- No one at DHHL “hearing” their concerns & responding to their questions
  - They want back a DHHL office on Maui
- Fruitless to have a strategic plan with no source of funding
- Beneficiaries should have bigger role in designing their communities.



# Accelerated Lessee Feedback

12

- Agricultural
- Expectation of raw land to build a farm, but water issues not resolved and most people living elsewhere
  - Only 14 lots have people living on them
- DHHL did not listen to them...for example roads too wide, should have been rural roads
- Community feels stuck between DHHL & the County over guidelines related to development
  - Have to build a home to County standards, but it's been too long and many cannot afford it
- Accelerated lessees see new homestead projects being developed but DHHL not finishing their lots.



# Overview

13

- **Strengths**

- Was an award modeled on Task Force recommendations
- First ten years 90+ lots/year made available
  - ✦ More than the prior average of 50 lots per year
- Lessees could pass on their award
- Community has come together

- **Weaknesses**

- Funding not provided at the level requested
- Ten year promise not fulfilled to 65% of awardees
- Award Lessees never clear about the nature of the award
  - ✦ No one to turn to at DHHL with questions



# Recommendations from Lessees

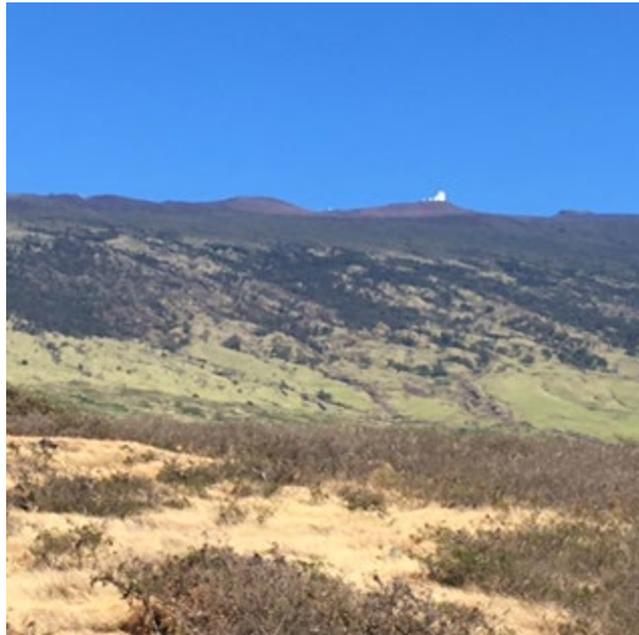
14

- DHHL should consider similar awards again, but...
- DHHL should live up to its promises
  - Funding must be secured if promises are to be kept.
- Clear, consistent, ongoing communications
  - Before the award is made - need to spend more time explaining non-traditional awards
    - ✦ Not just in big groups, Kūpuna need one-on-one time
  - While waiting for the lot - have someone in a specific office designated to address their concerns & questions while waiting for their lot.

# Kūleana Hou Lease Awards

15

1998





# Background

16

- October 1992 – Ka ‘ohana o Kahikinui (KOOK) took the initiative to develop “A Conceptual Community Land Use Plan for the Ahupua‘a of Kahikinui”
  - Similar to the option recommended by Task Force of surveyed, unsubdivided lots with no improvements provided by DHHL.
- 1993 HHC approved the Kueana Hou Program at Kahikinui, Kawaihae and Lalamilo.
  - 1993 Draft Proposal described operating and land use principles including that individual homesteaders are responsible for developing water, sewage, solid waste disposal, energy & communication services.
  - DHHL to provide roads “consisting of a base course with compacted aggregate surface.” Future utilities the responsibility of homesteaders.
  - Stressed need for effective communications with potential Lessees
- Homesteaders also responsible for security and protection of native forests & historical sites on the property.



# Outcome

17

- 1998 – 76 Kūleana Hou homestead leases were awarded in Kahikinui
  - Lot sizes ranged from 10 to 20 acres, sufficient for intended uses and approved for one dwelling unit per lot.
  - DHHL was to provide “survey” roads with sufficient rights of way for future improvements.
- By 2016 only 12 dwelling units have been developed.
  - Within 11 households: 24 adults & 10 children
  - 17 have built or started building
  - 12 have a water system of some type
  - 15 have some type of energy system



# Feedback from Kūleana Hou Lessees

18

- Lessees believe there was inadequate information & training prior to signing leases.
  - The extent of the challenges they would face was not sufficiently communicated especially given the topography and weather at Kahikinui
- Road that DHHL provided was inadequate
  - Believe they were promised “hard compact roads”
  - Some lots still not accessible, the road condition is unsafe
  - Maintaining the road has increased personal funds, time & health
- Unable to get an address/TMK from Maui County
  - Hampers ability to borrow and to insure their homes



# Feedback from Kūleana Hou Lessees (continued)

19

- Fires occur in the area every few years
  - Hard to get to where the fire is
- With only 12 dwelling units & households residing fulltime, the community is too small
  - Others won't move in because
    - ✦ Poor road conditions make it hard to commute to work and school
    - ✦ Challenges of daily living
  - Too few to contribute to infrastructure
  - Lack of time and resources for economic development



# Overview

20

## • Strengths

- Program designed by Lessees and addresses lack of DHHL funding.
  - ✦ Good example of DHHL responding to beneficiaries
- Lessees didn't have to wait as long as traditional lessees.
- Homesteaders can start small and build out their property over time.
- Residents are passionate & ardent supporters of the independence these awards have given them.

## • Weaknesses

- Original proposal was for 2,100 acres. Larger responsibility for forests, historic sites, fires is a huge undertaking.
- The type of roads provided was insufficient given the topography & weather conditions.
- Challenges of no TMKs
- Lessees feel abandoned by DHHL
- DHHL files do not provide adequate documentation.
- How to balance beneficiary independence with realities of a situation?



# Recommendations from Lessees

21

- **KOOK recommends:**
  - Reassessing the pilot Kūleana project before implementing others
  - Create affordable loan packages to complete current home or smaller start up homes
  - Create affordable loan packages to install energy, water, waste, communications systems.
  - Fund and educate Lessees on the Kūleana program & enforce guidelines
  - Fund & educate Lessees on alternative energy, water systems and waste disposal.
  - Fund & educated on economic development
  - Assign an experienced DHHL representative to see the project through
  - Finish hard compacted 4-wheel drive roads that “were promised”



# SMS Recommendations

22

- Improved communications between DHHL and beneficiaries when non-traditional programs are introduced
  - Before introducing any Kūleana-type programs have workshops with current Kahikinui residents so they can share their experiences
  - Provide informational and loan packets on the basic utilities they will need including costs so they can budget better
  - Beneficiaries are not engineers therefore may need DHHL to determine the type of roads that should be built.
- Hand over responsibilities slowly
- For Kahikinui type topography consider clustering homes with agricultural lots assigned further out.

# Undivided Interest Lease Awards

23

**2005 - 2006**





# Background

24

- **October 2000**
  - Barrett v. State lawsuit
- **March 2002**
  - Arakaki v. Lingle lawsuit
- Both lawsuits dismissed but created an uncertain atmosphere for Hawaiian Organizations.
- Discussions were held with beneficiaries on how best to preserve the lands for native Hawaiians
- Major concern from elderly beneficiaries on the applicant list that they would die before receiving an award and their beneficiaries would receive nothing



# Based on lessons learned, a new program was envisioned

25

- Enable elderly Lessees to transfer their homestead award to 1/4 Hawaiian spouse, child or grandchild
- Provide beneficiaries with sufficient time to be prepared financially to qualify for a home loan & for the challenges of home ownership
- Provide motivation for the Lessee to remain engaged knowing they were to receive an award
- Keep the new Lessees informed, engaged & motivated of project status and home ownership services.



# Outcome

26

- **Between 2005 and 2006**
  - 1,434 Undivided Interest Leases were awarded in seven communities
  - House lots would be ready for occupancy within ten years or less
  - HOAP provided homeownership preparation assistance
- **Between 2006 and 2010**
  - 662 lots improved and ready for a house to be built
- **Between 2011 and 2015**
  - 96 lots improved
- **Total of 53% of the lots improved in ten years.**



# Feedback from Lessees

27

- Wide range of expectation at the time the award was made
  - Build a house right away; buy a house in 2 to 3 years, move into a subdivision, but unsure about the lot, don't know what they are getting but will be able to leave something for their children, still don't know what they are getting
- Brochures were pretty but no substance
- Beneficiaries who met with DHHL early on recommended against specific awards be given out, just wanted to ensure ability to pass on awards to relatives
- Timeframe to receive a lot kept moving and unclear who to contact at DHHL
- Keep having to qualify financially every two years, but not given a timeframe for moving in



# Feedback from Lessees (cont)

28

- Lessees believe they should band together to lobby on their on behalf & create the kind of community they want to have.
- One-on-one counseling recommended for financial readiness, preferably beneficiary to beneficiary.
- Skeptical about when awards will be ready and believe DHHL should let them know nine months to a year ahead of time.
  - 60 days notice for new communities is insufficient time to respond especially for beneficiaries on the mainland.
- Want a DHHL Rep in Maui County, someone with a background in planning or engineering.



# Overview

29

## • Strengths

- Successors will receive their award.
- Good to allow time for Lessees to get their finances in order.
- Community members bonding
- Higher completion rate of houses per year (around 132 lots per year)
- Increased lending options

## • Challenges

- Getting ones finances in order with no timeline on receiving an award is disheartening.
  - ✦ Especially being required to update every two years.
- 47% of Lessees have no lot after ten years
- DHHL database not designed for good analysis
- UI Lessees feel forgotten – communities developed while they wait.



# Recommendations

30

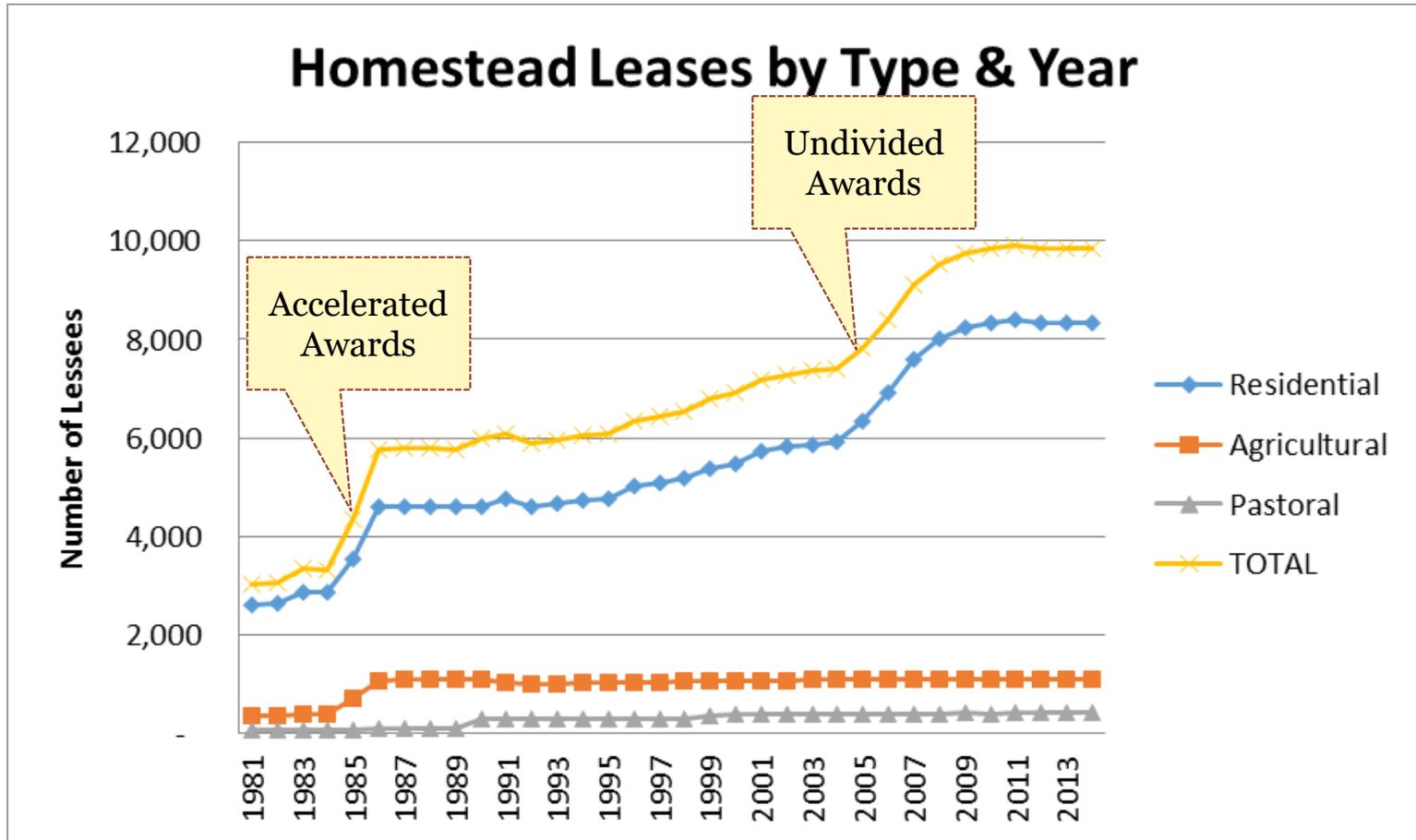
- Do not make promises that cannot be fulfilled
- Do not set a timeline that cannot be kept
- Do not make “financial qualification requirements” on Lessees if DHHL does not hold up their end of award.
- UI Lessees should have first choice for every community – don’t forget about them.
- Non-traditional awards require one-on-one communications efforts, especially for Kūpuna.

# Recommendations for Future Non-Traditional Awards

31



# Major advantage of increasing the number of Lessees & Lots





# Recommendations to Improve Implementation

33

- Consistent, sufficient funding required
- Establish realistic, clear objectives
  - If it's to enable awards to be passed on to relatives, then keep to that objective, do not expand the promise.
- Do not make promises that cannot be kept
- Communicate in a manner that Beneficiaries understand
- Evaluate programs during implementation & after (retain documentation)
- Sufficient staffing
  - Have a designated informed office/people for non-traditional lessees (may have to cross "silos")
- Carry over commitment to programs across Administrations
- All new programs have sufficient funding & staffing
- Improve database to allow for better tracking of initial award-types on database



# Mahalo

34