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

91-5420 Kapolei Parkway, Kapolei, Oʻahu, Hawaiʻi Monday, June 18, 2018 at 9:30 a.m. to be continued, if necessary, on Tuesday, June 19, 2018, at 10:00 a.m.

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov, by Saturday, June 16, 2018.

# I. ORDER OF BUSINESS

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

# **II. ITEMS FOR DECISION MAKING**

# A. CONSENT AGENDA

Homestead Services Division

- D-2 Approval of Consent to Mortgage (see exhibit)
- D-3 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
- D-4 Approval of Homestead Application / Cancellations (see exhibit)
- D-5 Commission Designation of Successor to Application Rights of SAMUEL KALIKO, III (Deceased) – Public Notice 2016
- D-6 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds (see exhibit)
- D-7 Approval of Assignment to Leasehold Interest (see exhibit)
- D-8 Approval of Amendment of Leasehold Interest (see exhibit)
- D-9 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-10 Request for Relocation **ODETTA K. SAMSON**, Agricultural Lease No. 6956, Lot No. 11, Makuu, Hawaii
- D-11 Commission Designation of Successor JON HALL, Agricultural Lease No. 4180A, Lot No. 76B, Panaewa, Hawaii
- D-12 Request to Schedule a Contested Case Hearing ALVIN K. POAI, Residential Lease No. 1445, Lot No. 35, Waiakea, Hawaii
- D-13 Request to Schedule Contested Case Hearing Lease Violations– James Key, Jr., Henry Key, and Beau Jack Key, Residential Lease No. 4892, Lot No. 21B, Kuhio Village & Agricultural Lease No. 6197, Lot No. 33-D, Puukapu, Hawaii

# B. REGULAR AGENDA

Land Development Division

E-1 Approval of Lease Award—Kumukoa-Pomaikai Yasso, Keaukaha Residence, Lease Number 12825, Lot Number 151-C, Keaukaha, Hawaii Land Management Division

- F-1 Issuance of Non-Exclusive License as Easement for Driveway and Utility (Water/Sewer) Connections to Gentry KGC, LLC, Kapolei, Island of O'ahu, TMK No. (1) 9-1-151:055(por.)
- F-2 Approval to Issuance of a Non-Exclusive License as Easement to the Hawaii Electric Light Company (HELCO) for Maintenance and Utility Purposes, Pi'ihonua Agricultural Conservation Lots, Hawaii Island, TMK: (3)-6-2-009:005 (por.)
- F-3 Approval on Second Amendment to Extend the Term of Right of Entry No. 666 to State of Hawaii, Department of Land and Natural Resources, Kahikinui, Maui, TMK: (2)1-9-001:003 (por.),007(por.) and 011(por.)

Planning Office

- G-1 Acceptance of Water Policy Plan Implementation Program FY2018 and Approval of Water Policy Plan Implementation Program FY2019
- G-2 Extend the Implementation Period of the Native Hawaiian Development Program Plan

# III. ITEMS FOR INFORMATION/DISCUSSION

Administrative Services Office

- H-1 Fiscal Year 2019 DHHL Budget (related to H-2)
- IV. 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
- 2. Discussion regarding DHHL vs. Char et al., DC Civil No. 1RC15-1-11007.

# V. ITEMS FOR INFORMATION/DISCUSSION

A. GENERAL AGENDA

Requests to Address the Commission

- J-1 John Hopkins Jr. Loan delinquency request
- J-2 Patrick Kahawaiolaa Keaukaha Community Association Aina Mauna
- J-3 Joseph Kepa Kaolulo Aina Mauna
- J-4 Princeslehuanani Kumaewakainakaleomomona Waitlist

# B. WORKSHOPS

Land Management Division

F-4 For Information Only – Status on Revocable Permit Programmatic Reforms.

Planning Office

- G-3 Draft Environmental Assessment for the Ho'olehua Veterans and Homestead Residents' Community Center, Ho'olehua, Kona, Molokai, TMK (2)5-2-015:053 (portion)
- G-4 Update on DHHL Efforts in the Areas of Climate Change and Sea Level Rise Adaptation, Community Resilience and Hazard Mitigation on Hawaiian Home Lands, Statewide
- G-5 Presentation of Water Credit Allocation Criteria
- G-7 Nanakuli & Waianae and Lualualei Regional Plan Updates

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

91-5420 Kapolei Parkway, Kapolei, Oʻahu, Hawaiʻi Tuesday, June 19, 2018, at 10:00 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-1 Adoption of Resolution 296 Honoring George Kamahaku Kulani Kaeo Jr. for his Service to the Department of Hawaiian Home Lands

Administrative Services Office

- H-2 Approval of Fiscal Year 2019 DHHL Budget (related to H-2)
- H-3 Approval of Transfer of Hawaiian Home Receipts Money at the End of the Fourth Quarter, FY 2018

#### Planning Office

G-6 Approval to Extend Existing Water Rates for the DHHL Anahola Water System to June 30, 2019 or Until Water Rates are Proposed for Increase

Homestead Services Division

- D-15 Approval of Direct Settlement Agreement with Homestreet Bank
- 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. Direct Settlement Agreement with Homestreet Bank

# IV. ITEMS FOR INFORMATION/DISCUSSION

Homestead Services Division

- D-14 HUD 184A and FHA 247 Loan Programs Workshop
- D-1 HSD Status Reports
  - A Homestead Lease and Application Totals and Monthly Activity Reports
  - B Delinquency Report
  - C DHHL Guarantees for FHA Construction Loans

# V. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Meeting July 16 & 17, 2018, Kapolei, O'ahu, Hawaii
- B. Adjournment

Note: Contested Case Hearings begin at 1:00 p.m.

Jobie N

Jobie M. K. Masagatani, Charman Hawaiian Homes Commission

#### COMMISSION MEMBERS

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

No Community Meeting in June. Next community meeting is scheduled for Monday, July 16, 2018 at Papakolea Community Center

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

# ITEM D-2 EXHIBIT APPROVAL OF CONSENT TO MORTGAGE

LESSEE	LEASE NO.	AREA
AHUNA, Dean E.	9246	Kaniohale, Hawaii
ANTONIO, Darius K., Sr.	1634	Nanakuli, Oahu
BARROZO, August J.	9988	Nanakuli, Oahu
CANTO, Doreen	7471	Waiohuli, Maui
HUEU, Jordan K.	10095	Waiehu, Maui
ISAACS, Donnalyn Haunani	4726	Waianae, Oahu
KAHELE, Blaine T., Jr.	2977	Waimanalo, Oahu
KAHELE, Jerica K.	2977	Waimanalo, Oahu
KAMANA, Malie M.	8345	Princess Kahanu Estates, Oahu
KANUI, Danielle R. S.	8453	Princess Kahanu Estates, Oahu
KEAUNUI-ORIAN, Zacharine M.	1939A	Nanakuli, Oahu
KEKAHUNA, Jaemarlene H.	2514	Kewalo, Oahu
KEKAHUNA, Joseph H., III	2514	Kewalo, Oahu
MANDAC, Adeline W. L.	11883	Kanehili, Oahu
MEDEIROS, Shawn H.	12410	Kapolei, Oahu
MENDEZ, Benjamin, III	9848	Waiehu, Maui
NAEOLE-RAYMONDO, Vanna M. K.	9990	Waianae, Oahu
NAONE, Wallace L.	11570	Kanehili, Oahu
PANUI-MOE, Leahi S. K. P.	8412	Princess Kahanu Estates, Oahu
SCHUTTE, Kalani S., Jr.	3392B	Puukapu, Hawaii
SOLATORIO, Cappy A.	5488	Kewalo, Oahu
SUZUKI, Oscar H., Jr.	10074	Waiehu 3, Maui
THOMPSON, Melanie N.	4692	Anahola, Kauai
WAI, Helen N. K.	12326	Kapolei, Oahu

#### **ITEM D-3 EXHIBIT**

APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARINGS

LESSEE	LEASE NO.	AREA
ROBINS, Harry B.K., Jr. ROSS, Jessica	4647	Waianae, Oahu
KOSS, Jessica	11475	Leialii, Maui

#### **ITEM D-4 EXHIBIT**

# HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

#### APPLICANT

# AKIONA, Peter K., III BRIGHT, Edwina U. CANDA, Bernadette L. CHANG, Jeannette D.N. COLON, Merlyn U.K.

#### AREA

Oahu IW Res Maui IW Res Hawaii IW Agr Molokai IW Agr to Hawaii IW Agr Maui IW Res DUDOIT, Gussie M. HO, Winston K. IOKIA, Sherwood Kekai K. KALAMA, Cheryl K. KAAI, Gwendolyn KAMAI, Roy J. KEOHULOA-GUEVARA, Esther E. KUALII, Gilbert K., Sr. LAA, Peter K., Jr. LILLY, Leialoha A. PELEKAI-WAI, Kulea K. ROBACK, Anthony T.K. VIENA, Kaleiokamaile K. Hawaii IW Agr to Molokai IW Agr Maui IW Agr Oahu IW Res Kauai IW Res Nanakuli Area / Oahu IW Res Waimanalo Area / Oahu IW Res Molokai IW Agr. Hawaii IW Res Oahu IW Res Hawaii IW Pas Oahu IW Res Maui IW Res Maui IW Res Maui IW Res

#### **ITEM D-6 EXHIBIT**

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

LESSEE	LEASE NO.	AREA
APO, Irene W.	3962	Waimanalo, Oahu
HUMBLE, Julie H.	4449	Waianae, Oahu
KEOHULOA, David K.	7878	Hoolehua, Molokai
MAHUIKI, Bernard H.	3751	Anahola, Kauai
NOA, Fred L., Jr.	2173	Kewalo, Oahu
SANG, Anthony H.	3703	Waimanalo, Oahu

#### **ITEM D-7 EXHIBIT**

# APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
DUROCHER, Emma S.	7300	Nanakuli, Oahu
ELLIS, Louis	5453	Paukukalo, Maui
FARIAS, Stacy K.V.	4692	Anahola, Kauai
GAEA, Stephanie N.	11570	Kanehili, Oahu
BAILEY, Frances N.N.	11570	Kanehili, Oahu
HOWARD, Ginger I.	9598	Kalawahine, Oahu
KAUWE, James L., Jr.	6770	Waianae, Oahu
LAUGHLIN, Marvelle K.	2831	Waimanalo, Oahu
LOVELL, Alika L.	12142	Kaupea, Oahu
KAAIALII, Roland K.	12133	Kaupea, Oahu
LYLES, Lylla A.	5254	Waianae, Oahu
MARFIL, James K.	7508	Waiohuli, Maui
MILIKAA, Edward Kauka	5257	Waianae, Oahu
NOA, Fred M.	2173	Kewalo, Oahu
PALL, Emily N.	5232	Nanakuli, Oahu
PIIMAUNA, James N.	8229	Waimanalo, Oahu
PELEKAI-WAI, Kulea K.	8412	PKE, Oahu

YELINEK, Florence L.	8391	PKE, Oahu
SEMBRANO, Terri-Ellen M.	3751	Anahola, Kauai
SEMBRANO, Jheresa Evelyn P.	3751	Anahola, Kauai
WILLING, Wiliam K.	4865	Nanakuli, Oahu
WOODS, Edward, III	309	Nanakuli, Oahu
CASUGA, Darlene K.	10770	Laiopua, Hawaii
HOLOMALIA, Lauren A.M.	12399	Kapolei, Oahu
MOOKINI, Laurie M.K.K.	12395	Kapolei, Oahu
MOOKINI, Dewey K., Jr.	12395	Kapolei, Oahu
CHONG, Alvin E., Jr.	6180	Puukapu, Hawaii
KEKUEWA, Peter K., Jr.	9181	Kahikinui, Maui

# ITEM D-8 EXHIBIT APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
ANTONIO, Darius K., Sr.	1634	Nanakuli, Oahu
APO, Irene K.	3962	Waimanalo, Oahu
BELL, Charles M.	3914	Kewalo, Oahu
CHOCK, Mary	3966	Waimanalo, Oahu
DE FREITAS, Pamela K.	3158	Kewalo, Oahu
ELLIS, Louis	5453	Paukukalo, Maui
HUMBLE, Julie H.	4449	Waianae, Oahu
JEFFERY, Aulani S.	3392-D	Puukapu, Hawaii
KAHOOHANOHANO, John Pa	545	Nanakuli, Oahu
KALILIKANE, Edwin G.	402	Nanakuli, Oahu
KANE, Donald R.	10350	Waiohuli, Maui
KAUWE, James L., Jr.	6770	Waianae, Oahu
LAUGHLIN, Marvelle K.	2831	Waimanalo, Oahu
MAHUIKI, Bernard H.	3751	Anahola, Kauai
MINA, Irene L.	10315	Waiohuli, Maui
MOLE, Stanley P.	3818	Nanakuli, Oahu
NAIPO, Rodgers L.L.	3691	Waimanalo, Oahu
NISHIE, Dorothy E.	2691	Nienie, Hawaii
NOA, Fred L., Jr.	2173	Kewalo, Oahu
PAAKAULA, Caleb K.	11682	Kanehili, Oahu
PELAYO, Allen K.	464-A	Leialii, Maui
LETULI, Miriam M.	464-A	Leialii, Maui
PELAYO, Alden L.	464-A	Leialii, Maui
ROROS, Zaviere M.	10343	Waiohuli, Maui
SANG, Anthony H.	3703	Waimanalo, Oahu
YUEN, Arnold O.K.	10336	Waiohuli, Maui

# ITEM D-9 EXHIBIT APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSE FOR ROOFTOP PHOTOVOLTAIC SYSTEMS FOR CERTAIN LESSEES

LESSEE	LEASE NO.	AREA
ELLIS, Louis	5453	Paukukalo, Maui
KAWAAUHAU, Gaylynn K.	12783	Hoolimalima, Oahu
MEYERS, Tiffany K.A.	5158	Nanakuli, Oahu
MEYERS, George A.A.	5158	Nanakuli, Oahu
MIZUKAMI, Yodie N.	8755	Waianae, Oahu
OPUNUI, Judy E.	7969	Waianae, Oahu
PUAILIHAU, Laurence K., Jr.	9750	Maluohai, Oahu

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# C-ITEMS OFFICE OF THE CHAIRMAN



# HAWAIIAN HOMES COMMISSION RESOLUTION NUMBER 296

HONORING GEORGE KAMAHAKU KULANI KAEO FOR HIS SERVICE TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

WHEREAS, George Kaeo started his career as Deputy Attorney General assigned to the Department of Hawaiian Home Lands under Chairman Billie Beamer; and

WHEREAS, George Kaeo quickly understood the complexities leading to a variety of controversies involving Hawaiian Home Lands such as the illegal sale of land and use of land for public purposes without Commission permission and without payment; and

WHEREAS, George Kaeo spent the next several years - on his own time - developing and testing a legal basis for the "Ahupua'a Theory", applying his concepts to estimate the value of assets which should have been, but were not available for the work of the Trust; and

WHEREAS, George Kaeo's work was substantially completed by 1980 in time for presentation to the 1983 Federal State Task Force which included representatives of the U.S. Department of the Interior, U.S. Department of Justice, and the U.S. Civil Rights Commission; and

WHEREAS, George Kaeo's legal concepts, findings and recommendations were included in the Task Force report and formed the basis for further work by Governors Ariyoshi, Waihee, and Cayetano; and

WHEREAS, by 1990-1995, the claims were being reviewed systematically and a substantial package was negotiated to



# HAWAIIAN HOMES COMMISSION

provide the Trust with significant funding (\$600 million) and land (16,815 acres) for its beneficiaries; and

WHEREAS, George Kaeo's hard work had provided the basis for a major resolutions package resulting in several thousand new homesteads in new communities such as Kapolei, Lahaina, Kona, Hana-Keanae, and Lanai, as well as revenue producing properties such as Ka Makana Ali'i, Aloha Resort, and Kapalama; and

WHEREAS, George Kaeo was instrumental in providing legal guidance in the inclusion of DHHL into the U.S. Department of Housing and Urban Development, Federal Housing Administration (FHA) 247 Insured Loan program, totaling in excess of \$420 million today; and

WHEREAS, George Kaeo's efforts have had a long-term, expansive and substantial impact over the Trust, Community and Beneficiaries for generations to come.

NOW, THEREFORE, BE IT RESOLVED, the undersigned, duly recognized as the chairman and members of the Hawaiian Homes Commission, on this 19th day of June 2018, do set forth their signatures in recognition of George Kamahaku Kulani Kaeo and his service to the legacy of Prince Jonah Kuhio Kalanianaole and the Hawaiian Homes Commission Act; and

BE IT FURTHER RESOLVED that copies of this Resolution be transmitted in its entirety to his Sons: Mark and Michael Kaeo and Daughters: Michele Kaeo Aquino and Lisa Rojas.

ADOPTED THIS 19th day of June 2018, at Kapolei, Oahu, 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 Member Wallace A. Ishibashi,

Michael P.

Zachary Helm, Member Kahikina, Member

Randy Kalei Awo, Member Member Wren Wescoatt III,

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# D-ITEMS HOMESTEAD SERVICES DIVISION

#### STATE OF HAWAII

# DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

From: Dean T. Oshiro, Acting HSD Administrator

SUBJECT: Homestead Services Division Status Reports

#### RECOMMENDED MOTION/ACTION

NONE

#### DISCUSSION

The following reports are for information only:

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

# June 18, 2018

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

# LEASE ACTIVITY REPORT

# Month through May 31, 2018

	As of 4/30/18	Add	Cancel	As of 5/31/18
Residential	8,372	0	0	8,372
Agriculturual	1,096	0	0	1,096
Pastoral	410	0	0	410
Total	9,878	0	0	9,878

The number of Converted Undivided Interest Lessees represents an increase of 420 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

			Rescinded/	
	As of		Surrendered/	As of
	4/30/18	Converted	Cancelled	5/31/18
Undivided	903	0	0	903
Balance as of 5/31/2018				
Awarded		1,434		
		1,404		
Relocated to UNDV		1		
Rescinded		110		
Surrendered		5		
Cancelled		3		
Converted		420		
	_			
Balance to Convert		903		

#### Lease Report For the Month Ending May 31, 2018

	RESIDENCE AGRICULTURE PASTURE							TOTAL LEASES								
	Last Month			TOTAL	Last Month			TOTAL	Last Month			TOTAL	Last Month			TOTAL
OAHU																
Hoolimalima	70	0	0	70	0	0	0	0	0	0	0	0	70	0	0	70
Kakaina	10	0	0	10	0	0	0	0	0	0	0	0	10	0	0	10
Kalawahine	91	0	0	91	0	0	0	0	0	0	0	0	91	0	0	91
Kanehili	359	0	0	359	0	0	0	0 0	0	0	0 0	0	359 255	0 0	0	359 255
Kapolei	255	0	0	255	0	0	0	•	0	0		0	200	0	0	325
Kaupea	325	0	0	325	0	0	0	0	0	0	0 0	0	325	0	0	J25 19
Kaupuni	19 249	0 0	0	19 249	0	0	0	0	0	0	0	0	249	0	0	249
Kewalo	249 52	0	0	243 52	0	0	0	C C	0	õ	0	D	52	ő	Ŭ	52
Kumuhau	149	ů 0	0	149	31	0	0	31	0	õ	Ő	Ő	180	ŏ	ů.	180
Lualualei Malu'ohai	145	0	0	145	0	0	0	0	0	Č	ő	0	156	ő	Ő	156
Nanakuli	1.048	Ŭ	0	1,048	0	õ	Ő	D	0	õ	õ	ů	1.050	ŏ	ŏ	1,048
Papakolea	.,040	Ő	ō	64	ő	ő	ŏ	Ď	ů 0	ō	õ	ů	64	ŏ	ō	64
Princess Kahanu Estates	271	õ	ů	271	0	Ō	ŏ	Ő	ő	ŏ	ŏ	0	271	õ	Ő	271
Waiahole	0	ŏ	Ŭ	0	16	ŏ	0 0	16	0	Ō	Ō	0	16	Ö	Ď	16
Waianae	419	ō	ō	419	11	ŏ	õ	11	0	ō	Ů	0	430	Ō	0	430
Waimanalo	735	ō	ů.	735	2	ō	ŏ	2	0	Ō	Ō	Ō	737	Ō	ů	737
TOTAL	4,272	Ď	Č	4,272	60	ŏ	ŏ	50	ů.	D	ō	0	4,334	Ō	Ō	4,332
	,,															
MAUI						_	-					-				
Hikina	30	0	0	30	0	0	0	0	0	0	Ŭ	0	30	0	0	30
Kahikinui	0	0	0	0	0	0	0	0	75	0	0	75	75	0	0	75
Keokea	0	0	0	0	65	0	0	65	0	0	0	0	65	0	0	65
Lealii	104	0	0	104	0	0	0	0	0	0	0	0	104	0	0	104
Paukukalo	180	0	0	180	0	0	0	0	0	0	0	0	180	0	0	180
Walehu 1	39	0	0	39	0	0	0	0	0	0	0	0	39	0	0	39
Walehu 2	109	0	0	109	0	0	0	0	0	0	0	0	109	0	0	109
Walehu 3	114	0	0	114	0	0	0	0	0	0	0	0	114	0	0	114
Waiehu 4	97	0	0	97	0	0	0	0	0	0	0	0	97 593	0	0	97 593
Waiohuli	593	0	0	593	0	0	0	0	0	•	0	0			0	
TOTAL	1,266	0	0	1,266	65	0	0	65	75	0	0	75	1,406	0	v	1,406
EAST HAWAII				· · ·								•				
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	2
Kamaca	0	0	0	0	0	0	0	D	25	0	0	25	25	0	0	25
Kaumana	43	0	0	43	0	0	0	0	0	0	0	0	43	0	0	43
Keaukaha	473	0	0	473	0	0	0	0	0	0	0	0	473	0	0	473
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	0	3	0	0	3
Makuu	0	0	0	0	121	0	0	121	0	0	0	0	121	0	0	121
Panaewa	0	0	0	0	262	Û	0	262	0	0	0	0	262	0	0	262
Pilhonua	17	0	Û	17	0	0	0	0	0	0	0	Û	17	0	0	17
Puueo	0	0	0	0	12	0	0	12	0	0	0	0	12	0	0	12
University Heights	4	0	0	4	0	0	0	0	0	0	0	0	4	0	0	4
Waiakea	298	0	0	298	0	0	0	0	0	0	0	0	298	0	0	298
TOTAL	840	0	0	840	395	0	0	395	25	0	Q	25	1,260	0	0	1,260
WEST HAWAII																
Ronokaia	0	0	0	0	٥	0	0	0	24	0	Q	24	24	0	0	24
1	. 0		õ	ů.	0	0	Ŭ	ů	5	Ő	ŏ	5	5		ŏ	5
Humuula Kamoku	0		0	0	0	0	0	0	16	Ö	Ő	16	16		Ő	16
Kamoku Kaniohale	224	0 D	u n	224	0	0	0	0	0	٥ ۵	0	10	224		0	224
	224 186	•	0	186	0	0	0	0	1	0 0	0	1	187		0	187
Kawaihae	284	0	0	284	0	0	0	0	, 0	0	0	, 0	284		0	284
Laiopua Lalamilo	204		0	204	0	0	0	0	0	0	Ö	0	204		Ö	204
	30 0		Ŭ	0	0	0	0	0	21	0 0	õ	21	21		0	21
Nienie Puukapu/Waimea/Kuhio Vil	115		0	115	110	0	0	110	215	0	0 0	215	440		Ő	440
Puukapu/waimea/kunio vii Puupulehu	33		0	33	0	0	0	0	213		0 0	213			ŏ	33
TOTAL	872		0	872	110	0	Ő	110	282		ő	282			Ŭ	1,264
h	012			~		-	, 						.,			
KAUAI															-	
Anahola	534		0	534	46	0	0	46	0		0	0			0	580
Hanapepe	47	0	0	47	0	0	0	0	0	0	0	0			0	47
Kekaha	117		0	117	0	0	0	0	0	0	0	0			0	117
Puu Opae	0		0	0	0	0	0	0	1	0	0	1			0	1
TOTAL	698	0	0	698	46	Û	0	46	1	0	0	1	745	0	0	745
MOLOKAI		- ·														
Hoolehua	157	0	0	157	346	0	0	346	21	0	0	21	524	0	0	524
Kalamaula	163		0	163	71	Ō	Ō	71	3		0	3			0	237
Kapaakea	47		0	47	0		Ō	0	3		0	3			Ó	50
Moomomi	0		ŏ	0	3	õ	ů	3	Č		Ō	0			0	3
O'ne Alii	28		ů	28	Ő		0	0	0		Ō	0			0	28
TOTAL	395		0	395	420		D	420	27	0	0	27	842	! 0	0	842
		•	^	-	0	0	0	0	c	0	0	0	29	0	0	29
Lanai TOTAL	29 29		0	29 29	0		0	U O			0	ن 0				29 29
			Ų	29	U					. v	v			. v	ų	23
STATEWIDE TOTAL	8,372	0	0	8,372	1,096	0	0	1,096	410	0	0	410	9,878	3 0	C	9,878
		-		, -												

ITEM NO. D-1 EXHIBIT-A

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

#### AREA WAITING LIST

		RESIDE	ENCE		AGRICULTURE PASTURE										
DISTRICT AREA	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL		
Oahu District	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018		
Maui District	73	0	0	73	4	0	0	4	5	0	0	5	82		
Hawaii District	134	0	0	134	15	0	0	15	59	0	0	59	208		
Kauai District	56	0	0	56	3	0	0	3	29	0	0	29	88		
Molokai District	20	0	0	20	19	0	0	19	1	0	0	1	40		
TOTAL	1,298	0	0	1,298	44	0	0	44	94	0	0	94	1,436		

#### ISLANDWIDE WAITING LIST

		RESI	DENCE		/	AGRICL	LTURE			PAST	IURE		
ISLAND	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL
Oahu	9,675	17	10	9,682	3,687	4	2	3,689	0	0	0	0	13,371
Maui	3,790	5	1	3,794	4,654	1	1	4,654	604	2	0	606	9,054
Hawaii	5,717	7	1	5,723	7,146	6	0	7,152	1,870	1	1	1,870	14,745
Kauai	1,615	2	4	1,613	2,213	1	0	2,214	299	0	0	299	4,126
Molokai	792	1	2	791	1048	3	0	1051	198	0	0	198	2,040
Lanai	86	0	0	86	0	0	0	0	0	0	0	0	86
TOTAL	21,675	32	18	21,689	18,748	15	3	18,760	2,971	3	1	2,973	43,422

#### AREA AND ISLANDWIDE LISTS

	RES	AG	PAS	TOTAL
OAHU	10,697	3,692	0	14,389
MAUI	3,867	4,658	611	9,136
HAWAII	5,857	7,167	1,929	14,953
KAUAI	1,669	2,217	328	4,214
MOLOKAI	811	1,070	199	2,080
LANAI	86	0	0	86
TOTAL	22,987	18,804	3,067	44,858

ADDITIONS						
New Applications	45					
Application Transfers	5					
Lease Rescissions	0					
App Reinstatements	0					
HHC Adjustments	0					
TOTAL	50					

CANCELLATIONS						
New Lease Awards	16					
Application Transfers	5					
Succ'd and Cancel Own	1					
Public Notice Cancel	0					
Voluntary Cancellations	0					
Lease Successorships	0					
HHC Adjustments	0					
Dec'd No Successor	0					
Additional Acreage	0					
NHQ Unqualified	0					
TOTAL	22					

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					May	31, 2018	3						
		RESID	ENCE		A	GRICUL	TURE			PAST	URE		
OAHU DISTRICT	Last Month	Add	Cancel	TOTAL	Last Month	Add C	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	0	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	600	0	0	600	0	0	0	0	0	0	0	0	600
Subtotal Area	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Islandwide	9,675	17	10	9,682	3,687	4	2	3,689	0	0	0	0	13,371
TOTAL OAHU APPS	10,690	17	10	10,697	3,690	4	2	3,692	0	0	0	0	14,389
MAUI DISTRICT	-			•	•			•					1
Paukukalo	73	0	0	73	0	0	0	0	0	0	0	0	73
Kula	0	ō	Ō	0	4	Ō	õ	4	5	õ	õ	5	,0
Subtotal Area	73	ō	Ō	73	4	õ	ŏ	4	5	ŏ	õ	5	82
Islandwide	3,790	5	1	3,794	4,654	1	1	4,654	604	2	ŏ	606	9,054
TOTAL MAUI APPS	3,863	5	1	3,867	4,658	1	1	4,658	609	2	0	611	9,136
	0,000		•	3,007	4,000	1	•	4,000	005	~	0	011	5,130
Keaukaha/Waiakea	72	0	0	72	0	0	0	0	1	0	0	4	70
Panaewa	0	0 0	0	0	15	0	0		0	0	0	1	73
Fanaewa Humuula	0	0 0	0	0	15	0	0	15	-	-	0	0	15
Kawaihae	-	0	0	_	Ŭ	-	0	0	0	0	•	0	0
	19	+	-	19	÷	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	5,717	7	1	5,723	7,146	6	0	7,152	1,870	1	1	1,870	14,745
TOTAL HAWAII APPS	5,851	7	1	5,857	7,161	6	0	7,167	1,929	1	1	1,929	14,953
KAUAI DISTRICT													
Anahola	48	0	0	48	3	0	0	3	21	0	0	21	72
Kekaha/Puu Opae	8	0	0	8	0	0	0	0	8	Ó	Ó	8	16
Subtotal Area	56	0	0	56	3	0	0	3	29	Ó	Ó	29	88
Islandwide	1,615	2	4	1,613	2,213	1	ō	2,214	299	õ	Ō	299	4,126
TOTAL KAUAI APPS	1,671	2	4	1,669	2,216	1	- č	2,217	328	0	0	328	4,214
MOLOKAI DISTRICT	.,	-		.,	-,			.,		-	-	•	·,=··
Kalamaula	4	0	0	4	0	0	0	0	0	0	0	0	4
Hoolehua	7	Ó	Ó	7	19	0	Ó	19	1	Ō	Ō	1	27
Kapaakea	8	Ō	ō	8	0	ō	Ō	0	Ó	Ō	n	0	8
One Alii	1	ŏ	ō	- 1	0	ō	Ō	ō	ŏ	õ	Ő	õ	1
Subtotal Area	20	ŏ	ŏ	20	19	õ	ŏ	19	1	Õ	õ	1	40
Islandwide	792	1	2	791	1,048	3	ŏ	1,051	198	ő	ŏ	198	2,040
TOTAL MOLOKAI APPS	812	1	2	811	1,067	3	Ö	1,070	199	0	<u>0</u>	199	2,040
LANAI DISTRICT	012		2	011	1,007	3	U	1,010	199	Ū	U	155	2,000
Islandwide	86	0	0	86	0	0	0	0	0	0	0	0	86
TOTAL LANALAPPS	86	0	0	86		0	0	0	···· 0	0	0		86
			-		-	-	-	-	Ŧ		-	-	
TOTAL AREA ONLY	1,298	0	0	1,298	44	0	0	44	94	0	0	94	1,436
TOTAL ISLANDWIDE TOTAL STATEWIDE	21,675 22,973	32 32	18 18	21,689 22,987	18,748 18,792	15 15	3 3	18,760 18,804	2,971	3 3	1	2,973	43,422
TOTAL STATEWIDE	22,913	32	10	22,907	16,/92	15	3	10,004	3,065	3	1	3,067	44,858

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

4

#### DELINQUENCY REPORT - STATEWIDE June 18, 2018 (\$Thousands)

	Total Outs	tanding (000s)	Total Deli	nquency (000s)	30 Day	s (low) (000s)	60 Days I	R (Medium) (000s)	I <b>S K</b> 90 Days	(High) (000s)	180 Days (	Severe) (000s)	% of T 5/31/2	
DIRECT LOANS OAHU	<u>No.</u> 407	<u>Amt.</u> 35,014	<u>No.</u> 108	<u>Amt.</u> 10,496	<u>No.</u> 21	<u>Amt.</u> 1,346	<u>No.</u> 9	<u>Amt.</u> 926	<u>No.</u> 19	<u>Amt.</u> 1,772	<u>No.</u> 59	<u>Amt.</u> 6,451	<u>No.</u> 26.5%	\$ 30.0%
EAST HAWAII	223	13,678	59	3,930	8	534	1	15	11	357	39	3,023	26.5%	28.7%
WEST HAWAII	80	7,917	10	705	2	229	0	0	1	131	7	345	12.5%	8.9%
MOLOKAI	85	6,061	20	667	4	142	0	0	5	99	11	426	23.5%	11.0%
KAUAI	104	7,323	15	1,066	4	402	3	221	2	34	6	409	14.4%	14.6%
MAUI	<u>88</u>	<u>10.050</u>	<u>21</u>	<u>2,599</u>	<u>4</u>	<u>184</u>	<u>1</u>	<u>259</u>	<u>6</u>	<u>953</u>	<u>10</u>	<u>1.203</u>	<u>23.9%</u>	<u>25.9%</u>
TOTAL DIRECT	987 100.0%	80,044 100.0%	233 23.6%	19,463 24.3%	43 4.4%	2,837 3.5%	14 1.4%	1,421 1.8%	44 4.5%	3,347 4.2%	132 13.4%	11,858 14.8%	23.6%	24.3%
Advances (including RPT)	239	7,719	239	7,719	0	0	0	0	239	7,719			100%	100%
DHHL LOANS & Advances	1,226	87,763	472	27,182	43	2,837	14	1,421	283	11,066	132	11,858	38.5%	31.0%
LOAN GUARANTEES as of June 30														
SBA USDA-RD	1 297	101 39,078	0 50	0 6,142	0 0	0 0	0 0	0	0 50	0 6,142			0.0% 16.8%	0.0% 15.7%
Habitat for Humanity	297 74	39,078	50 29	1430	0	0	0	0	50 29	0,142 1, <b>4</b> 30			16.8% 39.2%	43.4%
Maui County	5	74	20	0	ŏ	ŏ	Ő	Ő	20	1,400			0.0%	0.0%
Nanakuli NHS	1	7	1	7	õ	ŏ	õ	ŏ	1	7			100.0%	100.0%
City & County	18	313	14	289	Ō	Ō	Ō	Ō	14	289			77.8%	92.3%
FHA Interim	7	1,334	0	0	0	0	0	0	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	201	33,011	5	998	1	257	1	189	3	552			2.5%	3.0%
HUD REASSIGNED for Recovery	143	18,208	123	17,055	1	19	0	0	4	355	118	16,681	86.0%	93.7%
FHA Insured Loans	<u>2,802</u>	<u>430,453</u>	<u>209</u>	<u>25,430</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>209</u>	<u>25,<b>4</b>30</u>			<u>7.5%</u>	<u>5.9%</u>
TOTAL INS. LOANS	<u>3,146</u>	<u>481,672</u>	<u>337</u>	<u>43,483</u>	<u>2</u>	<u>276</u>	<u>1</u>	<u>189</u>	<u>216</u>	<u>26,337</u>	<u>118</u>	<u>16,681</u>	<u>10.7%</u>	<u>9.0%</u>
OVERALL TOTALS(EXC Adv/RP	4,584	606,399	665	70,820	45	3,113	15	1,610	355	37,558	250	28,538	14.5%	11.7%
ADJUSTED TOTALS	4,823	614,118	904	78,538	45	3,113	15	1,610	594	45,276	250	. 28,538		12.8%

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.

OAHU Direct Loans Delinquency Ratio Report



ITEM NO. D-1 EXHIBIT B . .

# EAST HAWAII **Direct Loans Delinquency Ratio Report**



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# WEST HAWAII **Direct Loans Delinquency Ratio Report**



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# MOLOKAI **Direct Loans Delinquency Ratio Report**



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KAUAI Direct Loans Delinquency Ratio Report



MAUI Direct Loans Delinquency Ratio Report



#### June 18, 2018

#### SUBJECT: DHHL Guarantees for FHA Construction Loans

- DISCUSSION: The Department issues guarantees to FHA lenders during the construction period of a home, as FHA does not insure the loan until the home is completed. The loan term for these loans do not exceed fifteen (15) months from the date of loan signing. The following FHA Interim Construction loans were issued guarantees:
- \*Note: FHA loans are insured by the U.S. Department of Housing and Urban Development (HUD) and do not impact the State's guaranty ceiling.

LEASE NO.	AREA	LESSEE	Loan Amount	Date Approved
7388	Keokea	Weigert, Aaron W.K.	\$276,460	4/30/18

	<u>No.</u>		Balance
FY Ending 6/30/17	5	\$	1,536,859
Previous Months This Month FY '17-'18 to date	$\frac{2}{1}$	\$ ~	608,871 276,460 885,331

#### STATE OF HAWAII

# DEPARTMENT OF HAWAIIAN HOME LANDS

# June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administratory Homestead Services Division

SUBJECT: Approval of Consent to Mortgage

#### RECOMMENDED MOTION/ACTION

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

DISCUSSION

PROPERTY	LESSEE	LENDER	LOAN AMOUNT
OAHU			
Waianae Lease No. 4726 TMK: 1-8-5-030:097	ISAACS, Donnalyn Haunani(Cash Out Refi)HUD 184A	HomeStreet Bank	\$ 202,000
Kapolei Lease No. 12326 TMK: 1-9-1-017:088	WAI, Helen N.K. (Purchase)HUD 184A	Bank of Hawaii	\$ 337,474
Kewalo Lease No. 2514 TMK: 1-2-5-021:024	KEKAHUNA, Jaemarlene H. &, KEKAHUNA, Joseph H., III(Cash Out Refi)FHA	Hightechlend ing Inc.	\$ 430,000

#### OAHU

Princess Kahanu Estates \$ 189,000 KANUI, Guild Lease No. 8453 Danielle R. S. Mortgage Co. TMK: 1-8-7-042:080 (Cash Out Refi)FHA Kewalo SOLATORIO, Mann \$ 251,196 Lease No. 5488 Cappy A. Mortgage TMK: 1-2-4-042:007 (Cash Out Refi)FHA Kanehili Bank of \$ 549,916 NAONE, Hawaii Lease No. 11570 Wallace L. TMK: 1-9-1-153-169 (Purchase)FHA Kanehili MANDAC, HomeStreet \$ 258,358 Lease No. 11883 Adeline W. L. Bank TMK: 1-1-1-153:084 (Cash Out Refi)FHA Nanakuli KEAUNUI-ORIAN, Guild \$ 101,000 Lease No. 1939A Zacharine M. Mortgage Co. TMK: 1-8-9-005:104 (Cash Out Refi)FHA Nanakuli ANTONIO, Mann \$ 183,000 Lease No. 1634 Darius K., Sr. Mortgage TMK: 1-8-9-002:017 (Cash Out Refi)FHA Nanakuli BARROZO, Guild \$ 236,000 Lease No. 9988 August J. Mortgage Co. TMK: 1-8-9-003:067 (Cash Out Refi)FHA Princess Kahanu Estates PANUI-MOE, HomeStreet \$ 235,392 Lease No. 8412 Leahi S. K. P. Bank TMK: 1-8-7-043:055 (Purchase)FHA Waianae NAEOLE-RAYMONDO, HomeStreet \$ 179,055 Lease No. 9990 Vanna M. K. Bank TMK: 1-8-5-031:081 (Cash Out Refi)FHA

ITEM NO. D-2

# OAHU

Kapolei Lease No. 12410 TMK: 1-9-1-017:088	MEDEIROS, Shawn H. (Purchase)FHA	Bank of Hawaii	\$ 343,071
Waimanalo Lease No. 2977 TMK: 1-4-1-020:023	KAHELE, Jerica K. &, KAHELE, Blaine T. Jr.(Purchase)FHA		\$ 318,000
Princess Kahanu Estates Lease No. 8345 TMK: 1-8-7-042:054	KAMANA, Malie M. (Purchase)FHA	Guild Mortgage Co.	\$ 418,000
MAUI			
Waiehu 3 Lease No. 10074 TMK: 2-3-2-024:045	SUZUKI, Oscar H., Jr.(Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 193,920
Waiehu Lease No. 9848 TMK: 2-3-2-021:029	MENDEZ, Benjamin, III(Cash Out Refi)FHA	Mann Mortgage	\$ 334,000
Waiohuli Lease No. 7471 TMK: 2-2-2-027:019	CANTO, Doreen (Cash Out Refi)FHA	HomeStreet Bank	\$ 330,862
Waiehu Lease No. 10095 TMK: 2-3-2-024:103	HUEU, Jordan K. (Cash Out Refi)FHA	Mann Mortgage	\$ 235,000
KAUAI			
Anahola Lease No. 4692 TMK: 4-4-8-016:048	THOMPSON, Melanie N. (Purchase)HUD 184A	Bank of Hawaii	\$ 302,106
HAWAII			
Kaniohale Lease No. 9246 TMK: 3-7-4-022:033	AHUNA, Dean E. (Purchase)USDA RD	HomeStreet Bank	\$ 240,990
		ITEM NO.	D-2

# HAWAII

Puukapu Lease No. 3392B TMK: 3-6-4-004:056 SCHUTTE, Mann \$143,000 Kalani S., Jr. Mortgage (Rate/Term Refi)FHA

ITEM NO. D-2

RECAP	NO.	FHA AMOUNT	<u>NO.</u>	VA <u>AMOUNT</u>	<u>NO.</u>	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		\$ 66,293,516 <u>4,734,850</u> \$ 71,028,366		\$4,914,100 0 \$4,914,100		$ \begin{array}{r} \$2,359,413 \\ \underline{240,990} \\ \$2,600,403 \end{array} $
HUD 184A FY Ending 6/30/17	105	\$25,483,508				
Prior Months This Month Total FY '17-'18	$70 \\ \frac{4}{74}$	\$20,082,310 <u>1,035,500</u> \$21,117,810				

ITEM NO. D-2

#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18, 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 No.	Area	Loan <u>No.</u>	Monthly Payment	Amount at 5/18	Balance At 5/18
<u>Oahu</u>						
Robins, Harry B.K., Jr.	4647	Waianae	19437 (ASB Buyback)	\$1,351	\$8,439	\$186,500
Maui	,					
Ross, Jessica	11475	Leialii	19414 (ASB Buyback)	\$1,612	\$15,231	\$263,016

#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator

FROM: Ross K. Kapeliela, Application Officer

SUBJECT: Approval of Homestead Application Transfers/Cancellations

#### RECOMMENDED MOTION/ACTION

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

#### DISCUSSION

1. Requests of Applicants to Transfer

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

VIENA, Kaleiokamaile K. 09/26/2003 HAWAII AGR 01/19/2018

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

DUDOIT, Gussie M. 07/15/1998 MOLOKAI AGR 02/05/2018

#### MOLOKAI ISLANDWIDE AGRICULTURAL LEASE LIST

CHANG, Jeannette D.N. 11/10/2009 HAWAII AGR 02/07/2018

2. Deceased Applicants

NONE FOR SUBMITTAL

#### ITEM NO. D-4

#### 3. Awards of Leases

# NANAKULI AREA / OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

KAAI, Gwendolyn

Assigned Residential Lease #4440, Lot 133 in Waianae, Oahu dated 05/17/2018. Remove application dated 08/22/1973.

#### WAIMANALO AREA / OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

KAMAI, Roy J.

Assigned Residential Lease #6376, Lot 4 in Waiakea, Hawaii dated 04/03/2018. Remove application dated 05/27/1965.

#### OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

AKIONA, Peter K., III	Assigned Residential Lease #3129, Lot 102 in Waimanalo, Oahu dated 05/17/2018. Remove application dated 11/24/1995.
IOKIA, Sherwood Kekai K.	Assigned Residential Lease #12416, UNDV097 in Kapolei, Oahu dated 06/04/2012. Remove application dated 06/15/2005.
LAA, Peter K., Jr.	Assigned Residential Lease #7959, Lot 406 in Nanakuli, Oahu dated 03/16/2018. Remove application dated 07/28/2005.
PELEKAI-WAI, Kulea K.	Assigned Residential Lease #8412, Lot 121 in Princess Kahanu Estates, Oahu dated 05/06/2016. Remove application dated 11/06/2014.

#### MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

BRIGHT, Edwina U.

Assigned Residential Lease #3657, Lot 50 in Waimanalo, Oahu dated 05/17/2018. Remove application dated 02/16/1978. COLON, Merlyn U.K. Assigned Residential Lease #4133, Lot 60 in Waimanalo, Oahu dated 04/20/2018. Remove application dated 03/20/1992. ROBACK, Anthony T.K. Assigned Residential Lease #7672, Lot 202 in Waishuli Maui dated

Lot 302 in Waiohuli, Maui dated 01/23/2018. Remove application dated 09/18/2007.

#### HAWAII ISLANDWIDE AGRICULTRAL LEASE LIST

CANDA, Bernadette L.

Assigned Agricultural Lease #6925, Lot 56 in Puukapu, Hawaii dated 05/01/2018. Remove application dated 06/12/2012.

# HAWAII ISLANDWIDE PASTORAL LEASE LIST

LILLY, Leialoha A.

Assigned Pastoral Lease #10135, Lot 14 in Honokaia, Hawaii dated 04/30/2018. Remove application dated 09/16/2008.

#### HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

KUALII, Gilbert K., Sr.

Assigned Residential Lease #6273, Lot 2 in Piihonua, Hawaii dated 07/17/2017. Remove application dated 02/11/2008.

#### KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

KALAMA, Cheryl K.

Assigned Residential Lease #3665, Lot 64 in Waimanalo, Oahu dated 05/15/2018. Remove application dated 04/18/1986.
KEOHULOA-GUEVARA, Esther E.

Assigned Agricultural Lease #5011, Lot 76B in Hoolehua, Molokai dated 04/06/2018. Remove application dated 06/30/1999.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

# MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

HO, Winston K.

Cancel application dated 06/18/2007 at the request of applicant dated 05/08/2018.

6. Successorship

NONE FOR SUBMITTAL

7. Additional Acreage

# NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL

This Month's Cumulative FY 2016-2017 Transaction Total	
This Month's Transaction Total	18
HHC Adjustments	0
Additional Acreage	0
Successorship	0
Voluntary Cancellations	1
NHQ	0
Awards of Leases	14
Cancellations:	
Deceased	0
Transfers from Island to Island	3
Last Month's Cumulative FY 2015-2016 Transaction Total	277
Last Month's Transaction Total	22

#### DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

- THROUGH: Dean T. Oshiro, Acting HSD Administrator
- FROM: Ross K. Kapeliela, Application Officer
- SUBJECT: Commission Designation of Successor to Application Rights of SAMUEL KALIKO, III (Deceased) - Public Notice 2016

#### RECOMMENDED MOTION/ACTION

To designate the following individual as successor to the application rights of a deceased applicant who did not name a qualified successor.

#### DISCUSSION

The following qualified applicant passed away on or after October 26, 1998, without naming a qualified successor. Pursuant to 10-3-8(c) of the Hawaii Administrative Rules, a public notice listing the names of deceased applicants and calling for possible successors to their application rights was published in the Honolulu Star-Advertiser, The Maui News, Hawaii Tribune Herald, West Hawaii Today, and The Garden Island on the last two consecutive Sundays of November for the year the Department received notification. A request to succeed to the decedent's application rights was submitted within the required 180 days following the last date of publication. prospective successor was the sole respondent and is deemed by the Department to have met the requirements of successorship. The Homestead Services Division recommends approval of the following designee:

l.Deceased Applicant:	Samuel Kaliko, III
Date of death:	March 23, 2008
Successor to application rights	Phillip Kaliko
Relationship to decedent:	Child
Island:	Nanakuli Area / Oahu IW
Type:	Residential
Date of Application:	June 14, 1971
Date of Public Notice:	November, 2016

<u>ITEM NO. D-5</u>

Previous Cumulative Total for Current FY	28
Current Month's Total	1
2017-2018 Fiscal Year Total:	29

#### DEPARTMENT OF HAWAIIAN HOME LANDS

## June 18, 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 Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds

#### RECOMMENDED MOTION/ACTION

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

\*See attached list of Lessee.

<u>Leasehold Interest:</u> Approved for June 2018 Previous FY 2017 - 2018 FY 2017 - 2018 Total to Date	6 <u>81</u> 87
Approved for FY '16 - '17	104
Net Proceeds Approved for June 2018 Previous FY 2017 - 2018 FY 2017 - 2018 Total to Date	0 _ <u>1</u> _1
Approved for FY '16 - '17	2

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

#### Deceased Lessee

1. Irene W. Apo
Lot No.: 4
Area: Waimanalo, Oahu
Lease No. 3962

# Designated Successor

PRIMARY: Irene K. Apo, Daughter

#### ALTERNATE: N/A

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

2. Julie H. Humble
Lot No.: 63
Area: Waianae, Oahu
Lease No. 4449

PRIMARY: Janice H. Kamai, Daughter

 $\frac{\text{ALTERNATE:}}{\text{N/A}}$ 

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

3. David K. Keohuloa Lot No.: 25 Area: Hoolehua, Molokai Lease No. 7878

.

PRIMARY: Robin Ann K. Wong, Sister

# $\frac{\text{ALTERNATE:}}{\text{N/A}}$

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

#### Deceased Lessee

4. Bernard H. Mahuiki Lot No.: 40 Area: Anahola, Kauai Lease No. 3751

#### Designated Successor

PRIMARY: Joint Tenants Terri-Ellen M. Sembrano, Daughter Jhensen-Hose K. Mahuiki-Sembrano, Grandson

 $\frac{\text{ALTERNATE:}}{\text{N/A}}$ 

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

5. Fred L. Noa, Jr. Lot No.: 37 Area: Kewalo, Oahu Lease No. 2173 PRIMARY: Fred M. Noa, Son

<u>ALTERNATE:</u> Shirley Carbone, Sister

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

6. Anthony H. Sang Lot No.: 25 Area: Waimanalo, Oahu Lease No. 3703 PRIMARY: Joint Tenants Omit: Joe-Ann U. Sang, Wife, Deceased 6/17/2007 Roy K. Sang, Son John K. Sang, Son

 $\frac{\text{ALTERNATE:}}{\text{N/A}}$ 

DESIGNEE TO RECEIVE NET PROCEEDS: N/A

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#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 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 Assignment of Leaschold 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

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Twenty-Seven (27) assignments of lease.

#### LESSEE

#### TRANSFEREE

1. Name: Emma S. Durocher Name: Valmajan L. Nahalea
Res. Lease No.: 7300 Relationship: Daughter
Lease Date: 10/6/1994 Loan Assump: No
Lot No.: 70 Applicant: No
Area/Island: Nanakuli, Oahu
Property Sold: No
Amount: N/A
Improvements: 3 bedroom, 1 bath dwelling
Reason for Transfer: "Giving lease to relative."

#### TRANSFEREE

2. Name: Louis Ellis Name: Louis S. K. Ellis & Res. Lease No.: 5453 Wayne T. Ellis Lease Date: 10/1/1984 Relationship: Sons Lot No.: 48 Loan Assump: No Area/Island: Paukukalo, Maui Applicant: No Property Sold: No Amount: N/A Improvements: 3 bedroom, 1 bath dwelling Reason for Transfer: "Giving lease to relative." 3. Name: Stacy K. V. Farias Name: Melanie N. Thompson Res. Lease No.: 4692 Relationship: None Lease Date: 8/31/1977 Loan Assump: No Lot No.: 13 Applicant: Yes, Kauai IW Area/Island: Anahola, Kauai Res., 10/21/2008 Property Sold: Yes Amount: \$300,000.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Financial reasons." Special Condition: Transferee to obtain funds to pay purchase price. 4. Name: Stephanie N. Gaea Name: Frances N. N. Bailey Res. Lease No.: 11570 Relationship: None Lease Date: 2/12/2011 Loan Assump: No Lot No.: 18513 Applicant: Yes, Oahu IW Res., Area/Island: Kanehili, Oahu 2/15/2013 Property Sold: Yes Amount: \$549,000.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Moving off island." Special

Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

#### TRANSFEREE

5. Name: Frances N. N. Bailey Name: Wallace L. Naone Res. Lease No.: 11570 Relationship: Son Lease Date: 2/12/2011 Loan Assump: No Lot No.: 18513 Applicant: No Area/Island: Kanehili, Oahu Property Sold: Yes Amount: \$549,000.00 Improvements: 3 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. 6. Name: Ginger I. Howard Name: Timothy J. Howard Res. Lease No.: 9598 Relationship: Son Lease Date: 9/15/2000 Loan Assump: No Lot No.: 53 Applicant: No Area/Island: Kalawahine, Oahu Property Sold: Yes Amount: \$200,000.00 Improvements: 3 bedroom, 2-1/2 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. 7. Name: James L. Kauwe, Jr. Name: Carrieann K. Kealoha Res. Lease No.: 6770 Relationship: None Lease Date: 3/14/1995 Loan Assump: No Lot No.: 108 Applicant: Yes, Oahu IW Res., Area/Island: Waianae, Oahu 10/27/2017 Property Sold: Yes Amount: \$250,000.00 Improvements: 3 bedroom, 3 bath dwelling Reason for Transfer: "Financial reasons." Special Condition: Transferee to obtain funds to pay purchase price.

#### TRANSFEREE

8. Name: Marvelle K. Laughlin Name: Karen L. Carroll Res. Lease No.: 2831 Relationship: None Lease Date: 12/9/1953 Loan Assump: No Lot No.: 73 Applicant: No Area/Island: Waimanalo, Oahu Property Sold: Yes Amount: \$405,827.00 Improvements: 3 bedroom, 1 bath dwelling

> Reason for Transfer: "Moving off island." Special Condition: Transferee to obtain funds to pay purchase price.

9. Name: Alika L. Lovell Res. Lease No.: 12142 Lease Date: 2/27/2008 Lot No.: 16918 Area/Island: Kaupea, Oahu Property Sold: Yes Amount: \$205,000.00 Improvements: 3 bedroom, 2 bath dwelling

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

10. Name: Roland K. Kaaialii Name: Alika L. Lovell Res. Lease No.: 12133 Relationship: None Lease Date: 10/31/2007 Loan Assump: No Lot No.: 16917 Applicant: No Area/Island: Kaupea, Oahu Property Sold: Yes Amount: \$375,000.00 Improvements: 4 bedroom, 2-1/2 bath dwelling

> Reason for Transfer: "Moving off island." Special Condition: Transferee to obtain funds to pay purchase price.

#### TRANSFEREE

11. Name: Lylla A. Lyles Name: Destiny H. Irvine-Res. Lease No.: 5254 Halama Lease Date: 8/2/1982 Relationship: Niece Lot No.: 3 Loan Assump: No Area/Island: Waianae, Oahu Applicant: Yes, Oahu IW Res., Property Sold: No 9/9/2015 Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative." 12. Name: James K. Marfil Name: Herman K. Marfil Res. Lease No.: 7508 Relationship: Son Lease Date: 2/7/2002 Loan Assump: No Lot No.: 72 Applicant: No Area/Island: Waiohuli, Maui Property Sold: Yes Amount: \$147,503.34 Improvements: 3 bedroom, 1 bath dwelling Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. 13. Name: Edward Kauka Milikaa Name: Cheresa C. L. Milikaa Res. Lease No.: 5257 Relationship: Daughter Lease Date: 8/2/1982 Loan Assump: No Lot No.: 6 Applicant: No Area/Island: Waianae, Oahu Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative."

#### TRANSFEREE

14. Name: Fred M. Noa Name: Janna-Jay S. Gibson Res. Lease No.: 2173 Relationship: None Lease Date: 6/29/1949 Loan Assump: No Lot No.: 37 Applicant: Yes, Oahu IW Res., Area/Island: Kewalo, Oahu 2/11/2010 Property Sold: Yes Amount: \$425,000.00 Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Financial reasons." Special Condition: Transferee to obtain funds to pay purchase price. Name: Emily N. Pall 15. Name: Phyllis K. Kotrys Res. Lease No.: 5232 Relationship: Daughter Lease Date: 08/02/1982 Loan Assump: No Lot No.: 3 Applicant: Yes, Oahu IW Res., Area/Island: Nanakuli, Oahu 11/10/1994 Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Giving lease to relative." 16. Name: James N. Piimauna Name: Robert H. Piimauna Res. Lease No.: 8229 Relationship: Brother Lease Date: 2/15/1993 Loan Assump: No Lot No.: 46 Applicant: Yes, Oahu IW Res., Area/Island: Waimanalo, Oahu 10/6/2000 Property Sold: No Amount: N/A Improvements: 3 bedroom, 1-1/2 bath dwelling Reason for Transfer: "Giving lease to relative."

#### TRANSFEREE

17. Name: Kulea K. Pelekai-Wai Name: Leahi S. K. P. Panui-Res. Lease No.: 8412 Moe Lease Date: 9/1/1995 Relationship: Cousin Lot No.: 121 Loan Assump: No Area/Island: PKE, Oahu Applicant: Yes, Oahu IW Res., Property Sold: Yes 7/12/2012 Amount: \$235,000.00 Improvements: 2 bedroom, 1 bath dwelling

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

18. Name: Florence L. Yelinek Name: Kulea K. Pelekai-Wai Res. Lease No.: 8391 Relationship: Nephew Lease Date: 9/1/1995 Loan Assump: No Lot No.: 100 Area/Island: PKE, Oahu Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling

Reason for Transfer: "Giving lease to relative."

19. Name: Terri-Ellen M. Name: Jheresa Evelyn P. Sembrano Sembrano Res. Lease No.: 3751 Relationship: Daughter Lease Date: 7/26/1968 Loan Assump: No Lot No.: 40 Applicant: No Area/Island: Anahola, Kauai Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling

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

#### TRANSFEREE

20. Name: Jheresa Evelyn P. Name: Jhensen-Hose K. Sembrano Sembrano-Mahuiki Res. Lease No.: 3751 Relationship: Brother Lease Date: 7/26/1968 Loan Assump: No Lot No.: 40 Area/Island: Anahola, Kauai Property Sold: No Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Transfer to relative." 21. Name: William K. Willing Name: Eleanor L. & Alberta L. Res. Lease No.: 4865 Willing Lease Date: 1/24/1979 Relationship: Sisters Lot No.: 14 Loan Assump: No Area/Island: Nanakuli, Oahu Applicant: No Property Sold: No Amount: N/A Improvements: 4 bedroom, 1-1/2 bath dwelling Reason for Transfer: "Giving lease to relative." 22. Name: Edward Woods III Name: Samson L. K. Gomes Res. Lease No.: 309 Hoohuli Lease Date: 5/13/1930 Relationship: Nephew Lot No.: 111 Loan Assump: No Area/Island: Nanakuli, Oahu Applicant: Yes, Oahu IW Res., Property Sold: No 10/18/2002 Amount: N/A Improvements: 4 bedroom, 2 bath dwelling Reason for Transfer: "Medical reasons."

#### TRANSFEREE

23. Name: Darlene K. Casuga Name: Kameanui L. Tripp-Res. Lease No.: 10770 Gouveia Lease Date: 12/3/2005 Relationship: Daughter Lot No.: UNDV144 Loan Assump: No Area/Island: Laiopua, Hawaii Applicant: No Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative." 24. Name: Lauren A. M. Holomalia Name: Cindy A. Holomalia-Res. Lease No.: 12399 Castaneda Lease Date: 12/6/2008 Relationship: Aunt Lot No.: UNDV080 Loan Assump: No Area/Island: Kapolei, Oahu Applicant: No Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative." 25. Name: Laurie M. K. K. Name: Denise U. Kirn Mookini & Dewey K. Mookini, Relationship: Sister Jr. Loan Assump: No Res. Lease No.: 12395 Applicant: No Lease Date: 12/6/2008 Lot No.: UNDV076 Area/Island: Kapolei, Oahu Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative."

#### TRANSFEREE

26. Name: Alvin E. Chong, Jr. Name: Ursula U. Chong Agr. Lease No.: 6180 Relationship: Wife Lease Date: 12/1/1985 Loan Assump: No Lot No.: 18 Applicant: No Area/Island: Puukapu, Hawaii Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Giving lease to relative." Improvements: None 27. Name: Peter K. Kekuewa, Jr. Name: Lokalia P. Farm Pas. Lease No.: 9181 Relationship: None Lease Date: 5/29/1999 Loan Assump: No Lot No.: 94 Applicant: Yes, Maui IW Pas., Area/Island: Kahikinui, Maui 2/28/2018 Property Sold: No Amount: N/A Improvements: None Reason for Transfer: "Financial reasons."

 Assignments for the Month of June 2018
 27

 Previous FY '17 - '18 balance
 244

 FY '17 - '18 total to date
 271

 Assignments for FY '16 - '17
 229

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator  $\bigvee$ 

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

Twenty-four (24) amendments of lease.

1.	Lessee:	Darius K. Antonio, Sr.
	Res. Lease No.:	1634
	Lot No., Area, Island:	27, Nanakuli, Oahu
	Amendment:	To amend the lease title and
		lessor's name, to incorporate the
		currently used terms, conditions,
		and covenants into the lease, and
		to extend the lease term to an
		aggregate term of 199 years.

2. Lessee: Irene K. Apo Res. Lease No.: 3962 Lot No., Area, Island: 4, Waimanalo, Oahu Amendment: To amend the lease title and lessor's name, and to incorporate the currently used terms, conditions, and covenants into the lease.

- 3. Lessee: Charles M. Bell Res. Lease No.: 3914 Lot No., Area, Island: 220, Kewalo, Oahu Amendment: To amend the lease to incorporate the currently used terms, covenants and conditions in the lease, and to
- 4. Lessee: Res. Lease No.: Lot No., Area, Island: Amendment:
- 5. Lessee: Res. Lease No.: Lot No., Area, Island: Amendment:

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

aggregate term of 199 years. Louis Ellis 5453 48, Paukukalo, Maui

release a life interest.

To amend the lease to incorporate the currently used terms, covenants

and conditions in the lease.

To amend the lease title and

lessor's name, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an

60, Waimanalo, Oahu

Pamela K. De Freitas

238, Kewalo, Oahu

Mary Chock

3966

3158

- To update property description. Julie H. Humble
- 7. Lessee: Julie Res. Lease No.: 4449 Lot No., Area, Island: 63, W Amendment: To up

4449 63, Waianae, Oahu To update property description.

8. Lessee: Aulani S. Jeffery Pas. Lease No.: 3392-D Lot No., Area, Island: 16-E, Puukapu, Hawaii Amendment: To amend the lease title and lessor's name, to complete 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. 9. Lessee: John Pa Kahoohanohano Res. Lease No.: 545 Lot No., Area, Island: 66, Nanakuli, Oahu Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years. Edwin G. Kalilikane 10. Lessee: Res. Lease No.: 402 Lot No., Area, Island: 153, Nanakuli, Oahu Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years. 11. Lessee: Donald R. Kane Res. Lease No.: 10350 Lot No., Area, Island: UNDV, Waiohuli, Maui Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval. 12. Lessee: James L. Kauwe, Jr. Res. Lease No.: 6770 108, Waianae, Oahu Lot No., Area, Island: Amendment: To amend the tenancy to tenant in severalty due to the death of a colessee.

13. Lessee: Marvelle K. Laughlin Res. Lease No.: 2831 73, Waimanalo, Oahu Lot No., Area, Island: Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years. 14. Lessee: Bernard H. Mahuiki Res. Lease No.: 3751 Lot No., Area, Island: 40, Anahola, Kauai Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, and to update the property description. 15. Lessee: Irene L. Mina Res. Lease No.: 10315 Lot No., Area, Island: UNDV, Waiohuli, Maui Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval. 16. Lessee: Stanley P. Mole Res. Lease No.: 3818 Lot No., Area, Island: 328, Nanakuli, Oahu Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, and to update the property description. 17. Lessee: Rodgers L. L. Naipo Res. Lease No.: 3691 41, Waimanalo, Oahu Lot No., Area, Island: Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, to update the property description, and to extend the lease term to an aggregate term of 199 years.

18. Lessee: Dorothy E. Nishie Pas. Lease No.: 2691 Lot No., Area, Island: 19, Nienie, Hawaii Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, to update the property description, and to extend the lease term to an aggregate term of 199 years. 19. Lessee: Fred L. Noa, Jr. Res. Lease No.: 2173 Lot No., Area, Island: 37, Kewalo, Oahu Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, to update the property description, and to extend the lease term to an aggregate term of 199 years. 20. Lessee: Caleb K. Paakaula Res. Lease No.: 11682 Lot No., Area, Island: 18640, Kanehili, Oahu Amendment: To release a reservation of life interest. 21. Lessee: Allen K. Pelayo, Miriam M. Letuli & Alden L. Pelayo Res. Lease No.: 464-A 67, Leialii, Maui Lot No., Area, Island: To amend the tenancy from joint Amendment: tenants to tenants in common. 22. Lessee: Zaviere M. Roros Res. Lease No.: 10343 Lot No., Area, Island: UNDV, Waiohuli, Maui Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

23. Lessee: Anthony H. Sang Res. Lease No.: 3703 Lot No., Area, Island: 25, Waimanalo, Oahu Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants and conditions in the lease, and to update the property description. 24. Lessee: Arnold O. K. Yuen Res. Lease No.: 10336 Lot No., Area, Island: UNDV, Waiohuli, Maui Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

Amendments for the Month of May `18	24
Previous FY '17 - '18 balance	225
FY '17 - '18 total to date	249
Amendments for FY '16 - '17	193

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 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

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.

#### DISCUSSION

Six (6) non-exclusive licenses.

1.	Lessee: Res. Lease No.: Lot No., Area, Island: Permittee:	Louis Ellis 5453 48, Paukukalo, Maui Neighborhood Power Corporation
2.	Lessee: Res. Lease No.: Lot No., Area, Island: Permittee:	Gaylynn K. Kawaauhau 12783 13796, Hoolimalima, Oahu Sunrun Inc.
3.	Lessee: Res. Lease No.: Lot No., Area, Island: Permittee:	Tiffany K.A. Meyers and George A.A. Meyers 5158 7, Nanakuli, Oahu Vivint Solar Inc.

4. Lessee: Yodie N. Mizukami Res. Lease No.: 8755 Lot No., Area, Island: 27, Waianae, Oahu Permittee: Sunrun Inc. 5. Lessee: Judy E. Opunui Res. Lease No.: 7969 Lot No., Area, Island: 84, Waianae, Oahu Permittee: RevoluSun Power LLC 6. Lessee: Laurence K. Puailihau, Jr. Res. Lease No.: 9750 13674, Maluohai, Oahu Lot No., Area, Island: Permittee: Sunrun Inc.

Non-Exclusive License for the Month of May '18 6 Previous FY '17 - '18 balance <u>96</u> FY '17 - '18 total to date 102

Non-Exclusive License for FY '16 - '17 69

#### DEPARTMENT OF HAWAII HOME LANDS

June 18, 2018

- TO: Chairman and Members, Hawaiian Homes Commission
- THROUGH: Dean Oshiro, Acting Administrator Homestead Services Division
- FROM: Olinda L. Fisher East Hawaii District Office Supervisor
- SUBJECT: Request for Relocation ODETTA K. SAMSON, Agricultural Lease No. 6956, Lot No. 11, Makuu, Hawaii

#### RECOMMENDED MOTION/ACTION

To approve the relocation for Odetta K. Samson (Odetta), from Lot 11 in Makuu, Hawaii, to an available agricultural lot on Oahu, for a period not to exceed June 30, 2021, (unless further extended by the Hawaiian Homes Commission).

#### DISCUSSION

Odetta received Lease No. 6956, Lot No. 11, Makuu, Hawaii, by way of Assignment of Lease and Consent, dated November 4, 2016.

By letter dated April 24, 2018, Odetta has requested that she be allowed to relocate from Makuu to an agricultural lot on Oahu, due to medical reasons. Odetta submitted documentation from her physician, dated April 23, 2018, confirming her medical condition.

Odetta had originally planned to build a home and reside on the 5-acre Makuu agricultural lot. She also reports that she cleared approximately 2 acres in preparation to utilize the lot. However, her medical condition has worsened, primarily due to the current volcanic activity, and requests to relocate from Makuu to Oahu.

#### RECOMMENDATION

The Department requests approval as submitted.

DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator Homestead Services Division

FROM: Olinda L. Fisher, East Hawaii District Office Supervisor

SUBJECT: Commission Designation of Successor - Jon Hall, Agricultural Lease No. 4180A, Lot No. 76B, Panaewa, Hawaii

#### RECOMMENDED MOTION/ACTION

To approve the designation of Priscilla Ann Hall (Priscilla), as successor to Agricultural Lease No. 4180-A, Panaewa, Hawaii, for the remaining term of the lease.

#### DISCUSSION

On February 23, 1995, John Hall (Decedent), by way of Assignment of a Portion Lease and Consent, received Department of Hawaiian Home Lands Agricultural Lot Lease No. 4180-A, Lot No. 76-B, Panaewa, Hawaii (Lease).

On February 1, 2017, the Decedent passed away without naming a successor to the lease.

In compliance with the Administrative Rules 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Hawaii Tribune Herald, The West Hawaii Today, The Maui News, and The Garden Island newspapers on December 3, 13, 17, and 27, 2017 to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department received a successorship claim from the Decedent's sister, Priscilla. The claimant is at least 62.5% Hawaiian and has been determined to be eligible for succession.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a

successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives in priority order:

1. Husband or wife; or

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

There are no improvements to the vacant lot.

There is no loan. There are no Real property taxes owing. The lease rent owing is \$3.00 which needs to be cleared prior to the completion of this successorship.

The Department requests approval of its recommendation.

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18, 2018

- TO: Chairman and Members, Hawaiian Homes Commission
- THROUGH: Dean Oshiro, Acting Homestead Services Division // Administrator
- FROM: Olinda L. Fisher, East Hawaii District Office Supervisor
- SUBJECT: Request to Schedule a Contested Case Hearing Alvin K. Poai, Residential Lease No. 1445, Lot No. 35, Waiakea, Hawaii

#### RECOMMENDED MOTION/ACTION

To schedule a contested case hearing for designated successor, Alvin K. Poai (Alvin), regarding Lease No. 1445, Lot No. 35 situated at Waiakea, Hawaii

#### DISCUSSION

On June 6, 2001, Abraham K. Poai (Decedent), by way of Assignment of Lease and Consent, received Residential Lease No. 1445, Lot No. 35, situate in Waiakea, Hawaii (Lease).

On November 16, 2012, the Decedent named his daughter, Aimeelyn B. Poai (Aimeelyn), as the primary successor to the lease, and his son, Alvin K. Poai (Alvin), as the alternate successor.

On August 17, 2013 the Decedent passed away. Prior to the Decedent's passing, Aimeelyn passed on February 03, 2013.

The Department proceeded with the successorship of the lease to the alternate successor, Alvin. On September 16, 2016 Alvin indicated on the "Successorship to Lease Response" form that he wanted to proceed as the successor to the lease. The Department was unable to get an address to mail out the lease for signing due to Alvin being deployed on active duty with the U.S. Navy and no longer living in Hawaii.

The Department researched and found Alvin's aunt, Sue Poai (Sue), who was in contact with Alvin and found out that he would be returning soon for vacation leave.

On November 30, 2017, the department was informed by Sue, that his deployment was extended and will not be returning home for leave until January 2018.

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The Department made several calls to Sue on February 23, 2018, March 27, & 29, 2018, to follow up on the status of Alvin's return home. Sue informed the Department on March 29, that Alvin would be returning home sometime in April 2018.

On May 4, 2018, the Department contacted Sue for an update. Sue stated that Alvin returned home and she was told that he had signed the Lease document at the East Hawaii District Office. Sue was informed that Alvin did not show up to the East Hawaii District Office to sign the Lease. Sue stated that she can no longer be of assistance any longer, and that Alvin had returned to his deployment in the ending of April.

The Department sent a final notice letter dated May 4, 2018 to Alvin K. Poai by way of USPS regular and certified mail requesting to contact the office by June 1, 2018.

Alvin has failed to respond and therefore, the department is not able to complete this successorship transaction.

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Through the contested case hearings process, the department will seek authorization to proceed with the public notice process to notify all interested related individuals to submit a successorship claim.

#### RECOMMENDATION

The department requests approval as submitted.

#### DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18, 2018

# TO: Chairman and Members, Hawaiian Homes Commission

- THROUGH: Dean Oshiro, Acting Administrator V
- FROM: James DuPont, West Hawaii District Office Supervisor Homestead Services Division/Office of the Chairman
- SUBJECT: Request to Schedule Contested Case Hearing -Lease Violations - James Key, Jr., Henry Key, and Beau Jack Key, Residential Lease No. 4892, Lot No. 21B, Kuhio Village & Agricultural Lease No. 6197, Lot No. 33-D, Pu'ukapu, Hawaii

#### RECOMMENDED MOTION/ACTION

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

#### DISCUSSION

The following lessee has violated the terms and conditions of their homestead lease; therefore, we recommend that a contested case hearing be scheduled.

Lessee:	James Key, Jr., Henry Key and Beau Jack
	Кеу
Res. Lease No.:	4892
Lot No./Area/Island:	21-B/Kuhio Village/Hawaii
Agr. Lease No.:	6197
Lot No./Area/Island:	33-D/Pu'ukapu/Hawaii
Lease Violation:	Failure to notify department of
	improvements, no approval of plans,
	failure to obtain building permits,
	sanitation issues and use of ag
	homestead by non-lessees.

# DEPARTMENT OF HAWAIIAN HOME LANDS

# June 18 &19, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Acting Homestead Services Division Administrator Dean Oshiro

SUBJECT:

D-15 Approval of Direct Settlement Agreement with Homestreet Bank

# THIS ITEM WILL BE DISTRIBUTED AND DISCUSSED IN EXECUTIVE SESSION. THE COMMISSION WILL TAKE THE VOTE IN OPEN SESSION.

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# E-ITEMS LAND DEVELOPMENT DIVISION

ORIGINAL

# DEPARTMENT OF HAWAIIAN HOME LANDS

## June 18, 2018

TO: Chairman and Members, Hawaiian Homes Commission, Sakomi

Carol Ann Takeuchi, LDD Housing Specialist FROM:

THROUGH: Norman L. Sakamoto, Acting LDD Administrator

SUBJECT: Approval of Lease Award - KUMUKOA-POMAIKAI YASSO, Keaukaha Residence, Lease Number 12825, Lot Number 151-C, Keaukaha, Hawaii

#### **RECOMMENDED MOTION/ACTION**

Approve the award of Department of Hawaiian Home Lands Residence Lot Lease to the applicant listed below for ninety-nine (99) years, subject to the purchase of the existing improvements on the lot by way of a loan or cash.

#### DISCUSSION

<u>Hawaii Community College Home 2018, Keaukaha, Hilo, Hawaii</u>				
<u>NAME</u>	APPL DATE	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
Kumukoa-Pomaikai Yasso	12/18/1979	151-C	(3) 2-1-023-172	12825

DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# F-ITEMS LAND MANAGEMENT DIVISION

ORICIAL

# DEPARTMENT OF HAWAIIAN HOME LANDS

# June 18-19, 2018

To:	Chairman and Members, Hawaiian Homes Commission
From:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division
Subject:	Issuance of Non-Exclusive License as Easement for Driveway and Utility (Water/Sewer)Connections to Gentry KGC, LLC, Kapolei, Island of O'ahu, TMK Nos.(1)9-1-151:055(por.)

### <u>APPLICANT</u>: GENTRY KGC, LLC., hereinafter referred to as "GKGC"

<u>RECOMMENDED MOTION/ACTION</u>: That the Hawaiian Homes Commission (HHC) authorize the issuance of a non-exclusive license as easement to GKGC, as LICENSEE, to install, repair, operate and maintain driveway and utility (water & sewer) connection improvements traversing over, under and across portions of Hawaiian home lands identified by TMK No.: (1)9-1-151:055 as proposed.

Approval and issuance of this non-exclusive license as easement shall be subject to the conditions as stated under Exhibit "A":

#### DISCUSSION:

Since being deferred by the HHC at its regularly scheduled monthly meetings on June 20-21, 2016, & December 18-19, 2017, Agenda Item No. F-1 (See Exhibit "A"), LMD is respectively presenting this Agenda Item No. F-1 again for consideration.

Based on the feedback from public testimony on the December 18-19, 2017 agenda item, it was made clear that the Department obtain an appraisal for the access easement as proposed. As such, LMD procured a consulting contract with CBRE – Valuation & Advisory Services (see attached as Exhibit "B") to evaluate and provide a consulting opinion as to the reasonableness of the cost of the proposed easement right as described and outlined in the submittal.

Based on the analysis and consulting opinion as prepared by CBRE it concluded that the compensation proposed by Gentry and described in LMD's December 18-19, 2017, submittal respectively is reasonable and supported by both quantitative and qualitative analysis. Further, the access easement as proposed should it be approved by the HHC under a license would provide current and meaningful economic benefit to DHHL without causing meaningful disutility or liability to DHHL.
# AUTHORITY / LEGAL REFERENCE:

§ 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.

§ 10-4-22 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:**

Land Management Division respectfully requests approval of the motion as stated

# STATE OF HAWAII

# DEPARTMENT OF HAWAIIAN HOME LANDS

### December 18-19, 2017

 

 To:
 Chairman and Members, Hawaiian Homes Commission

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

 Subject:
 Issuance of Non-Exclusive License as Easement for Driveway and Utility (Water/Sewer)Connections to Gentry KGC, LLC, Kapolei, Island of O'ahu, TMK Nos.(1)9-1-151:055(por.)

# APPLICANT: GENTRY KGC, LLC., hereinafter referred to as "GKGC"

<u>RECOMMENDED MOTION/ACTION</u>: That the Hawaiian Homes Commission (HHC) authorize the issuance of a non-exclusive license as easement to GKGC, as LICENSEE, to install, repair, operate and maintain driveway and utility (water & sewer) connection improvements traversing over, under and across portions of Hawaiian home lands identified by TMK No.: (1)9-1-151:055 as proposed.

The original LMD Agenda Item No. F-1 (See Exhibit "A") as presented to the HHC at its regularly scheduled monthly meeting held on June 20-21, 2016, was deferred for purposes of providing GKGC the opportunity to address the impact its proposed single-family residential cluster development would bring to the Kanehili Hawaiian Homestead Community subdivision.

Approval and issuance of this non-exclusive license as easement shall be subject to the following revised conditions:

- Easement will comprise a land area containing approximately 0.145-acres (6,300 SF), more or less, of Hawaiian home lands further described as the Kealii Site Plan and delineated in Exhibit "B-1, B-2, & C-1, C-2, C-3" attached hereto;
- 2. The license will be issued for a term to not exceed ten (10) years commencing as of the date that the license is fully executed by both parties. It is LICENSOR'S intent to have this public roadway system within the Kanehili subdivision dedicated within a ten (10) year time table from the issuance and full execution of this license to the Honolulu City and County. This License shall immediately expire at such time that the public roadway and utility easements within the roadway is recognized, dedicated and accepted by the Honolulu City and County for installation, repair, operation and maintenance.

;

Item No. F-1 EXHIBIT "A" ITEM NO. F-1

- The Licensee shall remit a non-refundable processing and document fee in the amount of \$275.00;
- Use of the licensed area will be used strictly for the driveway and utility (water & sewer) connection improvements as proposed and for no other purposes whatsoever;
- 5. The Licensee shall remit a monthly fee of (\$800.00) EIGHT HUNDRED AND NO/100 DOLLARS for this non-benefit, non-exclusive license easement area, for up to a ten (10) year period (a total not to exceed \$96,000.00) or until the roadway is dedicated to the Honolulu City and County whichever comes first, for a portion of the maintenance of the Kanehili Subdivision roadways. Monthly payments shall become immediately due and payable once the Gentry (Kealii) roadways are connected and open to traffic. Moreover, the total value of the roadway area in not material as the entire roadway value as assessed by the City & County of Honolulu RPT was assessed at \$9,500.00. which is approximately \$0.01/sf. Or for the 6,250 sf easement area the approximate cost would be \$62.50. Should the anticipated road dedication fail to materialize, the license fee shall then be redetermined accordingly.

The fee as established is derived by DHHL's current monthly expenditures totaling approximately \$4,000.00 for roadway utility maintenance (street lights - \$2,000.00 and maintenance and landscaping - \$2,000.00) within the Kanehili Subdivision. DHHL proposed a cost sharing in its expenditures and used the following formula in determining the fee:

403 - homes at full build-out within DHHL's Kanehili Subdivision 66 - homes at Kealii by Gentry Therefore, 66/403 or 16.4 ratio rounded up to 20% \$4,000 x 20.0% = \$800,00/mo

Further, Licensee has agreed and acknowledged through the Subdivision Utility-Connection Agreement ("SUCA") executed and made effective as of May 15, 2017, by and between the Kanehili Community Association, a Hawaii nonprofit corporation, Kapolei Community Development Corporation, a Hawaii nonprofit corporation, and Gentry KFC, LLC, a Hawaii limited liability company. The costs for the following improvements will be borne solely by GKGC as follows;

- (1) \$40,000 Kanehili Community entrance sign;
- (2) \$8,000 KCDC community center air-conditioning units; and
- (3) <u>\$208,000</u> construction improvements to cul-de-sac on Kumuaikau Street, specifically TMK Nos. 191153067 & 191151055

6.

Licensee's intended driveway and utility (water & sewer) connection improvement plans shall conform to federal, state and county (government agencies) standards. Licensee shall obtain applicable permits and approvals from government agencies prior to the commencement of any work on the property that requires such permits and approvals;

<sup>\$256,000 -</sup> TOTAL

- Licensee shall act as a good neighbor to the adjoining DHHL residential subdivision who will share the easement area and is responsible for general maintenance of the area;
- Any construction or alteration of the easement area shall require DHHL approval;
- 9. The Chairman of the Hawaiian Homes Commission and/or the Hawaiian Homes Commission is authorized to impose such other conditions deemed prudent and necessary to serve the best interests of the trust and its beneficiaries; and
- The license document will contain the standard terms and conditions of similar licenses issued by DHHL and shall be subject to review and approval by the Department of the Attorney General.

# LOCATION:

Portion of Kapolei, Island of O'ahu, identified as Tax Map Key: (1)9-1-151:055(por.)

## AREA:

6,300 square feet or 0.145 acres

### DISCUSSION:

Based on the deferral of action by the HHC at its meeting of June 20-21, 2016, GKGC over the course of over twelve months since the aforementioned meeting reached out and met with KCA and KCDC respectively to address the "impact to community" concerns they had with TGC's proposed single-family residential cluster development project.

As a result, the parties were able to reach an agreement attached hereto under Exhibit "D", more specifically described as the Subdivision Utility-Connection Agreement made effective as of May 15, 2017.

# FEE:

On behalf of GKGC, Quentin Machida indicated in his email dated December 7, 2017 (See Exhibit "E"), that the SUCA provides for Gentry to absorb improvement costs estimated at just over \$400,000 which would directly benefit the Trust and its beneficiaries. The improvements include KCDC air-conditioning units for its community center (\$8,000), Kanehili subdivision entrance sign (\$40,000), and construction improvements to the 3<sup>rd</sup> cul-de-sac on Kumuaiku Street (\$208,000). Given these foregoing estimated costs, LMD proposed license fee as referenced and more specifically described above in condition No. 5 above is prudent and reasonable.

# PLANNING AREA:

Kapolei

### LAND USE DESIGNATION:

Undesignated

## CURRENT STATUS:

Actively used for utility purposes, Kapolei Regional Plan, November, 2010 - Infrastructure - Water, Pgs. 15-16, Roads & Transit, Pgs. 17-18, Wastewater, Pg. 20

### CHARACTRER OF USE:

Utility Use Purposes

# CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Triggers:

Use of State Lands

# Exemption Class No. & Description:

In accordance with the "Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands, 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 List Class No. 3, "Construction and location of single, new, small facilities or structures and the alteration and modification of the same, including, but not limited to: (d) Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and acquisition of utility easements.

The direct, cumulative, and potential impacts of the action described have been considered pursuant to Chapter 343, Hawaii Revised Statutes and Chapter 11-200, Hawaii Administrative Rules. Since the action as proposed is determined to have minimal or no significant impact on the environment it would therefore be exempt from the preparation of an environmental assessment. The Planning Office is in the process of documenting the action as being eligible for exemption from the preparation of an Environmental Assessment under the Exemption Class as referenced above. The documentation is forthcoming and will be added to this submittal as Exhibit "D" when finalized.

# CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

DHHL General Plan (2002)

The recommended disposition is consistent with the following General Plan 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.

## Objectives:

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

"Common areas for community uses and public facilities. Includes space for parks and recreation, cultural activities, community based economic development, utilities, and other public facilities and amenities." O'ahu Island Plan, Pg. ES-2

The existing and proposed uses outlined in the license agreement are consistent with the definition of Community Use.

## Program Plans

# Water Policy Plan (2014)

While the license agreement does not specify activities that would implement DHHL's Water Policy Plan, it is anticipated that renovations facilitated by the granting of the license will include water conservation measures to make the facility more efficient in the use of water if necessary.

# Ho'omaluö Energy Policy (2009)

While the license agreement does not specify activities that would implement DHHL's Energy Policy, it is anticipated that renovations facilitated by the granting of the license will include energy conservation measures to make the facility more efficient in the use of energy if necessary.

# AUTHORITY / LEGAL REFERENCE:

§ 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.

§ 10-4-22 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:**

Land Management Division respectfully requests approval of the motion as stated

## STATE OF HAWAII

# DEPARTMENT OF HAWAIIAN HOME LANDS

## June 20-21, 2016

To:	Chairman and Members, Hawaiian Homes Commission
From:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division W Mirind
Subject:	Issuance of Non-Exclusive License as Easement for Driveway and Utility (Water/Sewer)Connections to The Gentry Companies, Kapolei, Island of O'ahu, TMK Nos.(1)9-1-151:055(por.) and :056(por.)

#### APPLICANT:

The Gentry Companies "TGC"

<u>RECOMMENDED MOTION/ACTION</u>: That the Hawaiian Homes Commission (HHC) authorize the issuance of a non-exclusive license as easement to TGC, as LICENSEE, to install, repair, operate and maintain driveway and utility connection improvements as proposed which will traverse over, under and across portions of Hawaiian home lands identified by TMK No.: (1)9-1-151:055 and :056 as proposed.

Approval and issuance of this non-exclusive license as easement shall be subject to the following conditions:

- Easement will comprise a land area containing approximately 0.15-acres (6,563 SF), more or less, of Hawaiian home lands further described and delineated in Exhibit "A" attached hereto, as submitted by TGC;
- The Licensee shall remit a non-refundable processing and document fee in the amount of \$275.00;
- Use of the licensed area will be used strictly for the driveway and utility connection improvements as proposed and for no other purposes whatsoever;
- 4. The Licensee shall remit a one-time nominal consideration fee of (\$32,815.00) THIRTY TWO THOUSAND EIGHT HUNDRED FIFTEEN AND NO/100 DOLLARS for this nonbenefit, non-exclusive license easement area which shall become due and payable in full upon execution of the license document. The fee as established is based on on current tax assessed values for the subject parcels as indicated by the 2016 Honolulu City and County Real Property Tax record information.;

Item No. F-1

EXHIBIT "A"

- 5. Licensee's intended driveway and utility connection improvement plans shall conform to federal, state and county (government agencies) standards. Licensee shall obtain applicable permits and approvals from government agencies prior to the commencement of any work on the property that requires such permits and approvals;
- Licensee shall act as a good neighbor to the adjoining DHHL residential sudivision who will share the easement area and is responsible for general maintenance of the area;
- Any construction or alteration of the easement area shall require DHHL approval;
- The Chairman of the Hawaiian Homes Commission and/or the Hawaiian Homes Commission is authorized to impose such other conditions deemed prudent and necessary to serve the best interests of the trust and its beneficiaries; and
- The license document will contain the standard terms and conditions of similar licenses issued by DHHL and shall be subject to review and approval by the Department of the Attorney General.

#### LOCATION:

Portion of Kapolei, Island of O'ahu, identified as Tax Map Key: (1)9-1-151:055(por.) & :056(por.) See Exhibit "A"

# AREA:

6,563 square feet or 0.150 acres

#### DISCUSSION:

The Gentry Companies (TGC) submitted its proposal requesting for Driveway, Waterline and Sewerline Connection Easements (See Exhibit "B") to develop a 16.9-acre single-family residential cluster development on a long lineal undeveloped site that immediately abuts DHHL's office headquarters and its Kanehili Homestead subdivision. The project as proposed will consist of 66 single-family dwellings, 58 of which will be market rate units, and eight (8) will be affordable homes. TGC is requesting DHHL's assistance with the driveway and utility connections necessary to develop the project. Those connections are described and delineated in Exhibit A.

#### FEE:

The table below reflects the respective parcel classification and square footage per annum value, based on the City and County of Honohulu's 2016 Real Property Assessment Division record. (See Exhibit "C") Since the issuance of a perpetual license easement is being considered LMD established a one-time nominal fee based on the values as reflected in the table. LMD did not use

its standard 8% market rate of return calculation because the disposition as proposed is in perpetuity. Therefore, the one-time nominal fee was established at \$32,815,00. This fee would be a direct benefit to the Trust and its beneficiaries.

TMK	Property Class	Assessed Value	ent Information - 20 Land Area	Per sf Value S
91151055	Residential	\$9,500	19.0 ac. / 831.255 sf	
91151056	Agricultural	\$2,005,200	9.0 ac. / 401,405 sf	

### PLANNING AREA:

Kapolei

#### LAND USE DESIGNATION:

Undesignated

#### CURRENT STATUS:

Actively used for utility purposes, Kapolei Regional Plan, November, 2010 - Infrastructure -Water, Pgs. 15-16, Roads & Transit, Pgs. 17-18, Wastewater, Pg. 20

#### CHARACTRER OF USE:

Utility Use Purposes

# CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Triggers:

Use of State Lands

# Exemption Class No. & Description:

In accordance with the "Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands, 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 List Class No. 3, "Construction and location of single, new, small facilities or structures and the alteration and modification of the same, including, but not limited to: (d) Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to

serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and acquisition of utility easements.

The direct, cumulative, and potential impacts of the action described have been considered pursuant to Chapter 343, Hawaii Revised Statutes and Chapter 11-200, Hawaii Administrative Rules. Since the action as proposed is determined to have minimal or no significant impact on the environment it would therefore be exempt from the preparation of an environmental assessment. The Planning Office is in the process of documenting the action as being eligible for exemption from the preparation of an Environmental Assessment under the Exemption Class as referenced above. The documentation is forthcoming and will be added to this submittal as Exhibit "D" when finalized.

# CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

#### DHHL General Plan (2002)

The recommended disposition is consistent with the following General Plan 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.

#### Objectives:

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

"Common areas for community uses and public facilities. Includes space for parks and recreation, cultural activities, community based economic development, utilities, and other public facilities and amenities." O'ahu Island Plan, Pg. ES-2

The existing and proposed uses outlined in the license agreement are consistent with the definition of Community Use.

#### Program Plans

#### Water Policy Plan (2014)

While the license agreement does not specify activities that would implement DHHL's Water Policy Plan, it is anticipated that renovations facilitated by the granting of the license will include water conservation measures to make the facility more efficient in the use of water if necessary.

Ho'omaluö Energy Policy (2009)

While the license agreement does not specify activities that would implement DHHL's Energy Policy, it is anticipated that renovations facilitated by the granting of the license will include energy conservation measures to make the facility more efficient in the use of energy if necessary.

# AUTHORITY / LEGAL REFERENCE:

§ 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.

§ 10-4-22 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:

Land Management Division respectfully requests approval of the motion as stated





THE GENTRY COMPANIES



DEPT. OF HACIAHAN HOLE LANDS

2015 OCT 20 AM 9: 20

TTEM NO. F-1

October 16, 2015

The Honorable Jobie M. K. Masagatani, Chairman Hawalian Homes Commission State of Hawali Department of Hawalian Home Lands P.O. Box 1879

Honolulu, HI 96805

SUBJECT:

Request for Driveway, Waterline and Sewerline Connections, and Easement Kanshili Subdivision: Kinoiki, Kamakahelei, and Kaneoneo Streets Tax Map Key (1) 9-1-15: 56 Honouliuli, Ewa, Oahu, Hawali

Gentry KGC, LLC is proposing to develop a 16,9-acre single-family residential cluster development. The property is a long lineal undeveloped site located in Kapolei and is identified as TMK (1) 9-1-16: Por. 110 within Lot 6770 as shown on Map 571 of Land Court Application 1069. The eastern boundary of the project abuts the Department of Hawaiian Home Lands (DHHL) Kanehili Subdivision. This project will affordable homes. Gentry KGC, LLC is currently in the process of applying for a cluster housing permit from the City & County of Honolulu.

We are requesting DHHL's assistance with driveway and utility connections necessary to develop the project. Those connections are described below.

1. Driveway Connections to Kamakahelei Street and Kansoneo Street as shown on enclosed Exhibits A, B, and C. When the Kanshili project was designed and constructed it was with the Intent that Kamakahelei Street and Kansoneo Street would serve as access to the subject property. The access at Kamakahelei Street will require construction of a standard driveway and the relocation of an existing street light. The access at Kansoneo Street will require the construction of a driveway only. Impact to adjacent homeowners during construction of the driveway connections will be minimal.

2. Waterline Connections to Kamakahelei Strest and Kansoneo Street (Exhibits A, B, and C). Gentry KGC's engineer has recommended connecting our project to the county potable water system via the existing waterlines within Kamakahelei and Kansoneo Streets. A request was made of the Honolulu Board of Water Supply (BWS) on the availability of water to our proposed development. A copy of the BWS response letter regarding the adequacy of the existing water system is enclosed for your review (Exhibit D). Construction of the waterline connections will be done in a way to minimize any disruption to existing homeowners. All construction costs for these connections will be borne by Gentry KGC, LLC.

788 Bishop Street, Suite 1400, Honolutu, Kawali 96613 RO, 80x 295, Honolutu, Hawali 96609 (608) 599-5568

The Honorable Jobie M. K. Masagatani, Chairman October 16, 2015 Page 2

- 3. Sewarline Connection to the existing sewarline in Kinoiki Street (Exhibits A, B, and C). Gentry KGC's engineer has recommended connecting our project to the City sewar system through DHHL property to the existing sewarline within Kinoiki Street. The proposed sewarline would be located within a gressed swale area adjacent to the existing parking lot for the DHHL Hale Kalaniana'ole Office Building, and the Hawaiian Heritage/Community Services Center. A new sewer manhole is proposed at the connection to the existing proposed alignment. Landscaping and irrigation disrupted by the construction of the sewer line, including landscape and irrigation replacement, will be borne by Gentry KGC, LLC.
- 4. When the Kanchili project was developed, Kuma'aiku Street was also intended to be an access to the subject property. However, it is our opinion that this access is no longer needed. We are proposing that this access be removed in its entirety from Kahalepouli Street (Exhibits E and F). After this roadway is removed, Kanchili Lot 314 could then be built on. The cost to remove this roadway will be borne by Gentry KGC, LLC. In addition to Lot 314, an additional lot could also be developed. In discussions with the City Traffic Review Branch, they are in agreement that this access is no longer necessary.
- 5. To accomplish, the utility and roadway connections plans will need to be developed by our civil engineering consultant. Subdivision actions will also be necessary for creation of easements, deletion of existing easements, and the removal of the portion of Kuma'aiku Street. All costs for these items will be borne by Gentry KGC, LLC.

We believe this development will improve the community by beautifying a vacant and otherwise neglected area; offer homes in a market that is experiencing a shortage of housing; and provide amenities, such as parks and open space. In addition, it will enhance the overall quality of life of area residents, and we therefore ask for your support and assistance in the undertaking of this project.

We look forward to meeting with you in the near future. In the meantime, should you have any questions, please feel free to call Brian Maja at 599-8226.

Very truly yours,

GENTRY KOC, LLC

Michaeld, Brant, P.B. Vice President - Engineering

MB:sacm

Attachments

(gs/ghomashwlgroups/ghomesop/selino/kealli-kgeilo/SOH-DHHL Connections.doe)

EXHIBIT "B"



EXHIBIT B

EXHIBIT A

2



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EXHIBIT C

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Mr. Samuel E. Silve, Project Managor Community Planning & Engineeting, Inc. 1285 Queen Erma Street Hornaldu, Howai 96813

Dear Mr. Silvar

Subject: Your Encal Dated April 1, 2015 Requesting the Availability of Water to the Proposed 63-Link Singly-Fainly Charles Development of Katolet Pathway - Yac Man Key S-Little 110

Thank you for your centell regarding the proposed 63-unit single-tamily single-fol duater development.

The existing water system is adaptive to eccommodule the proposal dualar development. However, please to advect that this typerature is beyond upon current data, and therefore, the Bound of Water Suppy reserves the right to charge any position or information stands therein up und the final approval at the backing parmit application. The fact doction on the eacidability of water well be continued when the backing parmit application.

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The on-site fire protocian regularizantic should be coordinated with the Fire Provention Blageau of the Hamilton Fire Department.

<sup>11</sup> you have any questions, please contact Robert Citan, Project Review Branch of our Waher Resources Division at 749-5443.

Very truly youns,



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EXHIBIT D



EXHIBIT E

EXHIBIT "B"



EXHIBIT F

EXHIBIT "B"







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City & County of Honolulu - Department of Planning & Permitting - Property Information

City & County of Honolulu

Department of Planning & Permitting (DPP)

Property Information

# 91.1270 KINOIKI ST

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More info: ZONE INFO | BUILDING PERMITS | PROPERTY TAX

EXHIBIT

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EXHIBIT "C"

City & County of Honolulu - Department of Plenning & Permitting - Property Information

City & County of Honolulu Department of Planning & Permitting (DPP)

Property Information

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HAWAIIAN HOME LANDS	S Fee Owner	PO BOX 1879	н	DNOLULU HI 96805

2010 Census Information Voting Information Tract Number: 011500 / 008606 / 008606 City Council Kymberly Marcos Pine Member: Block Number: 2005/3003/3000 0/0/0 Polling Place: Kapolel Elem Sch / Kahl Mohala Population (block): \* 91-1159 Kamaaha Lp / 91-2301 Ft Address: Neighborhood MAKAKILO/KAPOLEI/HONOKAJ Board: ol and Transit Infe d Eland Inf

Senool and mansie m	iormation	Zoning and Flood Information		
Elementary School:	Mauka Lani/Kapolei	Zoning (LUO) Designation:	AG-1	
High School:	KAPOLEI	Ohana Zoning Designation:	Ineligible	
Near Transit Route:	CAMPBELL Yes	FEMA Flood Designation:	D/X	
Near Bus Routes:	411,41	Tsunami Evacuation Zone:	No	
	411,41	more public safety infr	<<	

Page Tools: PRINT | BOOKMARK | EMAIL | STREET/BIRD'S EVE

More Info: ZONE INFO | BUILDING PERMITS | PROPERTY TAX

Information shown on these maps are derived from public records that and constantly undergoing change and do not replace a site survey, and is

Department of Planning & Parmitting 650 S, King St, Ste 8, Honolulu, HI 96813

Weaver Rd EWA/

HALE

6/8/2016

 $\left( q_{\tau}^{2}\right)$ 

Wednesday, June 8, 2016 | 11:29:28 AM











### SUBDIVISION UTILITY-CONNECTION AGREEMENT

This Subdivision Utility-Connection Agreement ("Agreement") is made effective as of May 15, 2017 ("Effective Date") by Känehili Community Association, a Hawaii nonprofit corporation ("Känehili Association"), Kapolei Community Development Corporation, a Hawaii nonprofit corporation ("KCDC"), and Gentry KGC, LLC, a Hawaii limited liability company ("Gentry KGC").

Gentry KGC owns the real property designated as Tax Map Key No. (1) 9-1-016-228, consisting of approximately 16.928 acres ("Kealli Property"), located in Kapolei, Island of Oahu, adjacent to the Kapolei Golf Course.

Kānehili Association is an association of homeowners who hold Hawaiian homestead leases awarded by the Department of Hawaiian Homelands ("DHHL") to certain residential realproperty lots ("Kānehili Subdivision") adjacent to the Kealii Property.

KCDC leases approximately one acre of the real property designated as Tax Map Key No. (1) 9-1-151-056, consisting of approximately 9.215 acres, located in Kapolei, Island of Oahu, which is adjacent to the Kealii Property and Kānehili Subdivision. KCDC operates the Kapolei Heritage Center located on this parcel.

Gentry KGC is developing a residential subdivision on the Kealii Property and wishes to obtain DHHL's approval to connect to the roadways and certain utility infrastructure (collectively, "Connection Improvements") located in the Kānehili Subdivision. Before giving its approval, DHHL requested that Gentry KGC discuss the connections with Kānehili Association and KCDC. After discussing the connections, Kānehili Association and KCDC requested that Gentry KGC enter into this Agreement.

Therefore, Kānehili Association, KCDC, and Gentry KGC (collectively, "Parties") agree as follows:

1. <u>Approval of Connection Improvements</u>. Subject to the terms and conditions of this Agreement, Kānehili Association and KCDC approve and consent to construction of the Connection Improvements. Kānehili Association and KCDC acknowledge and agree that, before execution of this Agreement, Gentry KGC met with representatives of Kānehili Association and KCDC, and otherwise made personnel reasonably and sufficiently available to Kānehili Association and KCDC, to discuss any questions or concerns they may have had about the Connection Improvements.

Gentry KGC's Covenants.

(a) <u>Contribution for Air Conditioner for Kapolei Heritage Center</u>. Before commencing any construction in the Kānehili Subdivision for the Connection Improvements, Gentry KGC will contribute \$8,000.00 to KCDC to purchase a new air-conditioner unit for the Kapolei Heritage Center.



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Page 1

(b) <u>Progress Updates</u>. Gentry KGC will provide status updates on the Connection Improvements to Kānehili Association and KCDC from time to time to keep them informed of the progress of the Connection Improvements.

(c) <u>Disclosures to Kealii Property Buyers</u>. Gentry KGC will disclose to purchasers of the lots in the Kealii Property subdivision that reasonable noise will originate from the Kapolei Heritage Center in the course of its operation as a community center.

(d) <u>Traffic Calming</u>. Gentry KGC will work with DHHL and the City & County of Honolulu to provide reasonable traffic-calming measures within the Kānehili Subdivision.

(e) <u>Känehili-Subdivision Entrance Sign</u>. Gentry KGC will, at Gentry KGC's cost, design and construct a community-entrance sign for the Känehili Subdivision at the entrance to the subdivision from Kapolei Parkway.

(f) <u>Parking During Construction</u>. During construction of the Kealii Property, Gentry KGC will require all construction personnel to park within the Kealii Property and not in the Kānehili Subdivision.

(g) <u>Dust Screen</u>. Gentry KGC will construct a temporary dust screen along the border of the Kānehili Subdivision and the Kealii Property to reduce dust during construction on the Kealii Property.

(h) <u>Damages</u>. Gentry KGC will indemnify KCDC for actual damages incurred by KCDC as a direct result of construction of the Kealii project, including and not limited to construction or installation of utilities.

(i) <u>Homeowner Claims</u>. Gentry KGC will indemnify homeowners who give written notice to Gentry GKC within three months after the completion of the Kealii project for damage to their home and/or personal property as a direct result of construction of the Kealii project, within a period not to exceed three months after receiving written notice from such homeowners.

3. <u>DHHL Requirements</u>. The Parties acknowledge and agree that any additional requirements that DHHL may request with respect to the Connection Improvements will be handled in a separate agreement between DHHL and Gentry KGC. Gentry KGC will not be required to pay any other fees to Kānehili Association or KCDC with respect to the Connection Improvements.

4. <u>Integration of Entire Agreement</u>. This Agreement is the final, entire agreement among the Parties pertaining to the subject matter of this Agreement, and supersedes all previous agreements and understandings pertaining to this Agreement or its subject matter.

5. <u>Amendment</u>. This Agreement may not be amended or modified except by a written instrument executed by the Party against whom enforcement is sought.

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6. <u>Counterparts</u>. This Agreement may be executed in counterparts. Signature pages may be delivered personally, by mail, or electronically.

Signature page follows.

Each Party is executing this Agreement effective as of the Effective Date.

Kānehili Community Association

Gentry KGC, LLC

By:	
Printed Name:	
Title:	

By: Robell Printed Name: Robert W. Brant Title: President/CEO

Kapolei Community Development Corporation

By: \_\_\_\_\_\_
Printed Name: \_\_\_\_\_\_
Title: \_\_\_\_\_

Signature page to Subdivision Utility-Connection Agreement

Albinio Jr, Peter K

From:	Quentin Machida <quentinm@gentryhawaii.com></quentinm@gentryhawaii.com>
Sent:	Thursday, December 07, 2017 3:44 PM
To:	Albinio Jr, Peter K
Cc:	Ing, Darrell H
Subject:	Gentry - Roadway and Utility Connection

Aloha Kahana,

This email is to summarize our discussion regarding Gentry's connection of roadway and utilities to Kanehili.

As we discussed, the roadway connection to Kānehili is something that the City and County of Honolulu required of both DHHL and Gentry to provide "connectivity" for the community. The DHHL roadways are intended to be Public roadways which will be maintained by the City and County of Honolulu. Roadway and utility maintenance will eventually fall under the City and County of Honolulu and maintenance of the roadways and utilities will be paid for through real property taxes. Gentry Keali'i roadways will remain private but open to traffic. Keali'i home owners will pay for the maintenance of roadways in the Keali'i development.

#### Background

- DHHL desire is to have Gentry participate in the cost of maintaining the roadways as it will take some time (years) before the roads will be accepted for dedication by the city.
- 2) DHHL monthly cost for the Kānehili roadways are approximately \$4,000/month \$2,000 for electricity for street lights and \$2,000 for maintenance and landscaping. DHHL proposes to have Gentry share in the cost through a prorate share based on total units of the project. At build out there will be 403 homes in Kānehili and 66 homes at Keali'i by Gentry. 66/403 or 16.4% ratio. DHHL proposes Gentry to subsidize 20% of the monthly cost or \$800/month (\$4,000 x 20%).
- 3) DHHL is also concerned about potential repairs that may need to be made in Känehili.
- 4) DHHL calculated connection fee based on the fair market value of the portion of the roadway that the utilities occupy. The total value of the lot is not material as the entire roadway value as assessed was \$9,500. Which is approximately .01 per square foot. Or for 6250 square foot area approximately \$62.50.
- Gentry's plan is to connect both utilities and roadways to DHHL and in exchange pay for improvements to DHHL property to convert an unused connection point at Kamakaiku Street and provide 2 additional lots for DHHL.
- 6) Gentry will benefit from cost saving for connection of the sewer in Kinoiki street of an estimated \$122,000. The improvements to Kamakaiku Street will cost approximately \$330,000. Resulting in a net cost increase to Gentry of \$208,000 to provide the 2 additional lots.
- 7) Gentry also executed an agreement with KCDC and Kānehili Association to provide certain items for the community including air conditioning for the KCDC Heritage Center in the amount of \$8,000 and provide an entry sign for Kānehili at a cost to Gentry of approximately \$40,000. The agreement also provides for certain disclosures to be made to future homeowners and Gentry assuming liability of any damage done to the Heritage Center or neighboring homes.

#### Summary

- Gentry and DHHL agree that Gentry will improve the 2 additional lots on Kamakaiku Street at a cost to Gentry of \$208,000. This cost will cover both the connection fee and provide for any future repairs that may be need in Kānehili. If Gentry was assumed to be responsible for 20% of the repair cost in Kānehili, this \$200,000 would enable DHHL to make \$1,000,000 (\$1,000,000 x 20% = \$200,000) of repairs to the roadways and utilities.
- 2) Gentry and DHHL also agree that Gentry will pay DHHL \$800/month, for up to 10 years or until the roadway is dedicated which ever come first, for a portion of the maintenance of the Kanehili roadways. Payments will start once the Gentry (Keali'i) roadways are connected and open to traffic. A total of up to \$96,000.
- Gentry to provide community benefits as agreed to in the "Subdivision utility connection agreement". Approx. \$48,000

Kahana hope this helps. Please let me know if there is anything else I can do. I spoke with Bob Brant and we will agree to the above as long as we can get this approved by the commission.

Thank You

Quentín Machida

Gentry Homes, Ltd. 733 Bishop Street, Suite 1400 Honolulu, Hawaii 96813 Phone (808) 599-8224 www.gentryhawaii.com

Mailing Address: P.O. Box 295, Honolulu, HI 96809

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# **CONSULTING ANALYSIS OF THE PROPOSED DHHL / GENTRY ROADWAY EASEMENT**

Department of Hawaiian Home Lands 91-5420 Kapolei Pkwy Kapolei, Hawaii 96707 c/o Mr. Kahana Albinio

1970107100100100100100005 CBRE, Inc. File No. 18-251LA-1263

www.cbre.com/valuation

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VALUATION & ADVISORY SERVICES



Honolulu, HI 96813 T 808-521-1200 F 808-541-5155 www.cbrehotels.com

May 8, 2018

Department of Hawaiian Home Lands 91-5420 Kapolei Parkway Kapolei, Hawaii 96707 c/o Mr. Kahana Albinio

RE: Consulting Analysis of the Proposed DHHL / Gentry Roadway Easement Kapolei, Honolulu County, Hawaii CBRE, Inc. File No. 18-251LA-1263

Dear Mr. Albino:

At your request and authorization, CBRE, Inc. has completed a defined-scope analysis of the proposed compensation to the Department of Hawaiian Home Lands "DHHL" in exchange for a non-exclusive license for a proposed in-roadway easement benefitting Gentry KFC, LLC "Gentry".

Our assignment is to evaluate the reasonableness of proposed compensation as summarized below:

- Site improvements with an estimated cost of \$256,000.
- Maintenance reimbursement of \$800 per month until the roadway is dedicated to the City and County of Honolulu by DHHL, but not to exceed 10 years.

This letter summarizes our study and pertinent findings. It is not intended to be an appraisal of any real property interest and is a preliminary analysis based on the limited time and materials made available.

Our client is the Department of Hawaiian Home Lands and the document is solely intended for use by the client in its internal decision-making process.

The scope of assignment is:

- 1. Summarize the pertinent facts regarding the affected properties, proposed easement, proposed compensation, and proposed on-going responsibilities.
- Quantitative analysis of the proposed compensation, as previously defined, from the perspective of DHHL.
- Qualitative analysis of the proposed compensation, as previously defined, from the perspective of DHHL.
- 4. Conclusion of the reasonableness of the proposed compensation.

#### SUMMARY OF FACTS

DHHL is the owner of TMK (1) 9-1-151-55 "DHHL Parcel", which is a private roadway within the Kanehili Subdivision in Kapolei, Hawaii that will eventually be conveyed to the City and County. Adjoining the Kanehili subdivision on its eastern boundary is TMK (1) 9-1-16-228 ("Gentry Parcel"), a 16.93-acre parcel owned by Gentry.

As shown in the attached annotated aerial maps, there are separate easements for water and sewer extensions to connect to existing lines under existing DHHL roadways, along with two small electrical connections abutting the Gentry Parcel.

Characteristics o DHHL / Ge Kapolei Oahu	entry
Characteristics	DHHNL / Gentry Easement
Purpose	Access & Utilities
Perpetual	Yes - Until DHLL Parcel is Dedicated
Exclusivity	Non-exclusive
Within Public Roadway	No
Grantee has right to construct, reconstruct, use, maintain, and repair	Unknown, by likely
Right of ingress and egress	Yes
Encumbers sub-surface	Yes for subsurface utilities
Encumbers surface rights	Yes for access
Encumbers aerial rights	Unknown but unlikely
Relocation Provision	Unknown but unlikely
Withdrawal Rights	Unknown but unlikely
Source: Compiled by CBRE	

The characteristics of the easements are summarized below:

DHHL and Gentry are in negotiations for a non-exclusive license for an easement affecting the DHHL Parcel for the benefit of the Gentry Parcel. The proposed compensation for the license is one-time site improvements valued at \$256,000 and \$800 per month for roadway maintenance. The license would remain in effect until the Gentry Parcel is dedicated to the County.

#### QUANTITATIVE ANALYSIS

A cost / benefit analysis was completed to measure the benefits of the proposed compensation to DHHL relative to the costs from granting the license. For purposes of this analysis, the duration of the license agreement is assumed to be ten (10) years at which time the DHHL Parcel would be dedicated to the County and the license agreement would expire.

#### Benefits

The compensation to DHHL includes site improvements with an estimated cost of \$256,000 and a maintenance reimbursement of \$800 per month. The follow table calculates the net present value of the compensation to DHHL.

ation
Amount
\$256,000
\$79,016
\$335,016

#### Costs

The cost incurred by DHHL by granting the license is measured by the disutility caused by the easement and any increase in liability. The follow table summarizes the typical disutility for various easements compiled from easement data in Hawaii.

	Kapolei, Oahu, Hawaii	
Easement Type	Easement Impact on Bundle of Rights	Estimated Disutility Allowance
Small obscure subsurface easements	Nominal effect on use of servient property.	0-10%
Utility easements, air rights, water line, and sewer line	Encumbrance of subsurface or air rights that have minimal effect on overall use of the servient property, Easements located in the setback area.	10-25%
Utility easements, air rights, water line, and sewer line	Encumbrance of two of the following three rights: subsurface, surface, and air rights. Easements along property lines or encumbering unusable land.	25-40%
Utility easements, pipelines, drainage, and flowage	Encumbrance of aerial, surface and subsurface rights. The servient estate retains some use of the easement area. Easements along borders have less impact than those crossing a parcel. Right of ingress and egress is conveyed.	40-75%
Utility easements, pipelines, drainage, flowage, access road, irrigation ditches and canals	Major encumbrance of aerial, surface and subsurface rights with significant surface improvements that limit or negate servient estate use. Encumbrance of future uses.	75-90%
Source: CBRE		

It is likely that the license will not negatively impact the future utility of the DHHL Parcel as its highest and best use and current use as a roadway will remain unchanged by the easement. Notwithstanding that the use and utility of the DHHL Parcel will likely be unaffected by the easement, the market typically applies a value discount of 10%-15% for an easement of limited impact.

The impacted area, as estimated by DHHL, is 6,250 square feet. The fee simple residential land value in the area is \$10-12 per square foot. The proportionate fee simple value of the subject, if hypothetically vacant and available, is \$62,500 to \$75,000.

Applying the higher discount (15%) and higher land value (\$75,000), the hypothetical loss of value of the DHHL Parcel from the easement is calculated below:

Impact of Licen	se of DHH	IL Parcel
Land Value	Discount	Value Loss
\$75,000	15%	\$11,250
Compiled by CBRE		

Net Benefit

The net benefit to DHHL is \$323,766 and calculated as follows:

Net Benefit of License	to DHHL
	Amount
NPV of Compensation	\$335,016
Value loss of DHHL Parcel	\$11,250
Net Benefit	\$323,766

It is noted that the proposed site improvements that are desired by DHHL and are in lieu of cash, have a cost of \$256,000 which is \$40.96 per square foot of sub-surface easement area, or more than three times the value of the undeveloped land parcel before subdivision improvements.

#### QUALITATIVE ANALYSIS

Compensation for easements in the State of Hawaii range depending on the type of easement, duration of easement, motivation of each party, and for government agencies, any bylaws governing the terms for granting an easement. Adjoining landowners may provide easements under existing streets at no cost to be a good neighbor, particularly when the easement does not adversely affect the grantor and all maintenance requirements are carried by the subservient property owner (Gentry). The most onerous compensation threshold is the policy of the State of Hawaii Department of Transportation, who mandates compensation equal to the value add for

the recipient of the easement. This indicates a large range of acceptable compensation, suggesting that the compensation for easements is highly specific to the easement and motivations of the parties. This process ends up in a negotiated settlement; in this case the circumstances of eventual and intended dedication to the City and County further complicates the long term perceived encumbrance.

The proposed compensation for DHHL includes site improvements and on-going cost sharing. This combination of compensation provides meaningful benefit to DHHL and supported quantitative analysis, as long as all increased liability and maintenance costs are assumed by Gentry, and the placement of the water and sewer lines are completed expeditiously with minimal impact on the existing utility of the affected streets.

#### CONCLUSION

The proposed compensation is, in our opinion, reasonable and supported by both quantitative and qualitative analysis. The license agreement provides current and meaningful economic benefit to DHHL without causing meaningful disutility or liability to DHHL.

The license agreement provides substantial benefit to Gentry and facilitates its future development to approximately 66 homes. Quantifying the financial benefit to Gentry is beyond the scope of this assignment, but is believed to exceed the proposed compensation. Extracting additional compensation from Gentry may or may not be possible. Gentry may elect to land bank the Gentry Parcel until the DHHL Parcel is dedicated or explore other development options for the Gentry Parcel.

Since it is likely that the DHHL Parcel will be dedicated to the County sometime in the future, the negotiation position of DHHL will decrease over time. This further supports the reasonableness of the proposed compensation as DHHL may not able to reach an agreement on similar terms in the future.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

**CBRE - VALUATION & ADVISORY SERVICES** 

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James E. Hallstrom, Jr., MAI, CRE, FRIG Managing Director Phone: (808) 284-7302 Email: James.Hallstrom@cbre.com

Jacob Cutler Senior Analyst Phone: (808) 541-5191 Email: Jake.Cutler@cbre.com









Business Affiliation	Managing Director	The Hallstrom Group   CBRE, Inc. Valuation & Advisory Services Honolulu, Hawaii (2015 - Present)
	President	The Hallstrom Group, Inc. Honolulu, Hawaii (1980 - 2014)
National Designations and Memberships	<ul> <li>Surveyors</li> <li>CRE Designation (</li> <li>MAI Designation ( Appraisers</li> <li>SRPA Designation</li> <li>The American Inst the Society of Rea</li> </ul>	(2015)-Royal Institution of Chartered 1998) - The Counselors of Real Estate 1976) - American Institute of Real Estate (1975) - Society of Real Estate Appraisers itute of Real Estate Appraisers (AIREA) and I Estate Appraisers (SREA) consolidated in Appraisal Institute (AI).
Education	<ul> <li>University of Wiscons</li> <li>B.A. (Economics) 1</li> <li>Numerous special qualifying for r uninterrupted Constant</li> </ul>	969, Brigham Young University at Provo ized real estate studies in connection with national professional designations, and tinuing Education. nuing Education requirements with the
Professional Involvement	<ul> <li>Chapters</li> <li>Past Instructor for</li> <li>Contributing Auth</li> <li>Lecturer at many p</li> </ul>	d Officer of Hawaii AIREA and SREA Society of Real Estate Appraisers or to the "Hawaii Real Estate Investor" professional seminars and clinics. bus times as an Arbitrator and Mediator.
Qualified Expert Witness	Federal and State Cour State Land Use and Co Arbitration Proceeding	unty Hearings
State of Hawaii Certification	Certified General App License No. CGA-178 Exp. Date: December 3	
	Territory of Guam - No License No. CA-17-035	on-Resident Real Estate Certified Appraiser , Exp. Date October 30, 2019.
Community Service	Director of Le Jardin	aber of the Boy Scouts of America. Former Academy, Advisory Board Member of the igham Young University-Hawaii Campus i Reserves, Inc.
Email Address	IEH@HallstromGroup.	.com   lames.Hallstrom@cbre.com

PROFESSIONAL QUALIFICATIONS OF JAMES E. HALLSTROM, JR., MAI, CRE, FRICS

Appraiser	CBRE, Inc. Valuation & Advisory Services Honolulu, Hawaii (2017 – Present)
Investment Associate	Prudential PGIM-REF Prudential Agricultural Investments Fresno, California (2009-17)
<ul> <li>MS Agricultural &amp; California, Davis -</li> </ul>	Resource Economics University of Graduated 2008.
<ul> <li>BS Agricultural &amp; California, Davis</li> </ul>	Resource Economics University of Graduated 2007.
<ul> <li>Hawaii Appraisal License No. R17073</li> <li>Exp. Date: Deceminant</li> </ul>	31001
	- Practicing Affiliate of Farm Managers and Rural Appraisers -
Email: Jake.Cutler@c Phone: (808) 541-5191	
	<ul> <li>MS Agricultural &amp; California, Davis -</li> <li>BS Agricultural &amp; California, Davis -</li> <li>BS Agricultural &amp; California, Davis -</li> <li>Hawaii Appraisal License No. R1707: Exp. Date: Decem</li> <li>Appraisal Institute American Society Affiliate Member</li> <li>Email: Jake.Cutler@c</li> </ul>

.

# PROFESSIONAL QUALIFICATIONS OF JACOB "JAKE "CUTLER

### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18 & 19, 2018

To:	Chairman and Members, Hawaiian Homes Commission
Through:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division
From:	Mark K. Yim, Land Agent Management Division
Subject:	Approval to Issuance of a Non-Exclusive License as Easement to the Hawaiian Electric Light Company (HELCO) for Maintenance and Utility Purposes, Pi'ihonua Agricultural Conservation Lots, Hawaii Island, TMK: (3)-6-2-009:005 (por.)

#### **RECOMMENDED MOTION/ACTION:**

That the Hawaiian Homes Commission approve the issuance of a non-exclusive, perpetual License as a Utility Roadway and Easement "A", to the HELCO, for a 0.037-Acre (1,592 Sq./Ft.) portion of that certain parcel of Hawaiian Home Lands identified by TMK 362009005 (por.), traversing over Department of Hawaiian Home Lands ("DHHL") Agricultural Conservation Lot situated at Pi'ihonua, Island of Hawaii, for access, maintenance, and utilities purposes only, subject to the following conditions:

- Licensee shall provide a survey map and description of the easement as described above according to State DAGS standards which is to be absorbed by Licensee's own cost:
- Processing and document Fee shall be waived;
- 3. Consideration fee will 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 (government agencies) standards. Licensee shall obtain applicable permits and approvals from 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 may require the DHHL approval;
- 8 The license easement document shall be subject to other standard terms and conditions of similar licenses issued by DHHL;
- The Chairman of the HHC is authorized to impose such other conditions deemed prudent and necessary; and

10. 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:

#### Background

In or around 1920, a concrete ford (Roadway) was initially constructed by HELCO on its adjacent lot 25, (TMK:(3)-2-6-009:025) to allow its large trucks and service vehicles to access the area that was to become the future construction site of their hydro-electric plant. Since then, HELCO has constructed, and continues to service, maintain, and upgrade its Waiau Hydro Plant. This plant provides essential hydro-electric power to the Island of Hawaii, including the Native Hawaiian Beneficiaries of the DHHL. This access ford has been in place now for nearly One Hundred (100) years without disruption or issue.

On September 16, 2016, HELCO submitted a request for the subject easement after a recent modern survey revealed that a minute portion of the ford constructed nearly 100 years earlier had inadvertently encroached into the edge of DHHL parcel 005, which consists of over 1,837 acres, or Eighty (80) Million square feet. The encroachment area is a total of 1,592 square feet, or less than four percent (4%) of one square acre. The location of the encroachment poses no consequence to the surrounding DHHL property because of its very slight size, remote location, and designated use of the lands in that area. However, HELCO wanted to be sure that they addressed this recent finding by notifying DHHL and requesting this easement. See Exhibit "A".

The Waiau Hydro Plant is an integral part of HELCO's renewal energy plan to reach 100 percent renewable energy by the year 2045. This service ford is vital to HELCO's mission. Moving the ford out of the DHILL encroachment is neither practical or feasible due to the immense cost involving a very small land area.

HELCO agreed to continue maintenance of the existing ford without cost to the Department. The Department would still retain ownership of easement.

#### LOCATION:

Portion of Hawaiian Home Lands situate in Waimea-Puukapu, Island of Hawaii, identified as Lot 5, Tax Map Key (3) 6-2-009:005 (por.).

#### Affected Land Area:

Easement A: A trapezoid shaped parcel, approximately 115 feet long by an average of 13.8 feet wide, or 1,592 total square feet. See: Exhibit "B".

#### Affected DHHL Lessees, other Entities, and Landowners:

- State of Hawaii (DHHL);
- HELCO Road and Maintenance crews
- Other Utility Companies

### JUSTIFICATION:

This license will allow non-exclusive use and access of the easement by HELCO and all other affected entities. It will also facilitate HELCO in providing essential renewable and clean electrical service to DHHL beneficiaries and all electrical customers on Hawaii Island.

## 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.

§ 10-4-22 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:**

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



LAND MANAGEMENT DIVISION

2018 MAR 23 AH 10Mgrgh 20, 2018

Mr. Peter 'Kahana' Albinio, Acting Administrator Land Management Division Department of Hawaiian Home Lands 91-5420 Kapolei Parkway Kapolei, Hawaii 96707

Dear Kahana:

Re:

HELCO Request Perpetual Easement Project Name: Portion Concrete Ford across Wailuku River, Hilo, Hawaii Grantor: Department of Hawaiian Home Lands TMK 2-6-009:005

On September 16, 2016 my counterpart at Hawaii Electric Light Company (HELCO) submitted a Request Form For Non-Homesteading Land Use Purposes requesting the issuance of an easement to cover a small portion of a concrete ford crossing the Wailuku River in Hilo, Hawaii. The purpose of the concrete ford is to provide a much stronger bridge to accommodate the heavier vehicles used by HELCO to maintain its Waiau Hydro Plant.

Although we tried, around 1920, to install the concrete ford on our Hydro Plant property, a recent survey revealed a 1,592 square foot section was construction on the DHHL parcel identified as TMK 2-6-009:005 and shown on the reduced section of Tax Map 2-6-009 provided for your reference. Also enclosed is an aerial view showing the ground reference of the encroachment to the Power Plant. Since the encroachment was brought to our attention and we are unable to relocate the ford, we would like to document the continued use of this area as an access route for future maintenance of our Waiau Hydro Plant. This hydro plant also represents one source of renewable energy needed to reach the State's goal of being 100 percent renewable by 2045. Lastly, HELCO is willing to compensate DHHL for use of this encroachment area.

After reviewing the enclosed, please continue processing our request for GOE and please let us know if you need any additional information to finalize documentation. Thank you in advance for your cooperation and support in granting us this easement. If I can be of further assistance, please call me at 543-4734 or email me at <u>steve.sekiya@hawaiianelectric.com</u>.

Sincerely,

Typhin Sepan

Stephen Sekiya Senior Land Agent Land & Rights of Way Division

enclosure

Cc: Shelley Carreira, DHHL w/o encl.

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Hawailan Electric

PO BOX 1156 - KONGEULU, RE96840-0001



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DAVID Y. ICE GOVERNOR STATE OF HAWASI

SHAN S. TSUTSUI LT. GOVERNOR STATE OF HAWAII

JOBIE M. K. MASAGATANI CHAIRMAN HAWAITAN HOMES COMMISSION

WILLIAM J. AILA, JR. DEPUTY TO THE CHAIRMAN

# STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS P. O. BOX 1879 HONOLULU, HAWARI 96805 REOLIEST FORM FOR NON-HOMESTEADING LAND USE PURPOSES

Address:	Trainc.		Breat and the sealing
If Corporation/Organization/Company/LLC/Non-Profit:         Name:       Hawaii Electric Light Company, inc. Attn: LEILA BEALS         Address:       P.O. Box 1027 Hilo, Hawaii 96721-1027         Phone No.:       808-969-0263       Cell:       808-938-8983       email: leila.beals@hawaiielectricligh         Requesting Organization is a Non-Profit       Type of Non-Profit:       Private Nonprofit – governed by self appointed board         Member Nonprofit       - governed by voting members       Homestead Organization – governed by HHCA beneficiary members         Individual       Sole Proprietorship       Partnership         X Corporation       Limited Liability Corporation       Other         Is an Individual HHCA Beneficiary or is Owned by an HHCA Beneficiary       Yes X No         Requesting Organization is a Government Agency       Federal       State         Federal       State       County         Officers and/or Principal Representatives:       Jay Ignacio, President and Rhea R. Lee, Assistant Secretz         CONTACT PERSON is: Leila Beals, Land Agent       Mission of Organization:       Our mission is to provide secure, clean energy for Hawaii.         12/5/1894         Date Incorporated:       State of Incorporation:       Hawaii         Federal Tax ID#:       99-0041070       State Tax ID#:       V20269046-01			
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Island: Hawaii	Tax Map Key No.: (3	) 2-6-009:005	
Indicate Character of U	se:	Church	
		Church	Other
Pastoral	Industrial		nity Facility
use purposes? X Yes	🗌 No		me lands for non-homesteading
easements to build, co	nstruct, reconstruct, rebuild,	operate, maintain,	perpetuity, numerous licenses for access, repair and remove overhead
through Hawaiian Hon	er lines and other appliances ne Lands as may be necessary	and equipment in,	into, upon, over, across, under and on and distribution of electricity.
its Beneficiaries (Applic	cants & Lessees): ** Please s	see attached "Addit	direct benefit to the Trust and/or ional Information"
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The following authorize	d representative submits this	request for use of H	lawaijan home lands under non-
		request for use of H	lawaiian home lands under non-
nomesteading purposes	and acknowledges that:		lawaiian home lands under non- valuation and consideration by
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homesteading purposes 1. This is an applicatio DHHL and may require 2. This request does not	and acknowledges that: n process that will be subject uire additional information to	to further review, e be submitted;	
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2

Land Request Form No.\_

# Request Form for Non-Homesteading Land Use Purposes ADDITIONAL INFORMATION

#### Part 2: NON-HOMESTEADING LAND USE REQUEST

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

HELCO proposes to acquire a perpetual easement granting an approximately 1,592 sf area that is on Tax Map Key #(3) 2-6-009: 005. This area is part of the existing concrete ford that was built around 1920. Based on a recent land survey, it was discovered this concrete area is inadvertently encroaching your property. The importance of this concrete ford is that it can accommodate the heavier trucks so we can cross the Wailuku River to access a road that leads us to our Waiau Hydro Plant. The Waiau Hydro Plant helps provide electrical power to the Island of Hawaii.

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

The Trust would have a direct benefit of receiving a monetary fee for granting the easement. The Beneficiaries would have a direct benefit of receiving reliable, clean energy from the Waiau Hydro Plant. The easement area is part of the concrete ford that helps us maintain our hydro plant that provides electricity to your Beneficiaries on the Island of Hawaii.

#### Please contact for further information, questions and submittals:

Leila Beals, Land Agent Hawaii Electric Light Company, Inc. 54 Halekauila Street Hilo, HI 96720 Phone# (808)969-0263 Fax# (808) 969-0256 Email: <u>leila.beals@helcohi.com</u>







# Concrete Ford across Wailuku River, Hilo





# STATE OF HAWAII

## DEPARTMENT OF HAWAIIAN HOME LANDS

June 18 - 19, 2018

To:	Chairman and Members, Hawaiian Homes Commission
Through:	Peter "Kahana" Albinio, Jr., Acting Administrator Land Management Division
	Kalei Young, Supervising Land Agent 😥 Land Management Division
From:	Shelly Carreira, Land Agent Land Management Division
Subject:	Approval on Second Amendment to Extend the Term of Right of Entry No. 666 to State of Hawaii, Department of Land and Natural Resources, Kahikinui, Maui TMK: (2) 1-9-001:003 (por.), 007 (por.) and 011 (por.)

# **RECOMMENDED MOTION/ACTION**

That the Hawaiian Homes Commission grant its approval on Second Amendment to extend the term of Right of Entry No. 666 (ROE 666) issued to State of Hawaii, Department of Land and Natural Resources, as PERMITTEE, for the purpose of constructing approximately 3.6 miles (more or less) of 7 feet high ungulate-proof fence and to conduct feral ungulate control activities for the protection and restoration of watershed forest at Kahikinui, Maui at TMK: (2) 1-9-001:003 (por.), 007 (por.)& 011 (por.), and further described in the site plan rendering attached hereto as Exhibit "A".

Approval of this right of entry permit is subject to the following conditions:

- The term of the right of entry permit shall be month to month for up to twelve (12) months, commencing upon May 25, 2018. The ROE may be cancelled by PERMITTOR, at PERMITTOR'S sole discretion and for any reason whatsoever, at any time during the twelve-month period, upon 30 days advance notice in writing to PERMITTEE and may be extended for good cause for additional twelve (12) month period by the Chairman of the Hawaiian Homes Commission;
- Except as amended herein, all of the terms, conditions, covenants, and provisions of Right of Entry No. 666 shall continue and remain in full force and effect;
- 3. The Right of Entry document is subject to the review and approval of the Office of the Attorney General, State of Hawaii; and

ITEM NO. F-3

 Upon approval of the Hawaiian Homes Commission, the Chairman shall be authorized to issue the Right of Entry permit and to set forth any additional terms and conditions deemed prudent and necessary.

### DISCUSSION

At its meeting of February 23, 2016, the Hawaiian Homes Commission (HHC) approved the issuance of a Right of Entry to State of Hawaii, Department of Land and Natural Resources (DLNR) for construction of ungulate-proof fencing and ungulate control for the purpose of preserving and restoring approximately 4,500 acres of forest land within the Kahikinui region.

It was anticipated the project would be completed within the initial 12-month term; however, scheduling and weather related issues caused delays and its meeting of May 22, 2017, the HHC granted approval to extend the term for an additional 12-month term (see Exhibit "B").

Through the attached Exhibit "C", DLNR is seeking an amendment to extend the term of their ROE to complete the ungulate fencing in Kahikinui. Due to unforeseen delays (weather, etc.,) the contractor is not able to complete the project before May 25, 2018. The extension will allow DLNR and its contractors time need to complete the fencing.

This final phase of fencing involves installation past the 9,000-foot elevation level, in order to connect to the existing fence constructed by the Advanced Technology Solar Telescope (ATST) project and complete 3.43 miles of fencing along the Makai boundary, between 4,000 and 5,000-feet elevation.

The completion of the ungulate-proof fence and the removal of the feral ungulate population in an area encompassing 4,500 acres, protecting the heart of Kahikinui's forest is a major benchmark of achievement. It marks the completion of a significant infrastructural resource and it marks the beginning of our next phase of work: re-forestation - the natural and intentional restocking of the existing forest that has been depleted due to deforestation. The Ka Ohana O Kahikinui continues to support restoration efforts and the second amendment to ROE 666 (see Exhibit "D").

<u>Chapter 343, Environmental Assessment:</u> Pursuant to Section 343 HRS, and Section 11-200, HAR, the proposed use is exempt from preparation of an environmental assessment based on the Department of Hawaiian Home Lands Comprehensive Exemption List dated June 30, 2015, Class #6-1, "installation of fencing for agricultural and cultural and natural resources management purposes."

### RECOMMENDATION

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



## STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

#### FIRST AMENDMENT TO RIGHT OF ENTRY NO. 666

THIS FIRST AMENDMENT, executed this 24th day of July , 2017, by the State of Hawaii, DEPARTMENT OF HAWAIIAN HOME LANDS, whose place of business is 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, and whose mailing address is P. O. Box 1879, Honolulu, Hawaii 96805, hereinafter referred to as "PERMITTOR," and STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES, whose address is 1151 Punchbowl Street, Honolulu, Hawaii 96813, hereinafter referred to as "PERMITTEE."

#### WITNESSETH THAT

WHEREAS, Right-of-Entry No. 666 was issued on May 25, 2016, authorizing PERMITTEE to utilize that certain parcel of Hawaiian home lands in Kahikinui, Island of Maui, for non-exclusive use of approximately 4500.0 acres of Hawaiian home lands, identified as Tax Map Key No. (2) 1-9-001:003 (por.), 007 (por.) & 011 (por.);

WHEREAS, pursuant to the authority granted, Right of Entry No. 666 was issued to the State of Hawaii, Department of Land and Natural Resources, effective May 25, 2016;

WHEREAS, PERMITTEE and PERMITTOR agrees to extend the term of Right of Entry No. 666 for an additional twelve (12) month period;

NOW THEREFORE, PERMITTEE AND PERMITTOR, for and on behalf of themselves, their successors and assigns, do hereby agree to amend Right of Entry No. 666 as follows:

 The term of the Right of Entry permit shall be month to month for up to twelve (12) months, commencing upon May 25, 2017. The ROE may be cancelled by PERMITTOR, at PERMITTOR'S sole discretion and for any reason whatsoever, at any time during the twelve month period, upon 30 days advance notice in writing;

Except as amended herein, all of the terms, conditions, covenants, and provisions of Right of Entry

EXHIBIT "B" ITEM NO. F-3



IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

APPROVED BY THE HHC AT ITS MEETING HELD ON May 22, 2017

> State of Hawaii DEPARTMENT OF HAWAIIAN HOME LANDS

APPROVED AS TO FORM:

Deputy Attorney General State of Hawaii

BV

Jobie M.K. Masagatani, Chairman Hawaiian Homes Commission

PERMITTOR

APPROVED AS TO FORM:

State of Hawaii DEPARTMENT OF LAND AND NATURAL RESOURCES

General Deput nev State of Hawaii

By

PERMITTEE

STATE OF <u>Hawaii</u>) State of <u>Honolulu</u>) ss

State of Hawan Notary Public Leave Earonad Print Name of Notary Public My commission expires: 9-5-2020

Document Identification or De First Amendment to	
Right of Entry NO	. 666
Doc. Date: notarization.	or Undated at time of
No. of Pages: 14 performed)	Jurisdiction:Circuit (in which notarial act is 7-24-17
Signature of Notary	Certification Statement

STATE OF HAWAII

CITY & COUNTY OF HONOLULU

SS:

On August 3, 2017, in the First Circuit, State of Hawaii, before me appeared WILLIAM J. AILA, JR., to me personally known, who, being by me duly sworn or affirmed, did say that he is the deputy to Chairman JOBIE M.K. MASAGATANI, and the person executed the foregoing instrument identified or described as FIRST AMENDMENT TO RIGHT OF ENTRY NO. 666, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

The foregoing instrument is July 24, 2017, and contained four (4) pages at the time of this acknowledgment/certification.

4



Abigail L. Tubera

Print Name: Abigail L. Tubera Notary Public, State of Hawaii My commission expires: November 21, 2020







SUZANNE D. CASE CHARPERSON BUARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA

JEFFREY T. PEARSON, P.E. DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BUATING AND OCEAN RECREATION BUBEAU OF CONVEY ANCES COMMESSION ON WATER RESOURCES COMMESSION ON WATER RESOURCES DEFORCEMENT EXONNEEWATION AND RESOURCES DEFORCEMENT BUSTORIC PRESERVATION FORSTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE BLAND RESERVE COMMISSION LAND STATE PARKS

#### STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAI'I 96809

April 24, 2018

Jobie M. K. Masagatani Department of Hawaiian Home Lands Hale Kalaniana'ole 91-5420 Kapolei Parkway Kapolei, Hawai'i 96707

Re: Request to Extend Right-of-Entry No. 666 with the Department of Land and Natural Resources, Division of Forestry and Wildlife and its authorized contractor representatives at Kahikinui, Maui

Dear Chair Masagatani,

The Department of Land and Natural Resources (DLNR), Division of Forestry and Wildlife (DOFAW) and its contractors are in the process of completing approximately 3 miles of fence to protect important watershed forest and exclude hooved animals on Department of Hawaiian Homes Land (DHHL) at Kahikinui, Maui located at TMKs (2) 1-9-001:003 (por.), 007 (por.) and 011 (por.). Due to a series of unforeseen delays (weather issues, etc.) the fence contractor will not be able to complete the fence before the ROE expires at the end of May.

The current Right-of-Entry (ROE) No. 666 was issued on May 25, 2016 for a term of 12-months. A request to extend for an additional 12-months was approved by the Hawaiian Homes Commission on July 24, 2017, extending the ROE to May 25, 2018. In order for DOFAW's contractor to complete this project, a second amendment and 12-month extension is required. The language in the ROE and terms and conditions will not change.

Please contact Katie Ersbak (808) 587-4189 or Katie.C.Ersbak@hawaii.gov if you have any questions.

Sincerely,

6.0

Suzanné D. Case Chair, Department of Land and Natural Resources

EXHIBIT "C" ITEM NO. F-3

# Ka 'Ohana O Kahikinui Inc. P.O.Box 1103 Kula, Hawaii 96790

June 6, 2018

Aloha DHHL Representatives and those concerned,

We would like to request your support for a second amendment to ROE 666 to DLNR for fence construction at Kahikinui. We need the watershed forest to be protected and returned to a native state so that we can have a healthy forest to provide much-needed resources for our community. DLNR is a partner of the Leeward Haleakala Watershed Restoration Partnership (LHWRP), and we respectfully approve any access and continued partnership for DLNR's fence construction crew and LHWRP for assistance in protecting and restoring our native forest at Kahikinui.

Mahalo, KOOK Inc.

avoa Kaisokonali

Ainoa Kaiaokamalie - KOOK President

KOOK Board of Directors Angel Kamaka – Vice President Chad Newman Charmaine Day Kaleo Cullen Mo Mohler Akua Po

> EXHIBIT "D" ITEM NO. F-3
DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# G-ITEMS PLANNING PROGRAM DIVISION

#### STATE OF HAWAII

### DEPARTMENT OF HAWAIIAN HOME LANDS

June 18-19, 2018

To: Chairman and Members, Hawaiian Homes Commission

- From: M. Kaleo Manuel, Acting Planning Program Manager
- Subject: Acceptance of Water Policy Plan Implementation Program FY 2018 and Approval of Water Policy Plan Implementation Program FY 2019

#### RECOMMENDED MOTION/ACTION

For the HHC to accept the Water Policy Plan Implementation Program Report FY 2018 and approval of Water Policy Plan Implementation Program FY 2019.

### DISCUSSION

This submittal provides (1) a report on progress made towards the Commission's water policy goals under the FY 2018 Water Policy Plan ("WPP") Implementation Program ("IP"), and (2) a Proposed WPP-IP for FY 2019.

#### I. Purpose

The HHC Water Policy Plan was passed as the first comprehensive water policy for the HHC in 2014. It specifies that the Chairman shall seek approval of the HHC for a proposed IP annually in conjunction with the Department's budget request. In addition, the Chairman shall annually report on progress on execution of the previously approved IP.

### II. Background.

At its July 22, 2014 meeting, the Commission adopted its Water Policy Plan ("WPP"). The WPP was developed over three years through extensive consultation with beneficiaries. The purpose of the WPP is to provide strategic, proactive, comprehensive, and consistent guidance to the Commission, Department of Hawaiian Home Lands ("Department"), and beneficiaries on water related issues, actions, and decisions. The Planning Office ("PO") is the lead division for the WPP-IP. However, as responsibilities for water are currently held throughout the department, implementation requires coordination across the agency.

Because of the timing of the approval of the WPP, the FY 2016 WPP IP was the first submitted prior to the beginning of the fiscal year and the first evaluated on a full year basis. This will be the third full year of evaluation and the fourth WPP IP submitted for consideration of the HHC.

### III. Summary of Performance on the FY 2018 WPP-IP

Application of the FY 2018 WPP IP, as in previous years, has focused on advocacy and communication / education. The years of investment in advocacy have also begun to generate returns, so there was also significant work towards the start of efforts to bring "wet" water to Home Lands directly resulting from advocacy efforts.

### The most significant highlights were as follows:

- On June 19, 2017 the very end of FY 2017 after final consideration of that year's WPP IP, the Commission on Water Resource Management (CWRM) approved a reservation for 6.903 million gallons a day of surface water from tributaries of the Waimea River on Kaua'i. This is the first surface water reservation approved since the passing of the Water Code in 1987.
- 2) Based in part on the reservation of water above, the HHC took actions to enter into a lease with Kaua'i Island Utility Cooperative that will result in the development of infrastructure necessary to deliver these waters to DHHL lands.
- 3) Beginning implementation of statewide water rights training for our beneficiaries with the William S. Richardson School of Law's Ka Huli Ao / Center for Excellence in Native Hawaiian Law

As in past years, developments in ongoing water disputes had critical implications for the Department's interests in water. Conflicts regarding groundwater on Moloka'i and surface water from East Maui and Waimea, Kaua'i necessarily required focused staff and consultant efforts to ensure the rights of the beneficiaries, Hawaiian Homes Commission, and the DHHL were protected and enhanced.

Due to the necessary redirection of efforts towards advocacy, efforts on other goals remain to be fully implemented. Some of these have been included in the proposed FY 2019 WPP IP, while others are recommended to be removed. A summary of FY 2018 WPP IP performance is provided in Exhibit A.

IV. Proposed FY 2019 WPP-IP.

The proposed WPP-IP FY2019 budget is \$750,000. The following describes general areas of expenditures under subparts of WPP-IP FY 2018 goals, which are detailed as Exhibit B.

Goal 2.a.	\$100,000 NHRF Audit Strategy Implementation
Goal 2.b.	<pre>\$150,000 Water Policy Plan Implementation (Focused on agricultural water)</pre>
Goal 2.e.	\$150,000 Water Rights Experts/Studies (including expert witnesses as may be needed for administrative proceedings and/or litigation)
Goal 5.e.	\$200,000 Water Systems Cost of Service Study (FY17/FY18)
Goal 5.f.	\$150,000 Water Systems Rate Study (FY17/18)

### Total: \$750,000

The primary focus of FY 2019, in addition to maintaining work on advocacy and existing projects, will be on a) securing sources of water for and understanding the condition of agricultural water systems that can serve DHHL lands and b) continuing pursuit of revenue self-supporting DHHL water systems. Based on previous HHC actions and budgeting, the PO is pursuing new Subsistence Agricultural Homestead planning projects in Honomu, Hawai'i, Honokōwai, Maui, Ho'olehua, Moloka'i, Waimanalo, O'ahu, and Hanapepe and Anahola, Kaua'i. Without water, at least as a backup source, agricultural initiatives may fail. Similarly, based upon previous HHC actions and budgeting, the PO will continue to work towards revenue self-supporting water systems under the Department's control.

In addition, the operation and condition of the MIS has been an issue of contention on the island for decades. The ability to provide additional connections to homestead lots to the MIS would not only support agricultural operations by lessees, but could also reduce demand on the DHHL Moloka'i drinking water system. However, even basic data on the availability of MIS connections and barriers to connection are missing.

The timing for DHHL work on agricultural water systems is complimentary to other ongoing state efforts on water systems and existing advocacy as the Agricultural Water Use and Development Plan is being updated. In the FY 2019 budget request for the PO, funds for professional services contracts to address these issues are requested as described above.

The Cost of Services Study will undertake the analysis of costs to operate each of the four DHHL water systems. It is a best management practice to conduct the Cost of Services Study annually. The first such study was conducted by RCAC for all DHHL water system operational, maintenance, and administrative support costs for FY2016. The next study will be for FY2017.

The Water System Rate Study is based upon the Cost of Services Study analysis to provide DHHL with its actual costs, as well as looking at different revenue and rate options to meet costs and help set rates and to review existing rate projections. Unlike previous practice where rates have been unchanged for multiple years, moving towards self-supporting water systems will require annual studies of costs and rates.

### RECOMMENDED MOTION/ACTION

For the HHC to approve of the Water Policy Plan Implementation Program for FY 2019.

### Exhibit A. Summary of Performance on the FY 2018 WPP-IP

Application of the FY 2018 WPP IP, as in previous years, has focused on advocacy and communication / education. The years of investment in advocacy have also begun to generate returns, so there was also significant work towards the start of efforts to bring "wet" water to Home Lands directly resulting from advocacy efforts.

The most significant highlights were as follows:

- On June 19, 2017 the very end of FY 2017 after final consideration of that year's WPP IP, the Commission on Water Resource Management (CWRM) approved a reservation for 6.903 million gallons a day of surface water from tributaries of the Waimea River on Kaua'i. This is the first surface water reservation approved since the passing of the Water Code in 1987.
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- 3) Beginning implementation of statewide water rights training for our beneficiaries with the William S. Richardson School of Law's Ka Huli Ao / Center for Excellence in Native Hawaiian Law

As in past years, developments in ongoing water disputes had critical implications for the Department's interests in water. Conflicts regarding groundwater on Moloka'i and surface water from East Maui and Waimea, Kaua'i necessarily required focused staff and consultant efforts to ensure the rights of the beneficiaries, Hawaiian Homes Commission, and the DHHL were protected and enhanced.

Due to the necessary redirection of efforts towards advocacy, efforts on other goals remain to be fully implemented. Some of these have been included in the proposed FY 2019 WPP IP, while others are recommended to be removed. A summary of FY 2018 WPP IP performance is provided in Exhibit A.

1

# Table I. Summary of FY 2018 WPP IP Performance

Red shading and plain text indicates implementation action goal was not met; yellow shading and *italicized text* indicates some progress was made; green shading and bold-faced text indicates the action goal was met.

#	Implementation Action(s)	Performance	Next Steps
1.a.	Continue development of communication tool or tools to communicate with beneficiaries and stakeholders on key water issues.	<ul> <li>Partially met / reevaluated; after working on email and press release strategies, the beneficiary preference for and value of face to face training was recognized</li> </ul>	Subsume under revised presentation and training goals 1.b. and 1.c.
1.b.	Annually and regionally present on DHHL water projects and issues in conjunction with HHC meetings.	<ul> <li>Met in conjunction with HHC meetings</li> <li>Honored and recognized the original petitioners for a water management area on Moloka'i in March 2018</li> </ul>	Continue for FY 2019
1.c.	Develop and execute ten targeted trainings on water rights for beneficiaries over two years in collaboration with the William S. Richardson School of Law's Ka Huli Ao program and others as available and appropriate.	<ul> <li>Partially met; contract executed, planning completed, and first training conducted on Molokai</li> </ul>	Continue nine further trainings through FY 2019.
2.a.	Begin to implement plan for advocating for funds due to the Native Hawaiian NHRF based on a final report due in February 2018.	• Partially met; final report due by June 30, 2018.	Continue for FY 2019

# In	mplementation Action(s)	Performance	Next Steps
	Secure water reservations pursuant to Hawai'i Revised Statutes, Chapter 174C & Section 171-58 Coordinate with CWRM staff on use of the State Water Projects Plan as a basis of minimum reservations across the islands.	<ul> <li>Continued to meet</li> <li>Surface water reservation secured for the Waimea River, Kaua'i</li> <li>HRS 171-58 reservations begun for the Wailua River (Kaua'i), Wailuku River (Hawai'i), Ka'ū Irrigation Systems (Hawaii)</li> <li>Continued work towards reservations based on the State Water Projects Plan with CWRM staff, beginning with Hawai'i and Kaua'i groundwater</li> </ul>	Continue for FY 2019

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# # Implementation Action(s)

2.c.

2.d.

- Continue efforts to ensure regulatory compliance
  - Continue regular comments on water use permit applications (WUPAs), BLNR and CWRM actions, and other agency actions ... that could affect DHHL water rights;
  - Continue to coordinate with OHA compliance staff on identification and tracking of compliance actions

## Performance

- Continued to meet with comments on CWRM and BLNR actions
- Meet monthly to coordinate efforts
   with OHA
- Began participation in DLNR
   Deputy coordinated Hawai`i Island
   Water Working Group
- Monitored CWRM IIFS efforts
- Participate in and comment on all
   Cont updates to the Hawai`i Water Plan and County Plans that will affect DHHL and beneficiary water uses and rights
  - Coordinate DHHL agricultural water systems development planning with State and county community development and agricultural water plans.
  - Coordinate with DHHL staff working on subsistence agricultural plans to ascertain agricultural water needs.
- 2.e. Water Rights Experts/Studies Work with authorized outside counsel as

Continued participation in Hawai'i Continue for FY
Water Plan development 2019

 Partially met; continued work on participation in United States

4

Continue for FY 2019

Next Steps

2019

**Continue for FY** 

#	Implementation Action(s)	Performance	Next Steps
	applicable to assert DHHL water rights through legal mechanisms Use of expert witnesses if attempts to mediate ongoing disputes are unsuccessful in administrative proceedings	Geological Survey studies, especially Molokai, but no new legal counsel secured	
2.f.	Comment on water rights-related legislative and other agency rulemaking actions as necessary and directed.	<ul> <li>Continued support for initiative to add HHC Chairman or designee to CWRM</li> <li>Continued to review relevant bills as requested</li> </ul>	Continue for FY 2019
3. a.	Continued review of information collected for the WAI	Participated with CWRM staff on verifying continued existence of wells recorded on DHHL land on Molokai	Continue for FY 2019
3. b.	Manage existing WAI inventorying contract	See 3. C., below	Merge with Goal 3.c., below
З. с.	Identify traditional, place based knowledge of water resources relevant to DHHL interests to develop a Cultural Water Assets Inventory	Partially met; continued work with WAlwai - Cultural Water Assets Inventory via consultant Nohopapa LLC	Continue for FY 2019
4. а.	Implement revisions to `Āina Mauna program	<ul> <li>Partially met; After review, established and then conducted two (2) meetings with the 'Āina Mauna Legacy Program Plan Implementation Advisory Council</li> </ul>	Continue for FY 2019

#	Implementation Action(s)	Performance	Next Steps
5. a.	Revise the DHHL submittal template to the HHC for water related decisions.	Reevaluated	Remove goal for FY 2019
5. b.	Staff and organize the DHHL consistent with importance of water to the trust. Train and update them on issues addressed DHHL water team and positions taken on those issues.	<ul> <li>Partially met; Hiring of water resource management specialist</li> <li>Based on Effective Utilities Management Assessment by RCAC, drafting organizational chart and positions for Water Utility BranchUSDA water system improvements internally working team created</li> </ul>	Continue for FY 2019
5. c.	Continue efforts regarding agricultural water systems at Anahola and Waimea, Kaua`i	Partially met; see notes elsewhere regarding Waimea Kaua'i	Continue for FY 2019
5. d.	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	Not met; priority work on Moloka`i has been on advocacy for domestic water and improvements to and rates related to the drinking water system	Recommend making top priority in FY2019
5. e	Advocate before the city and county Boards of Water Supply and other county agencies concerning decision-making affecting water in order to: Carry out the Hawaiian Homes Commission Act; Protect DHHL water uses as a public trust use	Partially met Particular efforts and progress made in securing water for Ka`ū and Kona	Continue for FY 2019

#	Implementation Action(s)	Performance	Next Steps
	of water; and Manage rates so they are affordable for		
	beneficiaries.		
5. f.	Continue test implementation of the procedure for homesteader well drilling and bring back to the HHC for final approval	Met; submittal due to HHC in May 2018.	Remove, as completed.
5. g.	Continue development and bring to the HHC for approval a procedure for managing HHC/DHHL controlled water credits	Partially met; submittal due to HHC in June 2018.	Finish in FY 2019

Additional WPP Related activities not covered	by a	particular IP goal
---	------	--------------------

- Initiated Environmental Impact Statement Preparation Notice (EISPN) for the Pulehunui Regional Infrastructure Master Plan, Pulehunui, Maui
- Implementation of agreements for Waimea Kaua'i water including reservations, KIUC lease negotiation and approval
- Support of other lead offices and consultants for Final Environmental Assessments for DHHL Wailua Well Project, Wailua, Kaua'i
- Beneficiary Consultation Meetings
  - Water System and Planning System Hawaii Administrative Rules
  - KIUC Waimea Hydroelectric Project, Waimea, Kaua'i
  - HECO Request for Water Lease from Wailuku River, Hilo, Hawai'i
  - Water Rate Increases for DHHL Moloka'i, Kawaihae, and Pu'ukapu Water Systems
- Conducted Cost of Service Study and Effective Utility Management Assessment for DHHL Water Systems that resulted in a Water Rate Increase for the DHHL Moloka'i System that moves DHHL towards system sustainability
- Partnered with Kohala Mountain Watershed Partnership and Kailapa Community Association to initiate Kawaihae Fence Project to help with erosion and ungulate control
- Partnering with Ka 'Ohana o Kahikinui, KIA Hawaii LLC, and Leeward Haleakala Watershed Restoration Project in completing fencing project and ungulate removal to protect native Koa forests and reestablish watershed forest

# Additional Information

In addition to the information presented above and in the main HHC submittal, regional updates on Water Issues and Projects have been provided throughout the year to the HHC.

#### PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

The proposed WPP-IP FY2019 budget is \$750,000. The following describes general areas of expenditures under subparts of WPP-IP FY 2018 goals, which are detailed as Exhibit B.

Goal 2.a. \$100,000 NHRF Audit Strategy Implementation

Goal 2.b. \$150,000 Water Policy Plan Implementation (Focused on agricultural water)

Goal 2.e. \$150,000 Water Rights Experts/Studies (including expert witnesses as may be needed for administrative proceedings and/or litigation)

Goal 5.e. \$200,000 Water Systems Cost of Service Study (FY17/FY18)

Goal 5.f. \$150,000 Water Systems Rate Study (FY17/18)

Total: \$750,000

Estimates of staff and consultant time are included below. Except where noted, the target date for completion is June 30, 2019. The Planning Office ("PO") is the lead Department of Hawaiian Home Lands ("DHHL") division for the WPP-IP. Resources for certain implementation actions are not specified when they are conducted by other divisions or included in other portions of the PO budget.

Total staff time estimated: 1,785 hours

Total consultant time estimated: 5,380 hours

# PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

Goal 1. Affirmatively communicate with beneficiaries regarding water decisions, performance, and water rights on a regional and annual basis.

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
1. a.	Annually and regionally present on DHHL water projects and issues in conjunction with HHC meetings.	Staff time: 80 hr. Consultant time: 80 hr.	Within PO budget and consultant contracts
1. b.	Develop and execute ten targeted trainings on water rights for beneficiaries over two years in collaboration with the William S. Richardson School of Law's Ka Huli Ao program and others as available and appropriate.	200 hr. Consultant	Covered under contract issued in FY 2018
	Subtotal	Staff: 280 Consultant: 280	Obligated funds

Goal 2. Aggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities.

#	Implementation Action(s)	Cost /	Estimated
1 1		resource	expenses
		estimate	-
2.	Begin to implement plan for advocating for funds	Goal 2.a. Staff	\$100,000
a.	due to the Native Hawaiian NHRF based on a final	time: 100 hr.	(carryover FY
	report due in June 2018.	Goal 2.a.	2018 funds)
		Consultant	
		time:	
6		Approximately	6
		800 hours	
2.	Secure water reservations pursuant to Hawai'i	Goal 2.b. Staff	Covered under
b.	Revised Statutes, Chapter 174C & Section 171-58	time: 200 hr.	contract issued
	i. Coordinate with CWRM staff on use of the State	Goal 2.b.	in FY 2018
	Water Projects Plan as a basis of minimum	Consultant	
	reservations across the islands.	time: 400 hr.	
	ii. Continue exploration of enforcement mechanisms		
	for reservations.		
1	ii. On a case by case basis assert reservation		
	needs in conjunction with water licensing		
	under HRS 171-58		
2.	Continue efforts to ensure regulatory compliance	Goal 2.c. Staff	Within PO
c.	i. Continue regular comments on water use permit	time: 100 hr.	budget and
	applications (WUPAs), BLNR and CWRM actions,	Goal 2.c.	consultant
	and other agency actions (Agriculture,	Consultant	contracts
	Agribusiness Development Corporation, County	time: 100 hr.	
	Departments/ Boards of Water Supply and		
	Planning Departments, and on Environmental		
	Assessments / Environmental Impact Statements		
	(EA/ EIS) that could affect DHHL water rights;		
	ii. Continue to coordinate with OHA compliance		

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# PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

#		Implementation Action(s)	Cost /	Estimated
-			resource	expenses
			estimate	
		staff on identification and tracking of		
		compliance actions;		
	ii.	Develop a method for utilizing WAI information		
		in comment letters and tracking comment		
		letters in a WAI database.		
	iv.	Review the WPP and identify elements to be		
		incorporated into rulemaking procedures under		
		HR. §91-3.		
2.	1	r Planning	Goal 2.d. Staff	Within PO
d.	i.	Participate in and comment on all updates to	time:	budget and
		the Hawai`i Water Plan and County Plans that	35 hr.	consultant
l,		will affect DHHL and beneficiary water uses	Goal 2.d.	contracts
~		and rights	Consultant	
	lii.	Coordinate DHHL agricultural water systems	time: 60 hr.	
		development planning with State and county		
		community development and agricultural water		
		plans.		
	lii.	Coordinate with DHHL staff working on		
		subsistence agricultural plans to ascertain		
		agricultural water needs.		
2.		ent on water rights-related legislative and	Goal 2.f. Staff	Within PO
e.		r agency rulemaking actions as necessary and	time:	budget and
	dire	cted.	20 hr.	consultant
			Goal 2.f.	contracts
			Consultant	
			time: 40 hr.	
2.	Work	with authorized outside counsel as applicable	Dependent on	\$150,000
f.		ssert DHHL water rights through legal	litigation	
		anisms; Use of expert witnesses if attempts to		
		ate ongoing disputes are unsuccessful in		
	admi	nistrative proceedings		

# PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
	Subtot	al Staff: 455	\$250,000
		Consultant:	(150,000 new)
		1,420	

HHC ITEM G-1 Exhibit B

# PROPOSED WPP IMPLEMENTATION ROGRAM AND BUDGET FOR FY 2019

# Goal 3. Develop and manage a Water Assets Inventory (WAI).

#	Implementation Action(s)	Cost /	Estimated
		resource	expenses
		estimate	
3.	Continued integration of data into the WAI	Goal 3.c. Staff	Within PO
a.		time:	budget and
		50 hr.	consultant
		Goal 3.c.	contracts
		Consultant	
		time: 40 hr.	
3.	Identify traditional, place-based knowledge of	Goal 3.c. Staff	From Contract
b.	water resources relevant to DHHL interests to	time:	issued in FY
	develop a Cultural Water Assets Inventory	200 hr.	2018
	i. Integrate, as appropriate, into template for	Goal 3.c.	
	comments on water actions and submittals to	Consultant	4
	HHC.	time: 500 hr.	1
	Subtotal	Staff: 250	Obligated funds
		Consultant: 540	

.

### PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

Goal 4. Support watershed protection and restoration on DHHL lands and source areas for DHHL water.

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
4. a.	Implement revisions to `Aina Mauna program	Covered in LMD budge	Not included in WPP - IP / Planning budget

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HHC ITEM G-1 Exhibit B

# 5. Other WPP Goals: Implementation of additional WPP goals based on the availability of resources

#	Implementation Action(s)	Cost /	Estimated	
		resource	Expenses	
		estimate	_	
5.	Staff and organize the DHHL consistent with	Staff time and	Within PO	
a.	importance of water to the trust.	existing	budget and	
	i. Train and update them on issues addressed DHHL	authorization	consultant	
	water team and positions taken on those issues.	for position	contracts	
5.	Continue to pursue development of agricultural	5.c. Staff	New contract	
b.	water systems	time: 160 hr.	for \$150,000	
	i. Continue efforts regarding agricultural water	5.c. Consultant		
	systems at Anahola and Waimea, Kaua`i, and for other areas	time: 300 hr.		
5.	Pursue resolution by the Department of Agriculture	5.d. Staff	New contract	
c.	of prior audit findings in the management of the	time: 160 hr.	for \$100,000	
	Moloka`i Irrigation System and full repair of the	5.d. Consultant		
	System	time: 300 hr.		
5.	Advocate before the county Boards of Water Supply	5.d. Staff	Within PO	
d.	and other county agencies concerning decision-	time: 80 hr.	budget and	
	making affecting water	5.d. Consultant	consultant	
		time: 40 hr.	contracts	
5.	Water Systems Cost of Service Study (FY17/FY18)	5.e. Staff	New contract	
e.		time: 200 hr.	for \$200,000	
		5.e. Consultant		
		time: 1,500 hr.		
5.	Water Systems Rate Study (FY17/18)	5.f. Staff	New contract	
f.		time: 200.	for \$150,000	
		5.f. Consultant		
		time: 1,000		
	Subtotal	Staff: 800	600,000	
		Consultant:		
		3,140		

### STATE OF HAWAII

DINGNOUT

### DEPARTMENT OF HAWAIIAN HOME LANDS

### June 18-19, 2018

To: Chairman and Members, Hawaiian Homes Commission

From: Kaleo Manuel, Acting Planning Program Manager

Subject: Extend the Implementation Period of the Native Hawaiian Development Program Plan

### RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the implementation period of the Native Hawaiian Development Program Plan (NHDPP) for two (2) years through June 30, 2020.

#### DISCUSSION & BACKGROUND

### Purpose

The Native Hawaiian Development Program Plan (NHDPP) was approved by the HHC in January 2012 for the time period of Fiscal Year (FY) 2012-2014 (Exhibit A). The HHC then approved a 2-year extension for FY 2014 - 2016 (Exhibit B), 1-year extension for FY 2017 (Exhibit C), and another 1-year extension for FY 2018 (Exhibit D). During this time, the Department of Hawaiian Home Lands (DHHL) has been implementing the NHDPP in the areas of individual development (i.e., homeownership assistance and agricultural lessee assistance) and community development (i.e., community liaison, leadership conference, State Grant-In-Aid administration, and agriculture peer-to-peer pilot grant).

Below is a summary of the implementation status of the NHDPP components during the 2018 Fiscal Year:

NHDPP Component	Implementation Status
Training and technical assistance for beneficiary organizations on business development that includes business planning, financial feasibility, project management, operational planning.	Assisted with Business Planning for Moloka'i Homestead Farmers Association's Lanikeha Community Center and Pana'ewa Hawaiian Homestead Association's Project Kamoleao
Homesteading opportunities assistance	HALE program established in 2014. In FY 2018, over 500 individual beneficiaries were provided homebuyer education, lease cancellation, and foreclosure prevention services. CTAHR CES agents on Molokai and Hawai'i provide Technical Assistance to ranchers and farmers
Small business development and entrepreneurship training.	Not implemented
Agriculture peer-to-peer learning.	Two (2) new agriculture peer to peer grants awarded in FY 2018: Maku'u Farmers' Association and Ahupua'a o Moloka'i
Agriculture co-operative training.	Not implemented
Pastoral task force.	Not implemented but budgeted for FY 2019
Hawaiian Home Lands Trust Regional Plan Priority Project Grants for beneficiary organizations.	Five (5) Regional Plan Priority Project grants awarded in FY 2018: Waiohuli HHA, Paupena CDC, Kailapa CA, Ka 'Ohana o Kahikinui, Community Capacity
Statewide beneficiary leaders' conference and workshop events, including an agriculture leaders' conference.	DHHL partnered with the Agricultural Leadership Foundation of Hawai'i and sponsored over 60 agriculture homestead leaders, lessees, and applicants to attend the AG2017 Conference in Honolulu in August 2017
Community Liaison	Continued community liaison work. Planning Office staff have been assigned to specific geographic locations and respond to inquiries and requests from community associations in their respective assigned location.

In this upcoming Fiscal Year, DHHL plans to implement the following components in the NHDPP:

- Invite over 60 homestead associations and beneficiary organizations to attend the DHHL Puwalu 2018 to discuss and plan for the next biennium budget (August 3-5, 2018 - Maui);
- Provide up to \$800,000 in grants to homestead associations and beneficiary organizations community associations for various initiatives including: ag-peer-to-peer, regional plan priority projects, project implementation, and capacity building;
- Contract a service provider to assist DHHL with formally evaluating and updating the Native Hawaiian Development Program Plan

### Authority

Pursuant to Chapter 6.1 of Title 10 Hawaii Administrative Rules, DHHL prepares the NHDPP every two years for HHC review and approval. The goal of the NHDPP is to "increase the selfsufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

### Funding

The NHDPP is funded directly by the Native Hawaiian Rehabilitation Fund (NHRF) which was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The source of revenue for this fund is primarily derived from thirty percent of state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses.

The HHC at its June 19-20, 2017 meeting approved a budget of \$1,000,000 for the implementation of the NHDPP.

### RECOMMENDATION

Based on the foregoing, staff recommends that the HHC approve as recommended.



# HAWAILAN HOME LANDS TRUST DEPARTMENT OF HAWAILAN HOME LANDS

# Native Hawaiian Development Program Plan

# January 1, 2012- June 30, 2014

July 1, 2014 - June 30, 2016 extension approved by HHC

Prepared by Planning Office

EXHIBIT H

# PREFACE

The <u>Hawaiian Homes Commission Act (HHCA)</u> "rehabilitates" native Hawaiian beneficiaries by awarding residential, agricultural or pastoral homestead leases at a rate of \$1.00 per year for 99-years. "Rehabilitating a native Hawaiian family takes more than a land lease.

Section 213 of the HHCA, established the <u>Native Hawaiian Rehabilitation Fund</u> (NHRF) to provide a wide range of "rehabilitation" programs that address educational, economic, political, social and cultural opportunities. Development in these areas improves the general welfare and conditions of native Hawaiians. Funded by a 30% share of revenues from sugar leases and water licenses, the NHRF fund provides a pool of financial resources that can be dispersed to programs, projects, and services that are deemed necessary for "rehabilitation".

In addition to NHRF, per Hawaiian Homes Commission Resolution Number 257 adopted on June 21, 2011, a set aside sum of up to 15% of the annual general lease revenues is to be used for the purpose of supplementing the Native Hawaiian Development Program Plan (NHDPP).

The <u>Native Hawaiian Development Program Plan (NHDPP</u>) identifies priority programs and services that should be provided for the next two years. It also determines how the NHRF and 15% set aside will be allocated in the next fiscal biennium to support those priorities. The NHDPP focuses on two (2) areas of development: 1) Individual Development; 2) Community Development.

EXHIBIT H

# Hawaiian Home Lands Trust

# Native Hawaiian Development Program Plan January 1, 2012- June 30, 2014

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Native Hawaiian Development Program Plan		4	
Goal	1 - Individual Development		
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Title	10. HAR, Chapter 6.1		
	Native Hawaiian Development Program		

## **Resolution 257**

Budget Policy on General Lease Revenue



# NATIVE HAWAIIAN DEVELOPMENT PROGRAM

# "Empower"

To provide individuals and or groups with skills, information, authority and resources in order to carry out their responsibilities.

The purpose of the Native Hawaiian Development Program is to "improve the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs." [Title 10 Administrative Rules, Chapter 6.1]

### NATIVE HAWAIIAN DEVELOPMENT PROGRAM PLAN

The Native Hawaiian Development Program Plan (NHDPP) is a two (2) year approach designed to achieve the aforementioned purpose by "increasing the selfsufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities". [Title 10] The following are guiding principles that help to define the plan:

- Beneficiaries define their own vision for their community.
- Beneficiary Organizations through its democratically-elected leaders are the primary conduit for the relationship between the department and homestead residents and applicants with regard to community development. Each homestead lessee and applicant is eligible to vote for their leaders.
- The interests of applicants, the future residents of homestead communities, must not be overlooked in community planning.
- The skills and talents of individuals need to be strengthened and nurtured to ensure strong, prepared leadership for the future.
- Each homestead association defines what it wants to be responsible for within the areas of authority the commission is willing or able to delegate.
- Successful participation of beneficiaries in planning for the use and management of homestead lands and assets is tied to being adequately prepared and supported.
- Homestead leaders can best learn governance and management skills through hands-on training that applies to the assets in their own community.
- Each homestead is unique and each homestead association will have its own way of working toward self-sufficiency. Not every homestead association will be interested or ready to take the steps toward self-sufficiency at the same time or in the same way.

EXHIBIT H

- > Beneficiary organizations<sup>1</sup> will assume more responsibilities as their capacity increases.
- > Beneficiary organizations are under no obligation to participate in this initiative.
- The policies and practices of DHHL must support increased self-governance by homestead associations and beneficiary organizations.

The NHDPP has two (2) primary goals:

- 1. Individual Development
- 2. Community Development

<sup>1</sup> Throughout this document the term "beneficiary organization" refers to organizations that are owned and controlled by homesteaders or DHHL applicants that they represent

EXHIBIT A

1.1

# I. INDIVIDUAL DEVELOPMENT

"Self-sufficiency"

Provision by one's self of all of one's own needs

# GOAL;

Provide opportunities for native Hawaiians to obtain the knowledge and skills that will increase their ability to earn a living, become self-sufficient, or secure and make better use of their homestead award.

### STRATEGY:

A strong education and the development of job skills are essential for creating selfsufficient, independent individuals. In turn, increasing the knowledge and abilities of individuals strengthens the community as a whole. Providing scholarships makes an education attainable for many more native Hawaiians. By coordinating our scholarship programs with others, we enhance programs that already exist and extend the opportunities for an advanced education to more people.

Economic opportunities and homeownership are also affected by the lack of appropriate skills and experience, making it difficult for lessees with agricultural and pastoral awards to make full use of their homesteads. DHHL staff estimates that only 15% of agricultural awards are in productive farming at this time. Access to the appropriate resources, training and technical assistance are needed to help lessees get started and expand their production.

Education affects homeownership in two major ways – earning power and financial security. Numerous studies document the relationship between educational achievement and income. Higher and more stable incomes allow people to qualify for a mortgage. Similarly, knowledge about handling money wisely (like budgeting, managing debt, and saving) helps people prepare for homeownership and paying a mortgage.

Settlement of native Hawaiians on the land is DHHL's primary mission. With homes costing more than \$500,000 in the private sector, many more native Hawaiians are seeking homestead awards. The large average native Hawaiian family size, combined with lower per capita income, lack of savings, credit or debt problems makes it a challenge to achieve homeownership. The lack of experience in buying real estate means that training and assistance is critical to make native Hawaiian homeownership a reality.

### IMPLEMENTATION ACTIONS FOR 2012-2014:

### **1.1 Education**

**Objective:** Provide educational opportunities through scholarships, internships, and community service opportunities. Evaluation indicators to

EXHIBIT A

measure program outcomes and results will need to be developed for each Implementation Action.

## 1.1.1 HHC Scholarships

Maintain and administer two (2) post-high scholarship programs that provide financial assistance to native Hawaiians with demonstrated financial need or academic excellence (Kuhio Scholars) enrolled in post-high school educational institutions. Annually, there are approximately 300-400 applications received and 200 awards granted.

### Eligibility Requirements:

- Be native Hawaiian (50% or more Hawaiian ancestry) or Homestead Lessee (25% or more Hawaiian ancestry);
- Be enrolled as a full-time classified student in an accredited two-year, four-year or graduate degree program;
- Minimum GPA of 2.0 for undergraduates, 3.0 for graduate students;
- Agree to participate in community service projects;
- Applications due March 1 each year:
- For Kuhio Scholars, minimum GPA of 3.8 for graduate students. \*Applications are available at: www.hawaiicommunityfoundation.org Budget: \$200,000 encumbered for application review, determination of native Hawaiian status, and coordination

## 1.1.2 HHCS - Vocational Education

Produce a separate brand for HHCS Vocational Education and develop a distinct website and information and marketing materials. Although the HHCS can cover UH Community College vocational education program costs, there has been minimal use of this program. There is a need to brand the HHCS - Vocational Education program separately from the HHCS - Four Year and Advanced Degree program. Vocational Education programs at the UH community colleges are a tremendous resource for native Hawaiians to enter the trades and other professions.

Budget: \$2,500 printing and distribution

### 1.1.3 Partnerships

### Chaminade University

Chaminade University of Honolulu offers a four year renewable scholarship valued at \$8,500 to attend Chaminade. Chaminade University is committed to support up to 40 scholarships each year for qualified homestead students. This commitment will be for four years per student as long as they maintain their commitment to education.

### Eligibility Requirements:

- · Be a dependent of a current resident who holds a lease to a Hawaiian homestead property;
- Have a high school GPA of 2.5 or higher;
- Have a SAT of 900 or an ACT of 18; and

- 7 -

EXHIBIT A

Be a full-time day undergraduate student.
 Budget: No additional cost to DHHL

### **Other Partnerships**

Staff should pursue similar partnerships with other educational institutions (e.g. Hawaii Pacific University and BYU Hawaii) and sources of financial assistance (e.g. Office of Hawaiian Affairs)

### 1.2 Homesteading Opportunities Assistance Program (H.O.A.P.)

**Objective:** Revive, expand, and rebrand the existing "Homeownership Assistance Program" into the "Homestead Opportunities Assistance Program," to assist all beneficiaries.

Expansion and enhancement of the program may include technical assistance in residential, agricultural, pastoral, and aquaculture homesteading. Evaluation indicators to measure program outcomes and results will need to be developed for each Implementation Action.

Budget: \$500,000 annually

### **1.2.1 Residential Technical Assistance**

Continue to offer current elements of the existing program, designed to provide comprehensive support and resources for homeownership including homebuyer education, financial literacy training, one-on-one credit counseling, and other homeownership tools.

### 1.2.2 Agricultural Technical Assistance

Provide educational and technical assistance programs to Hawaiian Home Lands agricultural lessees. The objective of the program is to increase the number of successful homesteaders in agricultural enterprises by increasing their knowledge and training in commercial and subsistence agricultural production, best management practices, marketing, financial and business skills. Current technical assistance includes group training in food productions, disease control, best management practices, business planning, processing, and marketing on Kauai, Molokai, and Hawaii Islands.

Homestead farmers have expressed the need to have more input into the program's direction and scope of work to make effective use of limited resources (technical assistance, land, loans, project support) in accordance with intent (farm plan) and capabilities (experience, financing).

### **1.2.3 Pastoral Technical Assistance**

Provide educational and technical assistance programs to Hawaiian Home Lands pastoral homestead lessees. The objective of the program is to increase the number of successful homesteaders in pastoral enterprises by increasing their knowledge and training in commercial and subsistence pastoral production, best management practices, marketing, financial and business skills. Current technical assistance includes group training in food

EXHIBIT A

productions, disease control, best management practices, business planning, processing, and marketing on Kauai, Molokai, and Hawaii Islands.

Homestead ranchers have expressed the need to have more input into the program's direction and scope of work to make effective use of limited resources (technical assistance, land, loans, project support) in accordance with intent (ranch plan) and capabilities (experience, financing).

EXHIBIT A

# **II. COMMUNITY DEVELOPMENT**

### "Community Development"

A process involving the conception, planning, and implementation of projects or activities which create improvements in (or reduce the extent of declines in) the living standards of people in a particular community.

# GOAL:

To support homestead associations and beneficiary organizations in developing unified, organized, effective, and sustainable Hawaiian communities.

### STRATEGY:

Beneficiary organizations provide an avenue for homestead applicants and lessees to take part in the planning of new homestead developments, the various uses of homestead land, and the management of homestead assets. These organizations need to have certain skills and resources in order to enable them to participate in these activities.

It is important to build the leadership, organizational, and management capacity within beneficiary groups. Most homestead organizations currently secure resources in order to undertake projects to benefit their communities. The types and sizes of projects are very diverse, ranging from annual community gatherings to moderate-sized recreation, education, cultural, and community center activities.

"Community Development" is consistent with the intent of the Hawaiian Homes Commission Act 201.6 which authorizes the transfer of certain department authority to democratically-elected homestead organizations that demonstrate a capacity to provide these services at a level and quality comparable to services provided by the department.

To assist in Community Development, the DHHL is focusing on the following implementation actions:

- 1. Hawaiian Home Lands Trust Grants
- 2. Technical Assistance and Training

# IMPLEMENTATION ACTIONS FOR 2012-2014:

### 2.1 Hawaiian Home Lands Trust Grants

**Objective:** Provide beneficiary organizations the opportunity to seek funds through an open and competitive grant application process to support communitydriven projects that improve the living standards in homestead communities, including HHC-approved Regional Plan Priority Projects and projects included in the Hawaiian Home Lands Trust Strategic Goals & Objectives 2012-2017. Grants can also be used for the following:

Nonprofit Board Roles and Responsibilities

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EXHIBIT A

- Nonprofit Financial Management
- Strategic Planning
- Proposal and Grant Writing
- Project Action Planning

All grants require a minimum match of 25% of the grant request amount in outside in-kind services and/or funds. Evaluation indicators to measure program outcomes and results will need to be developed.

Eligibility:	Beneficiary Organizations	
Deadlines:	April 1 and October 1	
<b>Application Forms:</b>	To be developed and posted on website	
<b>Review Process:</b>	Applications are distributed to an Evaluation	
	Committee for review and rating. Project descriptions and funding recommendations are submitted to the	
	Hawaiian Homes Commission for action.	
Grant Amounts: Budget:	Not to exceed \$100,000 per application \$500,000 annually	
Daugen	\$500,000 annuary	

### 2.2 Training and Technical Assistance

**Objective:** Provide training and technical assistance to beneficiary organizations to assist in developing organizational visions and strategies, in securing resources, in successfully implementing their community projects, and in becoming stable, self-sufficient homestead communities. Evaluation indicators to measure program outcomes and results will need to be developed for each implementation Action.

### 2.2.1 Homestead Association Assistance

Planning staff will be assigned to serve as a liaison with homestead associations and beneficiary organizations to provide advice, pull in technical assistance, and serve as a point of contact and referral. As part of this role, staff will be available upon request and as budget permits to attend community and/or board meetings.

Budget: Staff time and cost for travel, lodging, coordination and presentation included in other budgets.

### 2.2.2 Leadership Conference

Convene homestead association and beneficiary organization leaders annually to provide technical assistance and training and also to network and develop partnerships, collaborate on projects, and to share best practices with one another. Topics may include:

- Nonprofit Board Roles and Responsibilities
- Nonprofit Financial Management
- Strategic Planning
- Proposal and Grant Writing
- Project Action Planning
Learning Circles

Conference may be "piggy backed" on other similar conferences in attempts to partner and share costs.

Budget: \$75,000 with matching funds from USDA-RCDI grant and/or other sources



# **PROPOSED BUDGET**

The table below highlights the annual amount and source of funding for each implementing action in the NHDPP.

Implementation Action	Source of Funding	
	NHRF & Reso. 257	Other
1.1. Education		\$202,500
1.2 Homestead Opportunities Assistance Program	\$500,000	
2.1 Hawaiian Home Lands Trust Grants	\$500,000	
2.2 Training and Technical Assistance		*\$175,000
Total Annual Budget	\$1,000,000	\$377,500

\*Subject to negotiation with outside funding source

EXHIBIT A

#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

July 21 - 22, 2014

To: Chairman and Members, Hawaiian Homes Commission

Thru: Kaleo Manuel, Acting Planning Program Manager

From: Gigi Cairel, Grants Specialist

Subject: Extend the Implementation Period of the Native Hawaiian Development Program Plan

# RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the implementation period of the Native Hawaiian Development Program Plan (NHDPP) for two (2) years through June 30, 2016.

# DISCUSSION & BACKGROUND

#### Purpose

The Native Hawaiian Development Program Plan (NHDPP) was approved by the HHC in January 2012 for the time period of Fiscal Year (FY) 2012-2014 (Exhibit A). During this time, the Department of Hawaiian Home Lands (DHHL) has been implementing the NHDPP in the areas of individual development (ie, scholarships, homeownership assistance, and agricultural lessee assistance) and community development (ie, community liaison and leadership conference).

Recently, DHHL hired a Grants Specialist which increases the department's capacity to implement other NHDPP components, specifically the following:

- a) Homesteading Opportunities Assistance Program or "HOAP"
  - Pilot agricultural program for individual peer-to-peer learning
- b) Hawaiian Home Lands Trust Grants for beneficiary organizations
- c) Training and Technical Assistance for beneficiary organizations

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HHC ITEM G-3

EXHIBIT B

It is DHHL's intent to implement the above mentioned tasks in the first year of the implementation period. During the second year, DHHL will assess and evaluate the NHDPP and submit a new NHDPP for FY 2016-2018 as required by rules. The future submittal will feature the entire NHDPP program and request funds, as appropriate, at that time.

The department conducts a full beneficiary consultation process for the NHDPP biennial update. This process includes conducting a total of 8 on-island beneficiary consultations; providing for a 30-day public comment period; compiling and analyzing beneficiary comments and prepare responses; and, finally, preparing final recommendations to HHC and submitting a draft NHDPP with a record of comments received. In addition, the department will assess and evaluate the current NHDPP, which includes both individual development assistance and community development assistance.

Estimated budget: \$30,000 Includes staff time to prepare materials, compile and analyze comments, prepare recommendations and draft the NHDPP; staff travel; printing and postage; and meeting room , rental.

# Authority

Pursuant to Chapter 6.1 of Title 10 Hawaii Administrative Rules, DHHL prepares the NHDPP every two years for HHC review and approval. The goal of the NHDPP is to "increase the selfsufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

#### Funding

The NHDPP is funded directly by the Native Hawaiian Rehabilitation Fund (NHRF) which was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The source of revenue for this fund is primarily derived from thirty percent of state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses.

The HHC at its June 16-17, 2014 meeting approved a budget of \$1,000,000 for the implementation of the NHDPP.

HHC ITEM G-3

EXHIBIT

# RECOMMENDATION

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Based on the foregoing, staff recommends that the HHC approve as recommended.

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EXHIBIT B

Hawalian Homes Commission Minutes - January 23 -24, 2012 Kapolel, O'ahu

# RECOMMENDATION

That the commission: 1) Approve the Native Hawaiian Development Program Plan for the period from January 1, 2012 to June 30, 2014; 2) Amend the department's Operating Budget for the period from January 1, 2012 to June 30, 2012, noted Planner Kaleo Manuel.

#### MOTION

Moved by Commissioner I. Aiu, seconded by Commissioner L. DaMate.

#### DISCUSSION

Commissioner I. Aiu said the Comments on Training and Technical Assistance seemed to be the most desired and positively commented on by beneficiaries. He would recommend redirecting more funds to this piece because of its value to the beneficiary. The original request came in at \$300,000, and there is matching funds still being sought. Any negotiations would need to be handled with the federal government, added Planning Administrator Darrell Yagodich. The \$1.3 million budget is a realistic budget that fits into the Native Hawaiian Development Program Plan.

According to Deputy M. Ka'uhane, the department will 1) need to run a balanced budget. 2) need to make known how critical the funding is. The amount projected based on the action taken on the 15% is reflected in there. There is approximately \$3.8 million reserved in NHRF funds and \$250,000 is being generated from the 30% monies and \$100,000 on interest on a fonnula. So, there's approximately \$450,000 coming in annually, claimed D. Yagodich.

Chief of Staff W. Sarsona stated she has no problem adjusting the budget for more technical assistance if the commission feels there is a need. Several contractors are available to the homesteaders. They can apply to the department for the contract to obtain this service. There were several outstanding contracts to deliver these services. It was costly. With this motion, if you receive a grant, you deliver, added Chair Nahale-a. There are some providers where this is their only contract. There needs to be better leveraging and this model doesn't appear to be the right fit.

Planner Kaleo Manuel explained the purpose of the Native Hawaiian Rehabilitation Fund (NHRF) is to provide rehabilitation that address education, economic and political opportunities. Chair added that there needs to be more streamline approach to funding and the administration is attempting to address this.

#### ACTION

Motion carried unanimously.

HHC ITEM G-3 EXHIBIT A

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# STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

July 18 - 19, 2016

To: Chairman and Members, Hawaiian Homes Commission

Thru: Kaleo Manuel, Acting Planning Program Manager

From: Gigi Cairel, Grants Specialist MCaul

Subject: Extend the Implementation Period of the Native Hawaiian' Development Program Plan

# RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the implementation period of the Native Hawaiian Development Program Plan (NHDPP) for one (1) year through June 30, 2017.

#### DISCUSSION & BACKGROUND

#### Purpose

The Native Hawaiian Development Program Plan (NHDPP) was. approved by the HHC in January 2012 for the time period of Fiscal Year (FY) 2012-2014 (Exhibit A). Then, HHC approved a 2-year extension for FY 2014 - 2016 (Exhibit B). During this time, the Department of Hawaiian Home Lands (DHHL) has been implementing the NHDPP in the areas of individual development (ie, homeownership assistance and agricultural lessee assistance) and community development (ie, community liaison, leadership conference, State Grant-In-Aid administration, and agriculture peer-to-peer pilot grant).

In this upcoming Fiscal Year, DHHL plans to implement the following components in the NHDPP:

- a) Training and Technical Assistance for beneficiary organizations on business development, that includes business planning, financial feasibility, project management, operational planning.
- b) Homesteading Opportunities Assistance Program or "HOAP"

HHC ITEM G-1

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- o Small business development and entrepreneurship training
- o Agriculture peer-to-peer learning
- o Agriculture co-operative training
- o Pastoral task force
- c) Hawaiian Home Lands Trust Capacity Building Grants for beneficiary organizations
- d) Statewide Beneficiary Leaders conference and workshop events, including an Agriculture Leaders conference
- e) Community Liaison

It is DHHL's intent to implement the above mentioned tasks ' in FY 2016 - 2017.

#### Authority

Pursuant to Chapter 6.1 of Title 10 Hawaii Administrative Rules, DHHL prepares the NHDPP every two years for HHC review and approval. The goal of the NHDPP is to "increase the selfsufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

# Funding

The NHDPP is funded directly by the Native Hawaiian Rehabilitation Fund (NHRF) which was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The source of revenue for this fund is primarily derived from thirty percent of state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses.

The HHC at its June 20-21, 2016 meeting approved a budget of \$1,000,000 for the implementation of the NHDPP.

#### RECOMMENDATION

Based on the foregoing, staff recommends that the HHC approve as recommended.

HHC ITEM G-1

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EXHIBIT "C"

# STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 19-20, 2017

Chairman and Members, Hawaiian Homes Commission To:

Kaleo Manuel, Acting Planning Program Manager Thru: Andrew H. Choy, Planner 4

From:

Subject: Extend the Implementation Period of the Native Hawaiian Development Program Plan

# RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the implementation period of the Native Hawaiian Development Program Plan (NHDPP) for one (1) year through June 30, 2018.

# DISCUSSION & BACKGROUND

#### Purpose

The Native Hawaiian Development Program Plan (NHDPP) was approved by the HHC in January 2012 for the time period of Fiscal Year (FY) 2012-2014 (Exhibit A). The HHC then approved a 2-year extension for FY 2014 - 2016 (Exhibit B) and 1-year extension for FY 2017 (Exhibit C). During this time, the Department of Hawaiian Home Lands (DHHL) has been implementing the NHDPP in the areas of individual development (i.e., homeownership assistance and agricultural lessee assistance) and community development (i.e., community liaison, leadership conference, State Grant-In-Aid administration, and agriculture peer-to-peer pilot grant).

Below is a summary of the implementation status of the NHDPP components during the 2017 Fiscal Year:

HHC ITEM G-

FXHIBIT

NHDPP Component	Implementation Status	
Training and technical assistance for beneficiary organizations on business development that includes business planning, financial feasibility, project management, operational planning.	Not implemented	
Homesteading opportunities assistance.	HALE program established in 2014	
Small business development and entrepreneurship training.	Not implemented	
Agriculture peer-to-peer learning.	Four new agriculture peer to peer grants awarded in FY 2017: Ka'ala Farms, Kekaha Hawaiian Homestead Association, Keokea Farm Lots Association, Sons of Ho'olehua	
Agriculture co-operative training.	Not implemented	
Pastoral task force.	Not implemented	
Hawaiian Home Lands Trust Capacity Building Grants for beneficiary organizations.	14 capacity building grants awarded out of 16 applicants	
Statewide beneficiary leaders' conference and workshop events, including an agriculture leaders' conference.	DHHL Budget Pūwalu and Leadership Conference, Hilo. 103 homestead leaders from across the state attended.	
Community Liaison	Continued community liaison work. Planning Office staff have been assigned to specific geographic locations and respond to inquiries and requests from community associations in their respective assigned location.	

In this upcoming Fiscal Year, DHHL plans to implement the following components in the NHDPP:

- Provide tuition and travel for a set amount of agriculture homesteads and those on the DHHL agriculture homestead waitlist to participate in the Hawai'i Agricultural Conference in partnership with the Agricultural Leadership Foundation of Hawai'i (August 2017);
- Provide up to \$500k in grants to individual beneficiaries for various initiatives including: scholarships,

HHC ITEM G-2

EXHIBIT "D"

agricultural start-up grants, small business loans/grants, home repair grants for DHHL waitlist applicants living off of Hawaiian Home Lands;

 Provide up to \$500k in grants to community associations for various initiatives including: ag-peer-to-peer, community pasture and agriculture parks, and stewardship/mālama 'āina projects.

Planning Office intends to take an updated draft NHDPP out for beneficiary consultation in January/February 2018.

# Authority

Pursuant to Chapter 6.1 of Title 10 Hawaii Administrative Rules, DHHL prepares the NHDPP every two years for HHC review and approval. The goal of the NHDPP is to "increase the selfsufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

# Funding

The NHDPP is funded directly by the Native Hawaiian Rehabilitation Fund (NHRF) which was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The source of revenue for this fund is primarily derived from thirty percent of state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses.

The HHC at its June 20-21, 2016 meeting approved a budget of \$1,000,000 for the implementation of the NHDPP.

#### RECOMMENDATION

Based on the foregoing, staff recommends that the HHC approve as recommended.

HHC ITEM G-2

# STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

June 18-19, 2018

То:	Chairman and Members, Hawaiian Homes Commission
Thru:	M. Kaleo Manuel, Acting Planning Program Manager Norman L. Sakamoto, Acting Land Development Division Administrator
	Nancy McPherson, Planner, Planning Office MM James Richardson, Engineer, Land Development Division
Subject:	Draft Environmental Assessment for the Hoʻolehua Veterans and Homestead Residents' Community

Veterans and Homestead Residents' Community Center, Hoʻolehua, Kona, Molokai, TMK (2)5-2-015:053 (portion)

Recommended Action

None. For information only.

Discussion

#### PURPOSE

The purpose of this informational briefing is to 1) inform the Hawaiian Homes Commission (HHC) on the status of the Department of Hawaiian Home Lands (DHHL) project to use State Capital Improvement Project (CIP) grant funds to construct a facility in Ho'olehua that will support the needs of Molokai Veterans and Molokai beneficiaries, and 2) provide the HHC an opportunity to comment on the Draft Environmental Assessment (DEA) prepared to meet HRS Chapter 343 requirements per the Hawai'i Environmental Protection Act (HEPA), prior to publication in the Office of Environmental Quality Control's (OEQC) Environmental Notice Bulletin.

The DEA will be published in the Environmental Notice and posted on the DHHL website after any final edits are made based on HHC comments. See Exhibit 'A', "HHC Review Draft EA," distributed electronically to the HHC.

ITEM NO. G-3

#### BACKGROUND

DHHL proposes to plan, design and construct the Ho'olehua Veterans and Homestead Residents' Community Center project within a 1.7 acre area located on Farrington Avenue, north of the existing Ho'olehua Lanikeha Community Center, east of the Ho'olehua residential homestead subdivision, and west of the Molokai High and Middle School and Ho'olehua Fire Station, in Ho'olehua, Kona, Molokai. See Exhibit 'A': Figure 1.1, "Project Location and Tax Map Key." The original Molokai Recreation Center, a multipurpose, four-story structure built in 1976 that housed the DHHL Molokai District Office, a youth center, and space for public service providers and community activities, was located against the hillside on the northern end of the field, but was demolished and replaced with the Ho'olehua Community Center (aka Lanikeha Center) at the southern end of the field in 2001.

# Need for the Project

The proposed center is intended to replicate services provided to Molokai veterans by the current Molokai Veterans Caring for Veterans (MVCV) facility located in Kaunakakai, in a location that is closer to the Ho'olehua homestead area. Programs will include service provision by Veterans Affairs (VA) counselors; federal, state and independent counselors; a VA local doctor, vision care, everyday support groups and use of a kitchen.

The State Department of Defense (DoD) had CIP monies to build the new center on Molokai, but did not have available lands to construct, so DHHL agreed to accept the funds from DoD. DHHL has contracted the planning and design firm Group70 (G70) to design the new center to meet the needs of the veterans and homestead residents in the surrounding area. Because community use-designated lands are being used, DHHL must ensure that the facility is also able to serve beneficiaries, therefore the new facility is proposed to be a dual-use center. The funding secured through legislation will expire unless encumbered into a construction contract by June 30, 2020.

# Need for Environmental Review

The project is an agency action funded by DHHL. The use of State lands and State funds are triggers for the

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preparation of an Environmental Assessment (EA) pursuant to Chapter 343, Hawai'i Revised Statutes (HRS), and Title 11, Chapter 200, Hawai'i Administrative Rules (HAR). DHHL is both the proposing and approving agency, with the HHC making the final determination as to EA acceptability and analysis of significance.

#### PROJECT DESCRIPTION

The proposed project involves the siting of a new facility north of the Lanikeha Center near the old Molokai Recreation Center site. The new 7,000 square foot building is designed to serve both the veterans' and residents' needs by providing health, medical and social services, as well as serve as a relief shelter during natural disasters.

The modular building consists of the following major components: (See Exhibit `A', Fig. 2.3, Conceptual Design Layout)

- meeting/display room
- classroom
- four offices
- kitchen
- restrooms
- covered outdoor gathering space
- storage rooms
- rooftop solar photovoltaic panels

In order to meet project, budget and construction schedule requirements, a single story customized modular structure will be constructed, and will reflect Molokai's architectural character, using materials and colors which blend with the landscape, and avoid highly reflective materials.

The new facility will be accessed from Ke'ena Place and connect to the existing Lanikeha Center driveway, then follow a 22 foot wide access driveway to a small parking area sized to accommodate 20-50 users per day. It is anticipated that the new facility will be able to utilize the existing infrastructure installed for the Lanikeha Center for its wastewater, water, and electrical demand. In summary, the proposed Ho'olehua Veterans and Homestead Residents' Community Center project will improve the health and welfare of the Ho'olehua Veterans and homestead residents by providing additional community facilities and resources in the Ho'olehua homestead area. Those veterans living in Ho'olehua that are unable to travel to Kaunakakai will have their needs met closer to home. The facility can also be used for recreation or afterschool activities by students from nearby schools. It is also not expected that the functions at Lanikeha Center will be impacted, as the HVHRCC will be self-sufficient and separated by a large field and parking.

The legislative allocation for these improvements is \$4 million for plans, design, construction and equipment. Construction is anticipated to take approximately nine (9) months to complete.

The data in the EA will be used to prepare materials for the application and processing of required permits and approvals. Table 1 identifies the regulatory agencies and the approvals and permits required for this project.

PERMIT/APPROVAL	RESPONSIBLE AGENCY	
	State of Hawai'i	
Hawaiʻi Revised Statutes (HRS) Chapter 343 compliance	State Department of Hawaiian Home Lands (DHHL) Office of Environmental Quality Control (OEQC)	
Chapter 6E, HRS Compliance	State Historic Preservation Division (SHPD)	
National Pollutant Discharge Elimination System (NPDES) Permit	State Department of Health, Clean Water Branch (DOH-CWB)	
Community Noise Permit	State Department of Health, Indoor and Radiological Health Branch	
Construction Plan Review/Approval	State Department of Health	
ADA Compliance	State Department of Health	
Grubbing, Grading and Stockpiling Permits	County of Maui, Department of Public Works	
Plan Approval, Building Permits (including electrical, plumbing, civil, and demolition)	County of Maui, Department of Public Works	

Table 1 - Required Approvals and Permits

# DRAFT ENVIRONMENTAL ASSESSMENT (SUMMARY)

Exhibit 'A', DEA, Figure 2.2 Site Plan and Fig. 2.3 Conceptual Design Layout, depicts the location and design of project components. A more detailed description of the entire project, the project's potential impact to the surrounding environment and planned mitigation measures can be found in the DEA. These proposed improvements are anticipated to have minimal impact to the surrounding environment. The natural environment of the project area has already been modified from its natural state by previous use for farming and recreation, and by grading, fill and construction during the development of two previous DHHL facilities and associated infrastructure. Best Practices in construction management will mitigate any potential impacts to adjacent homesteads and public facilities in the project environs.

# DHHL Planning System Consistency

The DEA also addresses the proposed project uses for consistency with existing plans and applicable land use policies. DHHL plans are applicable due to the clear jurisdiction of the HHC over land use on Hawaiian Home Lands, hence consistency with those plans has primacy.

#### DHHL General Plan (2002)

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

# Land Use Planning

Goals:

- Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.
- Encourage a balanced pattern of contiguous growth into urban and rural growth centers.
- 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.
- Direct urban growth to priority development areas based on infrastructure availability, feasible site conditions, beneficiary preferences and job opportunities.

# Land and Resource Management

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

Objective: Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disaster on Hawaiian home lands.

# Building Healthy Communities

Goal: Establish self-sufficient and healthy communities on Trust lands.

Objective: Build partnerships with public and private agencies to ensure reliable and adequate delivery of services to homesteaders.

The proposed project is not in conflict with DHHL General Plan goals and objectives.

# Molokai Island Plan (2005)

The proposed improvements are on lands designated in the Molokai Island Plan as Community Use. A multi-use Veterans and Homestead Residents' Community Center is allowed within this land use designation. One of the concerns expressed during community meetings in preparation of the Molokai Island Plan was the need to create a community use area near the high school for park and other recreational activities for youth. Since adoption of the Molokai Island Plan in 2005, 22 acres of land under the Molokai High and Middle School and adjacent to the Ho'olehua Fire station were exchanged for land on O'ahu to be developed for homesteading. Revised calculations on the amount of Community Use land designated for the Ho'olehua-Pālā'au planning area show approximately twenty (20) acres of Community Use land in the Ho'olehua area remaining, along with fifty (50) acres of land in the Mo'omomi area.

Consistency with other State plans and applicable policies

DHHL endeavors to design its projects to be consistent with the goals and objectives of State plans and County land use and community plans. The project has been analyzed for consistency with applicable sections of state statutes and County of Maui codes, and best practices for construction will be employed. See Exhibit 'A', "DEA for HHC Review," Section 5.0 Conformance with Plans, Required Permits, and Approvals, for a thorough analysis of the project's consistency with State of Hawaii and County of Maui planning and land use objectives, policies, principles and guidelines.

Alternatives to the Proposed Action

## Deferred Or No Action Alternative

The "deferred" or "no action" alternative would mean that no Center would be constructed at this time. The \$4 million in CIP funds would lapse, therefore would be returned to the General Fund. The veterans would continue to use the current facility in Kaunakakai, and the Ho'olehua community would continue to use the Lanikeha Community Center. Additional services and amenities that would be provided by the proposed project would then not be available. As such, the "deferred" or "no action" alternative was rejected as not desirable.

# Renovate and Repair Current Veterans Facility in Kaunakakai

Under this alternative, the MCVC would not have a new facility in Ho'olehua, therefore would continue to use the existing facility in Kaunakakai. The legislative funds that were originally sought for repair and completion of the existing facility were allocated as a Capital Improvement Project (CIP) grant, therefore cannot be used for a project on private lands, and would have to be returned. A new funding source would have to be identified.

There are concerns about eventual (30 to 70 years from now) impacts of sea level rise to the existing MVCV facility, which is located near Kaunakakai Harbor. While renovations to the current MVCV center will serve current needs, eventually the facility will need to either be elevated or relocated. This alternative was deemed not desirable.

# Renovate and Repair Current Lanikeha Community Center

The Ho'olehua Lanikeha Community Center ("Lanikeha Center") is currently being repaired and renovated, and a solar photovoltaic system will be installed. This alternative proposes that the CIP funds be used to support these repairs and renovations, as well as retrofitting the facility's windows and doors to harden it as a certified emergency shelter during natural disasters such as hurricanes.

According to the terms of the CIP grant, the facility must be a portable or modular structure with a photovoltaic system and a new parking lot. In addition, it is to be dedicated primarily to the needs of Molokai veterans, therefore renovations to the Lanikeha Center are not eligible for use of the CIP funds, making this alternative infeasible.

# Alternative Locations for the Proposed Project

Several alternate locations were considered for siting the Ho'olehua Veterans and Homestead Residents' Community Center (HVHRCC). The terms of the CIP grant specified that the facility be located in Ho'olehua, therefore alternatives were limited to that planning area. One alternate location examined was the land currently licensed to Alu Like in Mahana, located on Maunaloa Highway next to Mahana Nursery, on the border with Kaluako'i. It was eliminated because of distance, incompatible land use designation and disposition status, all of which would make this alternative infeasible within the timeframe available to use the CIP funds. The second alternate location considered was the old FAA/U.S. Air Force facility in Mo'omomi, at the end of Pu'ukapele Avenue. This facility is in need of repair and renovation, but has a very large room that is solid concrete on six sides and would make a very good disaster shelter. The land use designation is currently Special District, so adaptive reuse would require an Island Plan amendment. The facility is also still under license with the USAF, and is in a fairly remote location. Therefore, this alternative site was rejected on similar grounds as the Mahana location.

Finally, the National Guard site near Molokai Airport was considered. There is an overgrown helicopter landing pad, but it could be cleared for use. The status of infrastructure in the area is unknown. The site is also not currently in the DHHL inventory, therefore this alternate location was deemed infeasible.

The end of the field at Lanikeha Center was the only location in proximity to the Ho'olehua homestead area that was under DHHL control, already had the correct land use designation, was easily accessible, had available infrastructure and did not need major grading and grubbing or remediation, therefore is the preferred location.

# Analysis of Significance Criteria

Based upon the analysis completed in the DEA, staff anticipates a finding of no significant impact (AFNSI) for the DHHL Ho'olehua Veterans and Homestead Residents' Community Center project. This determination is based upon an analysis of the 13 significance criteria that approving agencies must consider as specified in HAR 11-200-12:

1. Involves an irrevocable commitment to loss or destruction of any natural or cultural resource;

In consultation with the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (DLNR), it was determined that since the project requires grubbing and grading, and minor excavations for utilities, an access road, and a parking lot, archaeological monitoring during ground disturbing activities is being requested by SHPD. Refer to Exhibit 'A', DEA, Appendix C. An archaeological monitoring plan that meets the requirements of HAR 13-279-4 will be submitted to SHPD prior to project initiation. Should any archaeologically significant artifacts, human skeletal remains, or other indicators of previous on-site activity be uncovered during the construction phases of development, their treatment will be conducted in strict compliance with procedures of the Molokai Burial Council and the State Department of Land and Natural Resources.

Keala Pono Archaeological Consulting also carried out a Cultural Impact Assessment (CIA) for the proposed project in September 2017. Interviews with residents familiar with cultural history and practices were conducted. Based on the CIA, it is anticipated the proposed project will not adversely impact cultural resources or practices. Refer to Exhibit 'A', DEA, Appendix D.

A beneficiary informational meeting was held on Molokai to discuss the project on September 5, 2017. Approximately 65 people participated, and comments received were recorded and evaluated. No concerns about potential impacts to cultural or natural resources were expressed.

In addition, the project as designed will be sited within a previously disturbed area, therefore will not impact natural resources in the area. A natural resource assessment was conducted in September 2017, and no federal or State of Hawai'i-listed threatened, endangered, or candidate plant or animal species were found or will be harmed.

2. Curtails the range of beneficial uses of the environment;

The proposed project will not curtail the range of beneficial uses of the environment. With proposed mitigation measures, such as implementation of erosion control measures and Best Management Practices (BMPs) during construction, the proposed project is not expected to result in adverse effects on beneficial uses of the environment. It is anticipated that the project will provide social and economic benefits to the community via additional health, social and medical services, job training, educational and recreational programs. The ability to play sports in the field area will be preserved by siting the building as far as possible at the northern end of the property. 3. Conflicts with the State's long term environmental policies or goals and guidelines as expressed in Chapter 344, HRS; and any revisions thereof and amendments thereto, court decisions, or executive orders;

The proposed project conforms to the environmental goals and policies set forth in the State's Environmental Policy and Guidelines, Chapter 344, Hawai'i Revised Statutes (HRS). The proposed action does not contravene provisions of Chapter 344, HRS, court decisions, or executive orders.

4. Substantially affects the economic or social welfare of the community or State;

The proposed project provides economic and social welfare benefits to the surrounding community by providing additional health, social and medical services, job training, educational and recreational programs. The proposed action would potentially provide a direct, short-term economic benefit to the community during the construction phase. The construction of the proposed project will provide additional facilities such as meeting rooms and a kitchen that community groups and 'ohana can rent to hold special events. As previously noted, based on the CIA, there are no anticipated adverse impacts to cultural resources or properties. Refer to Exhibit 'A', Appendix D.

5. Substantially affects public health;

The proposed project will improve the health and wellbeing of Molokai veterans, their families, and Ho'olehua homesteaders, therefore enhancing public health. There will be temporary impacts to noise and air quality levels during the construction phase of the project; however, these potential impacts will be shortterm and are not expected to substantially affect public health. All construction activities will comply with applicable regulations and will implement appropriate mitigation measures. After construction, the development should have minimal impact on ambient noise levels or air and water quality.

6. Involves substantial secondary impacts, such as population changes or effects on public facilities;

The proposed project will not result in substantial secondary impacts such as population changes, nor will it place additional infrastructure demands on existing roads, wastewater, or drainage systems. The project site is located within existing developed areas of Ho'olehua homesteads and public facilities and involves the construction of a single story customized modular structure that will share water and wastewater infrastructure with the existing Lanikeha Community Center. Existing service limits will not be affected by project implementation. There are no anticipated adverse effects upon public services, such as police, fire, medical, educational, or waste collection services.

7. Involves a substantial degradation of environmental quality;

As discussed in Chapter 3.0 of the DEA, the proposed project is not anticipated to have significant adverse impacts on the region's geology, surrounding topography, soil quality, or hydrology. During project implementation, appropriate measures, such as an Erosion Control Plan and BMP measures, will be implemented to mitigate potential short-term environmental impacts. Refer to Exhibit 'A', DEA, Appendix B, Project Plans. The proposed project is a modular structure intended to have a fairly light footprint on the site, and will not alter drainage patterns, therefore will not degrade the environment.

8. Is individually limited but cumulatively has considerable effect on the environment, or involves a commitment for larger actions;

The proposed action involves the construction of a single story customized modular structure that will share water and wastewater infrastructure with the existing Lanikeha Community Center. As such, the project is not anticipated to result in significant adverse cumulative impacts and does not involve a commitment for larger actions. It is anticipated that implementation of the project would result in positive benefits to the community by providing additional health, social and medical services, job training, educational and recreational programs in Ho'olehua. 9. Substantially affects a rare, threatened or endangered species or its habitat;

There are no rare, threatened, or endangered species of fauna, flora, or their habitat on the project site, which has been utilized by DHHL and its beneficiaries for many decades as a recreational, administrative and community use site. Refer to Exhibit 'A', Appendix A, Natural Resource Assessment. Therefore, significant adverse impacts to these environmental features are not anticipated from the project.

10. Detrimentally affects air or water quality or ambient noise levels;

During the construction of the proposed improvements, there may be short-term impacts to air and noise quality. Appropriate BMPs will be implemented to minimize these short-term impacts which will not extend into the long term. As applicable, appropriate permits, such as a National Pollutant Discharge Elimination System (NPDES) Permit and Community Noise permit will be obtained to ensure appropriate mitigation measures are implemented during construction. Appropriate BMPs will be used during project construction to minimize short term impacts to water quality.

11. Affects or is likely to suffer damage by being located in an environmentally sensitive area, such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters;

The Project will not affect any environmentally sensitive areas. The project area is an upland site, far from shoreline areas, and there are no aquatic resources that would characterize the area as a wetland. Refer to Exhibit 'A', DEA, Appendix A, Natural Resource Assessment.

According to the Flood Insurance Rate Maps (FIRMs) developed by the Federal Emergency Management Agency (FEMA), the project site is located in Zone X, an area determined to be outside of the 0.2% annual chance floodplain, therefore is not vulnerable to flooding or subject to any flood regulations. The parcel is not in a tsunami evacuation zone. As such, this project is not anticipated to result in an adverse effect on environmentally sensitive areas.

12. Substantially affects scenic vistas and view planes identified in County or State plans or studies

The one-story design of the building will not impede identified scenic vistas and view planes. As such, the proposed project is not anticipated to result in substantive, adverse impacts to these resources.

13. Requires substantial energy consumption.

The proposed action will involve the short-term commitment of fuel for equipment, vehicles, and machinery during construction activities. Upon completion of construction, the project will employ the use of solar panels to offset energy use and minimize impacts to electrical demand on Molokai. The facility will utilize energy-efficient appliances and fixtures to minimize energy consumption.

#### NEXT STEPS FOR EA COMPLETION

The following is a list of anticipated next steps and milestones in the completion of the EA.

- DEA anticipated to be published in the July 23, 2018 OEQC bi-monthly bulletin
- 30-day public comment period on the DEA ends August 22, 2018;
- Revise DEA per public comments and complete Final Environmental Assessment (FEA) (August-September 2018);
- Present FEA to HHC; HHC issues Finding of No Significant Impact (FONSI) declaration for the project (October 2018)
- HHC FONSI declaration for the project and FEA submitted to OEQC for publication in OEQC bi-monthly bulletin. (October 2018)

# NEXT STEPS FOR OVERALL PROJECT IMPLEMENTATION

In addition to the completion of the FEA and HHC declaration of FONSI for the project in accordance with HRS Chapter 343 and HAR 11-200, the following actions will need to be completed prior to the construction of the Ho'olehua Veterans and Homestead Residents' Community Center.

- DHHL Land Development Division (LDD) bids out project (January 2019)
- LDD opens bids (February 2019)
- LDD awards and enters into contract with low bidder (March 2019)
- LDD holds Preconstruction Meeting with contractor, issues Notice to Proceed (NTP) (April 2019)
- Project completed (February 2020)

# Recommended Action

For information only. No action required.

# HO'OLEHUA VETERANS AND HOMESTEAD RESIDENTS' COMMUNITY CENTER

DRAFT ENVIRONMENTAL ASSESSMENT



APPLICANT:



STATE OF HAWAI'I DEPARTMENT OF HAWAIIAN HOME LANDS

PREPARED BY:



JUNE 2018

ITEM G-3 EXHIBIT 'A'

# STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18-19, 2018

# To: Chairman and Members, Hawaiian Homes Commission

Thru: M. Kaleo Manuel, Acting Planning Program Manager

From: Nancy M. McPherson, Planner

Subject: Update on DHHL Efforts in the Areas of Climate Change and Sea Level Rise Adaption, Community Resilience and Hazard Mitigation on Hawaiian Home Lands, Statewide

#### RECOMMENDED ACTION

None; for information only.

#### BACKGROUND

#### Context

This informational submittal was prepared in response to a request by the Hawaiian Homes Commission (HHC) at the April 16-17, 2018 HHC meeting on Molokai for an update on DHHL initiatives and activities in the areas of climate change and sea level rise adaptation. The Planning Office previously provided the HHC with an informational submittal outlining development of a coastal zone management (CZM) approach that proposes the integration of CZM, community resilience and hazard mitigation planning at the September 19-20, 2016 HHC Meeting on Maui (Item G-6). The submittal included a discussion of climate change and sea level rise adaptation efforts to that point. See Exhibit 'A'.

Since that update, initiatives at the county, state and federal levels to plan for climate change and sea level rise impacts and improve and integrate disaster preparedness, hazard mitigation and community resilience planning have been ongoing, and the Department of Hawaiian Home Lands (DHHL) has continued to participate in these efforts. The Chairman and Planning Office staff have been meeting internally to discuss these issues and have been attending regular meetings of the Interagency Climate Adaptation Committee (ICAC), its successor, the Hawai'i Climate Change Mitigation and Adaptation Commission (HCCMAC), and the Honolulu City and County's Climate Change Commission (CCC),

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as well as special events and activities such as climate change workshops and federal grant solicitations.

Activity	Dates	Topics discussed
ICAC Meetings	9/27/16,	Reviewed Draft
	5/17/17	Report; finalized
HCCMAC Meetings	10/11/17,	Orientation, Briefing
	12/21/17,	on Report; Mission &
	2/27/18,	Priority setting
	5/22/18	
Hawai`i Sea Level	1/31/17	Reviewed Report
Rise Vulnerability		Methods & Preliminary
& Adaptation		O`ahu Results;
Workshop II		Identified
		refinements &
		additions to report
	<b>DOT</b> 1 1 1	recommendations
PICCC Resilient	EOI submitted	Agency & community
Hawaiian	11/14/17	coordination for
Communities		Resiliency Planning
Initiative		on Molokai
Honolulu Climate	4/19/18,	Orientation,
Change Commission	5/8/18,	discussions w/C&C
Meetings	5/21/18, 6/5/18	departments; 2017 SLR
		Vulnerability &
		Adaptation Report;
		HART; draft Climate
		Change Brief & SLR
		Guidance documents

Table 1 - Summary of Major CCA/SLR Activities since Sept. 2016

# DISCUSSION

# Federal-level Planning Activities

A "Solicitation for Expressions of Interest" for the Pacific Islands Climate Change Cooperative (PICCC) Resilient Hawaiian Communities (RHC) Initiative, a multi-agency sponsored, two-year project designed to support community resilience planning in two Native Hawaiian communities, was responded to in November 2017 by Planning Office staff in collaboration with Molokai groups working on climate change adaptation. The Initiative provides technical assistance and funding through a collaborative process informed by an expert group of organizations and individuals who are leaders in natural and cultural resource management, climate change science, and planning in Hawai'i.

The proposal, "Molokai Community Resilience Strategy for Hawaiian Home Lands Communities," sought to increase the Molokai community's coordination with DHHL and other agencies that may have control over access to land and resources, as well as to increase capacity of the community to network and coordinate their efforts to obtain the necessary resources to carry out their projects. The intent was for DHHL to collaborate with the community to do strategic community resilience planning, ultimately to be incorporated into the DHHL Planning System and implemented on Hawaiian Home Lands, starting with homestead areas on Molokai.

While the Molokai proposal was not selected, two other homestead communities, Kailapa on Hawai'i Island and Waiehu Kou III on Maui, did have successful proposals, and DHHL is administering the grant monies for those projects. The process of developing the Molokai proposal was educational and stimulated an in-depth conversation that will lead to further community resilience planning efforts on Molokai as well as for Homestead communities statewide. Previously, Ka Honua Momona Intn'l, which is currently restoring two fishponds on Molokai, received a grant from PICCC to explore adaptive management strategies for responding to climate change impacts to the fishponds. Unfortunately, PICCC, established in 2009, has recently been disbanded due to changes in federal program priorities. See Exhibit 'B' "Incorporating Science and Traditional Knowledge in Moloka`i…"

# State-Level Initiatives

There has been significant activity at the state level since the September 2016 HHC update regarding climate change adaptation, sea level rise mitigation and community resiliency planning, and greenhouse gas emission reduction, led by the State Legislature and the Governor.

Interagency Climate Adaptation Committee (ICAC), now the Hawai'i Climate Change Mitigation and Adaptation Commission (State Climate Commission)

In 2016, Governor David Ige signed Act 32 Session Laws of Hawai'i, 2017, making Hawai'i the first state to enact legislation implementing parts of the Paris Agreement. The Paris Agreement was signed by 195 nations on November 4, 2016, and is the largest concerted global effort to combat climate change to date. Act 32 amended Hawai'i Revised Statutes (HRS) Chapter 225P by renaming the Interagency Climate Adaptation Committee (ICAC) the "Hawai'i Climate Change Mitigation and Adaptation Commission" (HCCMAC, or State Climate Commission) as well as assigning various tasks to the HCCMAC related to climate change mitigation and adaptation. The State Climate Commission had its first meeting on October 11, 2017. The Chairman of the HHC has a seat on the Commission and is supported by Planning Office staff.

A two-plus-year long research and community engagement effort produced the Hawai'i Sea Level Rise Vulnerability and Adaptation Report (Report), which was completed and adopted by the State Climate Commission in December 2017. The Report contains sea level rise hazard and inundation maps produced via a Geographic Information Systems (GIS) analysis, and recommendations for implementation of the report's findings. The Report can be downloaded here:

https://climateadaptation.hawaii.gov/wpcontent/uploads/2018/01/SLR-Report\_-January-2018.pdf

See pp. 4-8 of the Report for a detailed discussion of the history of Hawai'i climate change policy development.

The State Climate Commission is tasked with implementing HRS Chapter 225P, as amended, by providing direction, facilitation, coordination and planning among state and county agencies, federal agencies, and other partners about climate change mitigation (reduction of greenhouse gases) and climate change resiliency strategies, including, but not limited to, sea level rise adaptation, water and agricultural security, and natural resource conservation.

The draft Mission Statement of the Climate Commission states, "Hawaii's Climate Commission recognizes the urgency of climate threats and the need to act quickly. It promotes ambitious, carbon-neutral, culturally-relevant strategies for climate change adaptation and mitigation in a manner that is Clean, Equitable & Resilient." DHHL will continue to participate fully in the State Climate Commission's activities and analyze all recommendations in terms of the Hawaiian Homes Commission Act and its beneficiaries.

Carbon Neutrality, Sequestration and Offsets

On June 4, 2018, two bills related to carbon neutrality and carbon offsets were signed into law by Governor Ige:

- HB2182 Makes Hawai'i carbon neutral by 2045 and establishes the Greenhouse Gas Sequestration Task Force. HB 2182 becomes Act 15 and takes effect on July 1, 2018.
- HB1986 Creates a framework for a carbon offset program that allows for carbon credits through global

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carbon sequestration protocols. HB 1986 becomes Act 16 and takes effect on July 1, 2018.

At the bill signing ceremony, Gov. Ige said, "We see tremendous potential for restoration, protection and management of forest areas in Hawai'i to offer costefficient climate change mitigation. That's why this framework for capturing carbon through reforestation and carbon farming is an important step forward." There is potential for DHHL and the beneficiaries to participate in this effort and fund restoration of forests on Hawaiian Home lands via the carbon offset program, so the Planning Office will be investigating this opportunity further.

#### Ocean Resources Management Plan (ORMP)

The Office of Planning is currently working with various stakeholders, primarily through the Ocean Resources Management Plan (ORMP) program, to implement HRS §226-109, the Climate Change Adaptation Priority Guidelines. The ORMP includes county, state, and federal stakeholders who implement public projects and programs and incorporates input from the community, businesses, and non-profits who contribute to and support these efforts. DHHL's Planning Office has been attending meetings since 2013. It's foreseen that the ORMP Implementation Working Group will start focusing significant attention on climate change and sea level rise adaptation efforts, and the Planning Office will continue to participate in this process.

# County-level Planning Activities

The Planning Office has been tracking and/or participating in County-led climate change adaptation and community resilience planning efforts, both separately and via the comprehensive planning process, whenever possible.

# Honolulu City & County

The City and County of Honolulu now has an Office of Climate Change, Sustainability and Resiliency (CCSR), established by City Charter in 2016, which supports the recently formed Climate Change Commission (CCC) and is tasked with integrating sustainable and environmental values into City plans, programs, and policies. The role of the CCC is to gather the latest science and information on climate change impacts to Hawai'i and provide advice and recommendations to the mayor, City Council, and executive departments as they look to draft policy and engage in planning for future climate scenarios. Planning Office staff attend the monthly meetings of the CCC whenever possible. See https://www.resilientoahu.org/ and https://www.resilientoahu.org/about-the-commission/ for more information.

In addition, in May 2016, Honolulu was selected as a member of the 100 Resilient Cities network, pioneered by the Rockefeller Foundation (100RC). Cities in the 100RC network are provided with the resources necessary to develop a roadmap to resilience, including the creation of a Chief Resiliency Officer position. For more information, see https://www.resilientoahu.org/100-resilient-cities/

The Department of Planning and Permitting (DPP) has been conducting an update to the O'ahu General Plan for the last several years, and the Planning Office has participated in that process. The Proposed Revised General Plan was transmitted from the Planning Commission to the City Council on April 20, 2018 for adoption. The updated plan includes climate change and sea level rise objectives and policies.

# Kaua'i County

The update to the Kaua'i County General Plan, "Kaua'i Kakou," was adopted in March 2018, and the Planning Office participated in that process. The Plan contains multiple goals, policies and implementing actions that discuss or pertain directly to adapting to impacts from climate change, including sea level rise, managing shorelines and increasing community resiliency, and includes an appendix of climate change and coastal hazard assessment maps, data for which was derived from a Climate Change and Coastal Hazards Assessment technical background report. Policy #14, "Prepare for Climate Change," advises planning for a minimum of three feet of sea level rise, and directs the County to "Prepare for impacts to the island economy, food systems, and infrastructure that will be caused by climate change."

# Maui County

The DHHL Planning Office has been participating in Maui County's Molokai Community Plan update process since 2015. Planning for climate change and sea level rise impacts, including managed retreat scenarios, were discussed, and goals, policies and implementing actions included in the draft Community Plan, which was transmitted to the Maui County Council's Planning Committee in May 2016. A revised draft was submitted May 1, 2018, which is still under review. An entire chapter of the Plan is devoted to hazards mitigation and planning. The Maui County Council's Planning Committee is also considering how best to utilize the data and recommendations in the Hawai'i Sea Level Rise Vulnerability and Adaptation Report.

Relationship to Existing DHHL Plans

Policy statements contained in various DHHL plans previously approved by the HHC generally support the precepts of coastal zone management, community resilience and hazard mitigation, but there is still no overall policy framework, system or programmatic approach to operationalizing current data and projections and implementing recommendations Department-wide. The Planning System is the logical place to institute a comprehensive planning effort to respond to this increasingly serious situation. The Hawai'i State Planning Act was amended in 2012 with the addition of the Climate Change Adaptation Priority Guidelines (Act 286). DHHL has a responsibility to ensure consistency of its plans and programs with the State Plan as long as those plans don't unduly impede the administration of the Hawaiian Homes Commission Act of 1920, as amended. See Exhibit 'C', CCA Priority Guidelines and Aloha+ Challenge Sustainable Development Goals.

# DHHL General Plan

The Planning Office has been given preliminary approval to schedule an update to the General Plan. It is recommended that there be significant focus on climate change and sea level rise adaptation and hazard mitigation using a combination of data and recommendations from the Sea Level Rise Report, the Climate Adaptation Priority Guidelines, and best practices in climate change adaptation planning for indigenous communities that incorporates mo'olelo/ traditional ecological knowledge (TEK).

# Island Plans

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 2005 Island Plan for Molokai used an ahupua'a-based approach for designating land uses, incorporating mauka-makai access for traditional and customary purposes, and designating multiple areas as Special District with provisions for subsistence and cultural resources protection. Implementation of lands in Special District require preparation of Special Area Plans that will guide access to and management of these areas. See Exhibits 'D,' 'E' & 'F', Land Use Designation Maps The Planning Office would like to begin incorporating best practices in integrated coastal zone management, community resilience and hazard mitigation planning in all future Island Plan updates. The SLR-XA maps in the Sea Level Rise Vulnerability and Adaptation Report provide an overlay which could be used by DHHL to analyze risks to existing Hawaiian Home Lands, homesteads and infrastructure and develop policies and strategic responses to plan for the threat. See Exhibit 'G,' "SLR-XA 3 ft. for Kaunakakai"

# Regional Plans

The Wai'anae and Nānākuli Regional Plan updates have continued to highlight the need for a coordinated, multiagency response to community concerns about evacuation routes, drainage and flooding, and overall disaster preparedness and response strategies. While still in the planning process, beneficiary outreach has gathered concerns about disaster preparedness, evacuation routes, flooding, climate change and sea level rise. Draft Priority Projects reflect beneficiary awareness of the importance of timely, coordinated and effective responses to the changes that are coming, and in some ways, are already here. See Exhibit 'H'

# DHHL Water Policy Plan

The Water Policy Plan adopted by the Hawaiian Homes Commission (HHC) in 2014 articulates a vision, mission and values as well as goals and policies as guidance for implementing the language in the Hawaiian Homes Commission Act (HHCA) regarding the rights and responsibilities of the Hawaiian Homes Commission (HHC) and DHHL to ensure the availability of adequate, quality water for the purposes of the HHCA. It is hoped that with the formation of a Water Utility Branch, more staff and resources will foster better coordination with other DHHL divisions and implement watershed, water resource and infrastructure protections per Water Policy Plan recommendations.

# Coastal Zone Management (CZM) -- Projects Near the Shoreline

The Planning Office provides ongoing environmental review and planning technical assistance to other DHHL divisions regarding development along the shoreline, shoreline erosion, springs, drainage, flooding and inundation. As shoreline erosion impacts increase due to accelerating sea level rise, monitoring the situation and proposing mitigation measures will become increasingly important. Current Planning Office CZM activities:

- South Shore Molokai Shoreline Erosion Assessment a consultant has been contracted for this project, designed to assess the shoreline erosion at Kapa'akea, Kamiloloa and One Ali'i homestead areas along the south shore of the island of Moloka'i and make recommendations for mitigation measures. There will be a robust beneficiary participation component, and project initiation is expected in July of this year.
- Continue to participate in CZM and Climate Change Adaptation planning processes.
- Pursue pilot projects in culturally-based adaptive management approaches for natural and cultural resources management on Hawaiian Home Lands.
- Continue to pursue analysis and legal review of HHC authorities in relation to CZM, particularly jurisdictional issues regarding the Special Management Area (SMA).
- Continue to pursue Memoranda of Understanding with all the Counties re: zoning and development standards, infrastructure, building permits etc., to include agreement on procedures related to coastal zone and SMA regulation, climate change adaption, sea level rise and other coastal hazard impact mitigations.

# Planning with Complexity

Coastal zone management, hazard mitigation and community resilience planning, climate change and sea level rise adaptation, and sustainability are all interrelated on multiple levels and scales. This presents a challenge due to the complexity of the issues, as well as an opportunity to leverage resources and identify synergies that will minimize gaps and redundancies and make DHHL's efforts more efficient, cost-effective and successful.

What happens mauka affects makai, so a systems-based, holistic, adaptive and collaborative approach is indicated. Ahupua'a-based planning practices, partnerships with beneficiaries and non-governmental organizations (NGO's), and the wisdom embedded in mo'olelo and Traditional Ecological Knowledge (TEK) will inform programs and strategies that can overcome administrative silos, schisms between beneficiaries and DHHL staff, and divisions within homestead communities on what the best ways to move forward might be.
The Planning Office will continue to work on framing the issues and developing a programmatic approach for integrating DHHL efforts in these areas. As climate change, global ice melt, and sea level rise continue at potentially accelerating rates, a coherent response and proactive measures on the part of DHHL will become more and more critical to the future health and well-being of our beneficiaries.

# RECOMMENDATION

None; for information only.

# STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

Sept. 19-20, 2016

To: Chairman and Members, Hawaiian Homes Commission

Thru: M. Kaleo Manuel, Acting Planning Program Manager

From: Nancy M. McPherson, Planner

Subject: For Information Only - Planning for our Makai Communities - Integrating Coastal Zone Management, Community Resilience and Hazard Mitigation on Hawaiian Home Lands Along the Shoreline, Statewide

RECOMMENDED ACTION

None; for information only.

### BACKGROUND

#### Context

Within the last five years, several instances of jurisdictional conflict due to questions of the applicability of County Special Management Area (SMA) Rules on Hawaiian Home Lands on the island of Molokai have occurred. This has affected beneficiary-serving organizations and individual homestead lessees in various ways, throwing the building permit approval process into confusing territory and in effect impeding administration of one or more of the expressed purposes of the Hawaiian Homes Commission Act.

In addition, significant initiatives at the county, state and federal levels to improve and integrate disaster preparedness, hazard mitigation and community resilience planning are underway, and the Department of Hawaiian Home Lands (DHHL) has an important role to play in those efforts. In response to the pressing need for government to address climate change adaptation and plan for the effects of sea level rise, President Obama released his Climate Action Plan in June of 2013. On June 9, 2014, Governor Abercrombie signed Act 83, "Related to Climate Change," which initiated a research project on impacts of climate change and vulnerability to sea level rise statewide, and authorized the formation of the Interagency Climate Adaptation

ITEM NO. G-6 ITEM NO. G-4 EXHIBIT 'A' Committee (ICAC), which was first convened jointly by the State Office of Planning (State OP) and the Department of Land and Natural Resources (DLNR) on June 3, 2015. The Committee is comprised of legislative committee chairs, representatives of eleven State agencies, including DHHL, and all the Counties. The research will result in a report that will inform legislative proposals and planning efforts, leading to development of a State of Hawaii climate adaptation plan.

# DISCUSSION

Need for a more comprehensive, integrated and formalized approach to Coastal Zone Management, Community Resilience and Hazard Mitigation

Historically, long-serving County staff understood that zoning and other land use regulations, including SMA Rules, could not be implemented on Hawaiian Home Lands due to lack of jurisdiction. More recently, as the Counties have enhanced and expanded their Coastal Zone Management (CZM) programs, and as old staff retire and newer staff unfamiliar with the history of the Hawaiian Homes Commission Act and Hawaiian Home Lands' relationship with the Counties come on board, the mostly informal understanding of the special status of Hawaiian Home Lands is now being challenged in some cases.

In addition, County of Maui has at times tried to exercise enforcement powers over projects on Hawaiian Home Lands, notably on Molokai's southern shoreline. In the past, unpermitted grading activities at Kiowea Park in Kalama'ula were investigated due to complaints submitted to County of Maui, and more recently, complaints received regarding structures in the shoreline setback area at Malama Park as well as on a homesteader's lot in Kamiloloa were responded to by the County's Molokai Planner and Zoning and Enforcement Officer. Subsequently, County of Maui consulted with the State Department of Land and Natural Resources, Office of Conservation and Coastal Lands (DLNR-OCCL), confirming that neither DLNR-OCCL nor the County have jurisdiction over development on Hawaiian Home Lands. See Exhibit 'A'.

The Hawaiian Homes Commission Act clearly states, in Section 206, that the powers of the Board of Land and Natural Resources (BLNR) do not extend to Hawaiian Home Lands:

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EXHIBIT 'A'

§206. Other officers not to control Hawaiian home lands; exception. The powers and duties of the governor and the board of land and natural resources, in respect to lands of the State, shall not extend to lands having the status of Hawaiian home lands, except as specifically provided in this title. [Am L 1963, c 207, §5(a), (b); ree L 1997, c 197, §4]

As the Counties are subdivisions of the State, it is normally accepted that the State can exercise "sovereign immunity" and that County regulations do not apply unless specified in State law. In the case of the administration of Hawaii Revised Statutes, Chapter 205A, the counties have authority to promulgate rules and enforce them in the Special Management Area (SMA) under their jurisdiction. DHHL is assumed to be defined as an "agency" but is not expressly identified as such in the chapter. Agencies such as Hawaii Community Development Authority (HCDA) have promulgated their own SMA Rules and the State OP issues SMA permits for projects in the SMA in the community development districts they control, per HRS §206E-8.5. Research done to date indicates that neither DHHL nor the Hawaiian Homes Commission was expressly involved in the formulation of the Special Management Area boundary in the 1970's, and more research needs to be done on the jurisdictional issues and the HHC's and DHHL's fiduciary duty regarding implementation of HRS Ch. 205A. See Exhibit 'B'.

# Relationship To Existing Plans

Policy statements contained in various DHHL plans already approved by the HHC generally support the precepts of coastal zone management, community resilience and hazard mitigation, but there is a lack specificity or an overall framework to integrate these types of policies, coordinate implementation efforts and promote internally consistent application of these principles throughout the Planning System and operationalize them throughout DHHL as a whole.

# DHHL General Plan

The General Plan contains broad goals and objectives intended to implement the purpose and intent of the Hawaiian Homes Commission Act at a policy level. The following goals and objectives support the development of DHHL policies and programs for coastal zone management, community resilience and hazard mitigation.

# Land Use Planning

Goal: Develop livable, sustainable communities that provide space for or access to the amenities that serve the daily needs of its residents.

Objectives:

- Direct urban growth to priority development areas based on infrastructure availability, feasible site conditions, beneficiary preferences and job opportunities.
- Develop improved relationships with the Counties to ensure reliable and adequate delivery of services to homesteaders.

Residential Uses

Goal: Ensure existing homestead neighborhoods are maintained as healthy and attractive communities for future generations.

Land and Resource Management

Goal: 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.
- Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disasters on Hawaiian home lands.

Building Healthy Communities

Goal: Establish self-sufficient and healthy communities on Trust lands.

Objective:

 Build partnerships with public and private agencies to ensure reliable and adequate delivery of services to homesteaders.

> ITEM NO. G-4 EXHIBIT 'A'

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# Island Plans

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.

To date, the Island Plans have taken into account some, but not all, environmental conditions when conducting land suitability analysis. Coastal hazard vulnerabilities, with the exception of flood zone and tsunami inundation, have not been thoroughly or specifically analyzed in terms of environmental constraints and suitability of proposed land uses. The Planning Office intends to begin incorporating best practices in integrated coastal zone management, community resilience and hazard mitigation planning in all future Island Plan updates.

### Regional Plans

There are 21 Regional Plans for existing homestead areas throughout the state. The Regional Plans identify a broad spectrum of issues and opportunities, potential projects, and priority projects, with a mixture of DHHL- and community-led initiatives. Table 1, "Regional Plan Issues, Opportunities, Potential and Priority Projects Related to CZM-DPP-CR" summarizes those issues, ideas and priority projects that are related to coastal zone management, community resilience and hazard mitigation. See Exhibit C (Table 1).

Several main themes emerge when reviewing what was elicited during the Regional Plan process. Common to many communities was the desire for better ways to evacuate people from coastal areas in case of a hurricane or tsunami, improved access for emergency vehicles, and new or enhanced emergency shelters.

The next most popular request was for drainage improvements and maintenance of drainage ways to reduce flooding in homestead areas. Flooding and drainage problems were issues on Hawai'i Island, Kaua'i, Lāna'i, Maui and O'ahu. In addition, flooding and inundation are known problems for all the low-lying coastal homestead communities on Molokai.

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# DHHL Water Policy Plan

The Water Policy Plan adopted by the Hawaiian Homes Commission (HHC) in 2014 articulates a vision, mission and values as well as goals and policies as guidance for implementing the language in the Hawaiian Homes Commission Act (HHCA) regarding the rights and responsibilities of the Hawaiian Homes Commission (HHC) and DHHL to ensure the availability of adequate, quality water for the purposes of the HHCA.

Priority Policy

1. Expressly determine and plan for future water needs and actively participate in broader water management, use and protection efforts in Hawai`i in order to secure water.

Additional Goals

Part II. Plan for our water needs

4. Determine current and foreseeable future needs based upon periodic reviews of water availability projections that incorporate climate change, projected beneficiary demand, alternative sources and efficiency measures.

# DHHL Energy Policy - Ho'omaluō

This policy in particular contains multiple objectives that when implemented will increase community resilience for our homestead communities by promoting energy selfsufficiency and increased use of renewable energy alternatives.

- Objective 1: Mālama 'āina: Respect and protect our native home lands.
- Objective 2: Ko'o: Facilitate the use of diverse renewable energy resources.
- Objective 3: Kūkulu pono: Design and build homes and communities that are energy efficient, self-sufficient and sustainable.
- Objective 4: Kōkua nō i nā kahu: Provide energy efficiency, self-sufficiency, and sustainability opportunities to existing homesteaders and their communities.

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 Objective 5: Ho'ona'auao: Prepare and equip beneficiaries to promote a green, energy efficient lifestyle in and around communities.

Coastal Zone Management (CZM) Review of Projects Near the Shoreline

The Planning Office provides ongoing environmental review and planning technical assistance to the District Offices and, when needed, coordinates DHHL efforts among the line agencies (LMD, LDD, HSD), the District Offices and beneficiaries regarding important environmental, cultural and natural resource issues in homestead communities.

When questions about best practices in shoreline development, CZM and jurisdiction in the SMA arise, the project previously was not reviewed by the Planning Office. In the past, DHHL projects (but not homestead lessee projects) and non-homesteading projects (e.g. commercial developments) in the County SMA were submitted to the Counties for SMA permits, if applicable.

This practice began to change with the Ka Honua Momona International office and restroom project on Community Use land adjacent to Ali'i Fishpond in Makakupa'ia, Molokai. In July of 2011, The Land Management Division issued an "Exemption" from SMA permitting for the project, on advice from the County of Maui, which had determined that it did not have jurisdiction. The new structures were located as far mauka from the shoreline as feasible, were elevated and a state of the art composting toilet system was installed, therefore no leach field was needed. An informational presentation of the project was voluntarily brought before the Molokai Planning Commission in June of 2011 as a courtesy and was well received. See Exhibit 'B' and Exhibit 'D'.

Subsequently, the County of Maui Planning Director challenged DHHL's ability to grant "exemptions" from SMA permitting requirements based on his reading of Chapter 205A HRS. See Exhibit 'A'.

Recent projects in the SMA receiving CZM technical assistance from the Planning Office include:

- (1) Kiowea Park Pavilion
  - Evaluated shoreline erosion and determined an appropriate shoreline setback for a new pavilion at Kiowea Park in Kalama'ula. Addressed Ch. 205A

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ITEM NO. G-4 EXHIBIT 'A' HRS Coastal Zone Management goals and policies in the Environmental Assessment for the project.

- (2) Kapa'akea Flood Mitigation (MoDO/LDD/PLO)
  - Provided CZM technical assistance to Land Development Division for a three (3) foot high concrete masonry unit (CMU) wall and footing that will extend makai from the south side of Kamehameha V Highway to within 60 feet of the shoreline. The project is currently in the Environmental Review (Ch. 343 HRS) phase.
- (3) Kapuāiwa Coconut Grove Cleanup and Fencing (MoDO/LMD/PLO)
  - Assisted the Molokai District Office in determining the best location and makai extent of fencing around Kapuaiwa Coconut Grove given accelerating shoreline erosion due in part to sea level rise.
- (4) Kumu Camp, Anahola, Kaua'i (LMD/PLO)
  - Determined adequate shoreline setback for makai structures based on established erosion rates for Anahola Bay. Did coastal hazard assessment for project.

# State-Level Initiatives

The State of Hawai'i, while being the only coastal state to not yet have a Climate Change Adaptation Plan, has a number of initiatives underway and plans in place that address various aspects of coastal zone management, disaster preparedness and community resilience.

DLNR-OCCL and OP-CZM have several plans and initiatives underway that are being implemented programmatically. The following initiatives are intended to involve all State and County agencies in coastal zone management, climate change adaptation, hazard mitigation and disaster preparedness. DHHL participates in these initiatives at various levels.

Hawai'i Coastal Erosion Management Plan (COEMAP)

A recent study by the U.S. Geological Survey and University of Hawai'i researchers, National Assessment of Shoreline Change: Historical Shoreline Change in the Hawaiian Islands, finds that the majority of beaches (70%) in Hawai'i are experiencing coastal erosion and many miles

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of beach have been severely narrowed or lost over the past century. DLNR-OCCL promotes more sustainable alternatives for coastal erosion management, beach restoration and "soft" approaches to shoreline protection through the COEMAP. This information will be useful to DHHL as efforts are made to deal with shoreline erosion and armoring on Hawaiian Homes land, and DHHL will participate in future updates to the COEMAP.

# Ocean Resources Management Plan (ORMP)

The ORMP is a requirement under Hawaii Revised Statutes §205A-62(1) and is a major component of the State's Coastal Zone Management (CZM) Program. The ORMP supports effective management, beneficial use, protection, and development of the state's coastal zone, and is implemented via a partnership of State and county agencies. DHHL's Planning Office has been informally participating since 2013.

# Interagency Climate Adaptation Committee (ICAC)

The Hawai'i Climate Adaptation Initiative Act of 2014 (Act 83) is designed to address the effects of climate change through 2050 to protect the State's economy, health, environment, and way of life. The initial focus of the Initiative is on the effects of sea level rise on the islands. Specific actions authorized by the Act include:

- Establishing an interagency climate adaptation committee, attached administratively to the Department of Land and Natural Resources, to develop a sea level rise vulnerability and adaptation report for Hawai'i, projecting through the year 2050;
- Authorizing the Office of Planning to coordinate the development of a statewide climate adaptation plan and to use the sea level rise vulnerability and adaptation report as a framework for addressing other climate threats and climate change adaptation priorities identified in Act 286, Session Laws of Hawai'i 2012; and
- Allocating funds and creating positions to carry out these purposes.

# Multi-Hazard Mitigation Planning

The State of Hawaii Department of Defense, Civil Defense Division has a Multi-Hazard Mitigation Plan, last

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ITEM NO. G-4 EXHIBIT 'A' updated in 2013. The Plan addressed hazards such as high wind and wave events, tsunami etc. and also analyzes the potential effects of climate change, including sea level rise and the potential for more severe storms. The plan describes the hazard, the probability of occurrence, does a risk assessment and presents mitigation strategies, by County. DHHL does not have direct participation or representation in this planning process, but comments on draft updates.

County-level Initiatives

Post-Disaster Reconstruction Guidelines and Protocols

County of Maui Planning Department's Coastal Zone Management Team, with technical assistance from their Sea Grant Extension agent, undertook a project in 2014-2015 to develop post-disaster recovery guidelines and protocols intended to facilitate rebuilding in sensitive coastal areas post-disaster. Planning Office staff contributed to outreach and workshop design and participated in workshops as well as encouraging participation by the beneficiary community on Molokai in the planning process. The guidelines will be used internally by County of Maui personnel in reviewing various types of permits. See Exhibit 'E'.

University of Hawai'i - National Disaster Preparedness Training Center (NDPTC)

The federally-funded NDPTC offers courses that cover coastal community resilience, natural disaster awareness for community leaders, hurricane, tsunami and volcanic crisis awareness, and use of social media for disaster preparedness and response, among other topics. Several Molokai homestead leaders have taken courses when offered on island, and upon request, NDPTC is willing to take their courses out the community to train interested beneficiaries, as well as to conduct trainings here in Kapolei for DHHL staff, free of charge.

University of Hawaii - Department of Urban and Regional Planning (UH-DURP)

Over the past several years, graduate students at UH-DURP, under the guidance of Professor Luciano Minerbi, have selected DHHL's homestead communities for Practicum projects, analyzing community vulnerability to coastal hazards and the role of social capital in community resilience. Students drafted culturally appropriate guidance

for planning with homestead communities for disaster preparedness and resilience, and produced a guidebook with an outline for a two-day community workshop with sample worksheets.

Using the guidebook, a condensed one day training on disaster preparedness planning and coastal hazard mitigation strategies for homestead leaders from Kalama'ula, Kapa'akea and Kamiloloa-One Ali'i homesteads was conducted by Planning Office staff and two graduate students on Molokai in August 2015. The workshop, titled "Molokai Coastal Homestead Resilience & Disaster Planning Workshop" was well received and homestead leaders expressed interest in the Planning Office following up with full two-day workshops involving entire homestead communities. HHC members received copies of the Practicum report, titled "Coastal Resilience for DHHL Communities" at a previous meeting. Also analyzed were some of the jurisdictional issues that DHHL has in regards to Ch. 205A HRS. See Exhibit 'F'.

# Activities by Individual Homestead Associations

The Waimānalo homestead community has been actively engaging for several years with Honolulu City and County and State Civil Defense disaster preparedness activities. Waimanalo was honored as a Hawaii Hazards Awareness and Resilience Program (HHARP) disaster resilient community by local, state, and federal officials during the Waimanalo Emergency Preparedness Fair in June 2015. A Hawai'i Emergency Management Agency-sponsored HHARP (Hawaii Hazards Awareness and Resilience Program) meeting held in Waimānalo in July 2015 was well attended. Both the Wai'anae and Waimānalo homesteads are in communities considered to be active HHARP communities.

# Potential Funding Sources

There are several options that DHHL could pursue in formulating and implementing an integrated Coastal Zone Management, Hazard Mitigation and Community Resilience (CZM-HM-CR) program. One avenue would be to work with State OP and the National Oceanic and Atmospheric Administration (NOAA) to implement a DHHL-specific CZM program and receive CZM funding from the federal program through State OP-CZM.

In addition, the State of Hawaii, Office of Planning and DLNR-OCCL have jointly been applying for grants from NOAA to do coastal hazard mitigation and community resilience. DHHL needs to engage with these agencies on an ongoing basis to ensure that homestead communities and DHHL

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ITEM NO. G-4 EXHIBIT 'A' lands are included in projects being funded by federal grant sources. Other funding sources include the Federal Emergency Management Administration (FEMA) and the United States Department of Agriculture, Rural Community Development Initiative (USDA-RCDI).

# Summary and Next Steps

There are various activities at multiple levels of government that need to be tied together in order for DHHL to implement its efforts in the overlapping areas of Coastal Zone Management, Hazard Mitigation and Community Resilience (CZM-HM-CR). Developing an integrated policy framework that permeates the entire Planning System is recommended. A more coordinated approach to DHHL representation and involvement in various disaster preparedness and community resilience plans, policies, and implementation activities is also needed. Current Planning Office activities in this area include:

- Kapa'akea Shoreline Erosion Assessment funding for the project was approved this year by the HHC. The Planning Office will be initiating this project.
- Continued participation by Planning Office staff in CZM and Climate Change Adaptation planning processes.
- Further analysis and legal review of HHC authorities in relation to CZM, particularly the SMA.
- Identification and initial discussions with other partners willing to assist DHHL in its efforts.

The Planning Office will continue to work on framing the issues and developing a programmatic framework for integrating DHHL efforts in these areas.

#### RECOMMENDATION

None; for information only.

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EXHIBIT 'A'

ALAN M. ARAKAWA Mayor

WILLIAM R. SPENCE Director

MICHELE CHOUTEAU McLEAN Deputy Director



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# COUNTY OF MAUI

DEPARTMENT OF PLANNING

November 25, 2015

Certified Receipt No. (7015 0640 0000 9507 3425)

Mr. Mervin Dudoit P.O. Box 1034 Kaunakakai, Hawaii 96748

Certified Receipt No. (7015 0640 0000 9507 3432)

Hawaiian Home Lands P.O. Box 1874 Honolulu, Hawaii 96805

Dear Mr. Dudoit:

RE: NOTICE OF WARNING AND FIRST (1<sup>ST</sup>) REQUEST TO CORRECT APPARENT VIOLATION(S) WITHIN THE SPECIAL MANAGEMENT AREA (SMA)

TMK:	(2) 5-4-	006:	012-000	0 and j	possibly (2) 5-4-006:029-0000	
RFS No.:	15-0001	1486	5			
Description:	structur	es lo	ocated n	ear the	assessment/determination f shoreline at 1480 Kamehamel awaii, on the island of Molokai	ha

Based on information obtained, we have reason to believe that on your property, on or before November 9, 2015, there were one or more violations. The foundation and roofed structure along the shoreline, are in violation of including but not limited to Section 12-202-12, SMA Rules for the Maui Planning Commission, which states that all actions within the SMA shall be subject to an assessment/determination made by the Planning Director.

The information obtained includes: photographs and witness statements.

You must correct any violation(s) by **December 28, 2015**. We will investigate further, and if we find any of the above-described apparent violations, you will be subject to civil and possible criminal enforcement action.

Civil Fines for the violation will be up to 1) \$100,000.00; and 2) a daily fine of up to \$10,000.00 for each day the violation continues.

This request is only for violations of regulations that are enforced by the Department of Planning. There may be additional violations of regulations that are enforced by other County,

ITEM\_G-4 EXHIBIT 'A' Mr. Mervin Dudoit November 25, 2015 Page 2

State, or Federal agencies. If you have questions about this request, please contact me at <u>Tammy.Osurman@mauicounty.gov</u> or (808)270-7194; and please refer to **RFS 15-0001486**.

Sincerely,

Tammy Osurman Zoning Inspector

xc: Jay Arakawa, Supervising Zoning Inspector (via e-mail) Tammy Osurman, Zoning Inspector (PDF) RFS No. 15-0001486 (KIVA; RFS Project File) JSR:JAA:TLO:smb S:\ZONING\RFS\2015\1486 Dudoit seawall\NOW\NOW1 sma.wpd

> ITEM G-4 EXHIBIT 'A'

ITEM G-6 EXHIBIT 'A' ALAN M. ARAKAWA Mayor

> WILLIAM R. SPENCE Director

MICHELE CHOUTEAU McLEAN Deputy Director



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COUNTY OF MAUL

# **DEPARTMENT OF PLANNING**

October 30, 2012

Ms. Jobie Masagatani, Chair-Designate Department of Hawaiian Home Lands P.O. Box 1879 Honolulu, Hawaii 96805

Dear Chair-Designate Masagatani:

# SUBJECT: KA HONUA MOMONA PROJECT AND APPLICABILITY OF CHAPTER 205A, HAWAII REVISED STATUTES

A question has recently been posed to the County of Maui Department of Planning (Department) relating to uses on Department of Hawaiian Home Lands (DHHL) property. We are hoping that you would offer comments on this issue so that we may respond appropriately.

This relates to Ka Honua Momoa's Kauhale Project on Molokai. You wrote to us on March 27, 2012 and July 8, 2011, stating that "DHHL is exempting this project from the SMA permit requirements" pursuant to the Molokai Planning Commission's Special Management Area rules, which were promulgated pursuant to Chapter 205A, Hawaii Revised Statutes.

It is not clear to us that DHHL has the authority to declare exemptions from state or county SMA requirements for projects that, while on DHHL lands, are not DHHL projects and are not projects for homesteading purposes.

Can you please provide us with specific citations from the Hawaiian Homes Commission Act, relevant case law and/or Attorney General opinions to substantiate this authority?

Your review and response to this issue would be greatly appreciated. If you have any questions or require additional information, please feel free to contact Deputy Planning Director Michele McLean by email at michele.mclean@co.maui.hi.us or by phone at 808-270-7735.

Thank you, in advance, for your time and attention to this request.

Sincerely,

Mu A

WILLIAM SPENCE Planning Director

ITEM G-4 EXHIBIT 'A'

250 SOUTH HIGH STREET, WAILUKU, MAUI, HAWAII 96793 MAIN LINE (808) 270-7735; FACSIMILE (808) 270-7634 CURRENT DIVISION (808) 270-8205; LONG RANGE DIVISION (808) 270-7214; ZONING DIVISION (808) 270-7253 EXHIBIT 'B'

- Ms. Jobie Masagatani, Chair-Designate October 30, 2012 Page 2
- xc: Council Chair Danny Mateo Michele McLean, Deputy Director Clayton Yoshida, Planning Program Administrator Aaron Shinmoto, Planning Program Administrator Michael J. Hopper, Deputy Corporation Counsel

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ITEM	G-4	:
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ITEM	G-6	
EXHIB	IT	'B'

Island	Region	Date HHC Adopted	In Coastal Area	Category	Issue	Opportunity	Priority Project	CZM- related	Disaster Prep & Prevent	Comm. Resili- ence
Hawaiʻi	Kawaihae	Sept. 2010	X	Residential Homestead Needs	No Natural Disaster Evacuation Plan	Develop emergency evacuation plan: do risk analysis, ID evac routes & shelter locations, coordinate w/stakeholders, agencies			X	X
Hawaiʻi	Kawaihae	Sept. 2010	X	Infrastructure Development	Flood Mitigation	Assess flooding risks of drainage ways; coordinate debris removal		Х	Х	Х
Hawaiʻi	Kawaihae	Sept. 2010	X	Natural Resource Management	Pelekane Bay Restoration	Work w/Federal & State gov't agencies to mitigate impacts from Kawaihae Harbor		Х	Х	Х
Hawaiʻi	Kawaihae	Sept. 2010	Х	Natural Resource Management	Jet Ski Restriction	Restrict Jet Ski use abutting HHL		Х		
Hawaiʻi	Ka'ū	May 2012	Х	Alternative Building Code	County code not flexible; increases housing costs	Evaluate use of non- standard building code for HHL		Х	Х	Х
Hawaiʻi	Ka'ū	May 2012	X	Transportation & Circulation	Lack of maintained roads & paths causing erosion, damaging coastal resources	Develop vehicular roadways & pedestrian pathways in coastal Kalae to better manage coastal access, mitigate impacts. Designate sensitive areas as "Off Limits" to vehicles		X		
Hawaiʻi	Ka'ū	May 2012	X	Natural & Cultural Resource Management	Within the coastal areas of Kamāʻoa Puʻuʻeo near Kalae is an area of great cultural importance requiring protection.	Protect and Preserve Cultural Sites & Natural Resources in Kamā'oa	X	X	ITEM 1	IO. G-4

Island	Region	Date HHC Adopted	In Coastal Area	Category	Issue	Opportunity	Priority Project	CZM- related	Disaster Prep & Prevent	Comm. Resili- ence
Hawaiʻi	Ka'ū	May 2012	X	Natural Resource Management	Need a more coordinated approach to wildfire risk reduction	Develop a Regional Fire Control Plan			X	Х
Hawaiʻi	Keaukaha	Dec 2012	X	Emergency Access & Evacuation Planning	Need to improve disaster preparedness	Improve Current Emergency Evacuation Plan w/KS, County, DOT			X	Х
Hawaiʻi	Makuʻu	Dec 2012	X	Infrastructure Development / Roads / Emergency Access	Need alternate access route for emergency vehicles	Develop lower roadway connection between Maku'u Farm Lots and Hawaiian Paradise Park for emergency access only			X	Х
Hawaiʻi	Waimea Nui	Jan. 2012		Infrastructure Development / Roads / Emergency Access	Single access point for Lālāmilo is a problem in an emergency	Open both Lālāmilo Access Roads (east and west)			X	Х
Hawaiʻi	Waimea Nui	Jan. 2012		Alternative Building Code	County code not flexible; increases housing costs	Evaluate use of non- standard building code for HHL	Х	Х	Х	Х
Kaua'i	Anahola	June 2010		Infrastructure Development / Roads / Emergency Access	Improve Road and Traffic Circulation to Kūhiō Highway	Improve road connectivity in Anahola by increasing direct access to Kūhiō Highway.	X		X	Х
Kaua'i	Anahola	June 2010	X	Natural Resource Management	Need more comprehensive planning approach for makai areas	Develop plan that identifies shoreline resources & access points to better manage coastal land between Anahola Beach Park and N edge of DHHL lands.		X		Х

Island	Region	Date HHC Adopted	In Coastal Area	Category	Issue	Opportunity	Priority Project	CZM- related	Disaster Prep & Prevent	Comm. Resili- ence
Kaua'i	West Kauaʻi	Feb. 2011	Х	Emergency Shelter, Access, & Evacuation	Community needs an emergency shelter	Develop a Multi- purpose Evacuation / Cultural / Education Center / Shelter	Х		Х	Х
Kaua'i	Wailua	Dec. 2009	Х	Flood Mitigation	Flooding occurs during rainy season makai of the highway & near the jail	Design and implement drainage improvements			X	
Lānaʻi	Lānaʻi	June 2010		Community Safety	Vegetation overgrowth on undeveloped lands & vacant lots poses fire & safety hazards, loss of sidewalk access & reduces visibility at intersections.	Provide work by hiring on-island contractor to conduct maintenance, control vegetation on vacant lots & planting strips. Clear lands / develop fire break.			X	X
Lānaʻi	Lānaʻi	June 2010		Infrastructure Development - Drainage	Inadequate drainage - not adequately protecting land from soil erosion.	Install off-site retaining wall to mitigate drainage issues, control soil erosion			Х	
Lānaʻi	Lāna'i	June 2010		Natural Resource Management, Community Use of Interim lands	Interim Community Use & Management of Vacant & Undeveloped Lands	Develop program for interim land use, community agriculture / farming.	Х			Х
Molokai	Molokai	April 2010		Infrastructure Development - Roads	Many roads in Ag Homestead areas not paved – become 4 WD only / impassable in wet conditions	Pave dirt roads (feedback from NHDPP outreach)			Х	Х

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Island	Region	Date HHC Adopted	In Coastal Area	Category	Issue	Opportunity	Priority Project	CZM- related	Disaster Prep & Prevent	Comm. Resili- ence
Maui	Waiehu Kou/ Paukukalo	June 2010	X	Infrastructure Development - Drainage	Address Drainage Issue at Paukūkalo - problem w/ sinking houses at Kalākaua and Kūhiō Streets. 1950's homes built on sand, floods when it rains.	Need drainage improvements for homes along a section of Kalākaua Street that intersects with Kūhiō Place and Keali`i Drive.	X		X	X
Maui	Kahikinui	July 2011		Infrastructure Development / Roads	Condition of spine road affects daily lives of all residents. Health & safety issue - emergency vehicles are either unable to reach the scene or take a very long time to come up to site of emergency.	Repair and maint. of mauka-makai road critical. Create new secondary road at lower elevation, below loop road, to provide access to lower lots, firebreak & emergency vehicle access. Need better access to upland forests areas.	X		X	X
Maui	Keokea- Waiohuli	June 2010		Community Safety / Emergency Access & Evacuation Planning	Civil Defense Sirens, kupuna safety	Ensure that civil defense siren system provides coverage for Homestead area. Ensure safety of kupuna in event of an emergency.			X	Х
Oʻahu	Waimānalo	Nov. 2011	X	Infrastructure Development / Roads	Congestion along highway at rush hour is a real problem. Alternate route during emergency events is needed.	Investigate Potential Routes for Alternative Access or Bypass Road			X	X

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EXHIBIT 'A'

ITEM G-6, EXHIBIT 'C'

Island	Region	Date HHC	In Coastal	Category	Issue	Opportunity	Priority Project	CZM- related	Disaster Prep &	Comm. Resili-
		Adopted	Area				-		Prevent	ence
Oʻahu	Waimānalo	Nov. 2011	X	Emergency Access & Evacuation Planning	Information gap currently exists for community & visitors on recommended evacuation routes from the coastal areas.	DEM preparing a plan w/ travel routes in Waimānalo; identifies refuge areas & shelter facilities; coordination / collaboration requirements; GIS evacuation route/ tsunami boundary signage plan	X		X	X
Oʻahu	Waimānalo	Nov. 2011	X	Infrastructure Development / Roads	Waikupanaha Improvements / Ilauhole Street Extension was proposed in 2006, funding lapsed.	This road will provide emergency access (e.g. in case of tsunami), and better access to jobs (i.e., CTAHR) from subdivisions.	Х		X	X
Oʻahu	Waiʻanae / Lualualei	July 2010	Х	Emergency Access	No alternate route if only highway is blocked	Implement emergency access road through Kolekole Pass				
Oʻahu	Wai'anae / Lualualei	July 2010	Х	Infrastructure Development / Roads	Constant traffic backups on Farrington Highway	Wai'anae Trans. Corridor Coordination & Improvements - need coordination among stakeholders	Х	Х	Х	Х
Oʻahu	Nanakuli	Dec. 2009	Х	Community- based economic development	Need more economic opportunities in region	Promote community- based management & use of ocean resources		Х		Х

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Island	Region	Date	In	Category	Issue	Opportunity	Priority	CZM-	Disaster	Comm.
		HHC	Coastal				Project	related	Prep &	Resili-
		Adopted	Area				-		Prevent	ence
Oʻahu	Nanakuli	Dec. 2009	X	Infrastructure Maintenance & Improvements - Drainage	Streams and canals accumulate debris, Homesteaders along the canal/ditch are responsible for keeping them clean.	Identify ways to encourage homesteaders; ID need for assistance. Organize community workdays; collaborate with non-profit organizations for community drainage improvement projects		X	X	X

ITEM NO. G-4 EXHIBIT 'A'



NEIL ABERCROMBLE GOVERNOR STATE OF HAWAPI

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ALBERT "ALAPAKI" NAHALE-A CHAIRMAN HAWAIIAN HOMES COMMISSION

> MICHELLE K. KAUHANE DEPUTY TO THE CHAIRMAN

M. WATALEALE SARSONA EXECUTIVE ASSISTANT

# STATE OF HAWAI'I DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879 Honolulu, hawapi 96805

July 8, 2011

bc: LMD Reading LMD File: LA 744 LMD Staff: TG Maui DO Commissioner Artates

Mr. William Spence Director of Planning Department of Planning County of Maui 250 S. High Street Kalana Pakui Building, Suite 200 Wailuku, Hawaii 96793

Aloha Mr. Spence:

Subject: Declaration of Exemption, Ka Honua Momona Kauhale Project, Building Permit Application Nos. T2011/0815 and T2011/0817 Tax Map Key: (2) 5-4-006:019

Under provisions of the Hawaiian Homes Commission Act (HHCA) of 1920, as amended, the Department of Hawaiian Home Lands (DHHL) is exempting itself from the Shoreline Management Area (SMA) Permit requirements pursuant to the County of Maui, Department of Planning related to the development of the above-mentioned project.

Exemption from the following County of Maui, Department of Planning, SMA Rules is being declared:

 Title MC-12, Subtitle 03, Chapter 302 §12-302-14 Special management area minor permit procedures

DHHL is exempting this project from the SMA permit requirements to facilitate the construction of a small office (no greater than 775 square feet), a restroom facility including

> ITEM G-4 EXHIBIT 'A'

ITEM G-6 EXHIBIT 'D' Mr. William Spence July 8, 2011 Page 2

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composting toilets and measuring approximately 10' x 14', a traditional hale made of natural and local materials measuring 20' x 40', a gray water system which incorporates subsurface irrigation, and an outdoor performance platform made of mounded earth.

Should you have any questions, please call Todd Gray, Land Agent, Land Management Division, at (808) 620-9460.

Me ke aloha,

Mul

Linda Chinn, Administrator Land Management Division

c: Ka Honua Momona International

ITEM G-4 EXHIBIT 'A'

ITEM G-6 EXHIBIT 'D'

# POST-DISASTER RECONSTRUCTION GUIDELINES AND PROTOCOLS

for the Conservation of Coastal Resources and Protection of Coastal Communities, Maui County, Hawaii









# Joastal



# A resource for the Department of Hawaiian Home Lands and its beneficiaries

Information to help officials and residents assess coastal hazards, enhance beneficiaries' disaster-readiness, improve management of the resource, and clarify jurisdictional issues. Prepared by the Department of Urban and Regional Planning's Spring 2015 Practicum Team, University of Hawai'i at Mānoa

May 2015 Honolulu, Hawai'i





ITEM G-6 <sup>EXHIBIT 'A'</sup> EXHIBIT 'F'



Incorporating science and traditional knowledge in Moloka'i to prepare fishponds for climate change

How will local communities prepare infrastructure for climate change? To answer this question, this project brings together climate change scientists, Moloka'i's traditional fishpond managers, and other natural resource managers to share scientific and cultural knowledge and work together as a team to identify adaptive management strategies for two of Moloka'i's ancient fishponds.

Moloka'i is a small, rural, culturally rich Hawaiian island with much of its human infrastructure (including culturally critical ancient fishponds) located on the coast. It also protects some of the best native coastal plant communities in Hawai'i. Yet, predicted ecosystem response to climate change has not yet been a major topic of discussion.

In order to explore and discuss the impact of climate change upon the local fishponds, this project pursued a short series of workshops that include field trips, presentations, brainstorming sessions, shared meals, and cultural protocol. This formed new and strengthened existing partnerships between and among workshop participants so resources can be pooled and the island can respond as one in the face of climate change. The workshop results will be incorporated into the strategic plan for the ponds and upland areas. In addition, the K-6 educational curriculum will be revised, a climate change video featuring Moloka'i kūpuna will be created, a community meeting will be held, a "community engagement protocol" will be created to help scientists work with other small communities throughout Hawai'i Nei (and the Pacific), and experiences will shared with others in the scientific and cultural management communities.

This project has several goals. The first is to bring Hawaii's climate change scientists, Molokai's traditional fishpond managers, and other coastal natural resource managers together to share scientific and cultural knowledge about predicted ecosystem response due to climate change, and work together as a team to identify adaptive management strategies to protect two of Molokai's ancient fishponds. The aim is to create new, and strengthen existing, partnerships between scientists and cultural resource managers, so we can better respond to predicted ecosystem changes and protect cultural and ecological resources.

Additionally, the project has the goal of starting the community of Moloka'i thinking about how to respond to climate change, as individuals and as an island, by sharing what we have learned.

ITEM NO. G-4 EXHIBIT 'B' The project aims to improve the ability of scientists to engage traditionally based communities to address climate change. Through climate change workshops and the development of community engagement protocol, this project helps to enable scientists to engage traditionally based communities in order to more effectively address on-the-ground impacts of climate change.

For more details about this project, visit the PICCC projects page: piccc.net/our-projects.



The map below depicts the PICCC geography, which includes Hawai'i, American Sāmoa, Guam, the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau and 4 Marine National Monuments.



**Principal Investigators** Kauwila Hanchett

# **Project Partners**

US National Park Service University of Hawai'i, Mānoa USGS

The Pacific Islands Climate Change Cooperative (PICCC) was established in 2009 to assist those who manage native species, island ecosystems, and key cultural resources in adapting their management to climate change for the continuing benefit of the people of the Pacific Islands. The PICCC provides a range of services and tools to help managers in Hawai'i, the Mariana Islands, American Sāmoa, and other Pacific Island groups make informed decisions for conservation of natural and cultural resources including climate models at the scale of islands and archipelagos, ecological response models, and implementation and monitoring strategies for island species, resources, and communities. Our goal is to help managers reach explicit biological and cultural conservation objectives in the face of climate change and ongoing threats such as fire, land conversion, and invasive species.

# **Contact:**

Jeff Burgett PICCC Science Coordinator <u>jeff.burgett@piccc.net</u> 677 Ala Moana Blvd., Suite 320 Honolulu, HI 96813 Phone: 808-687-6175 Fax: 808-664-8510

> Banner photo by Matthew Wingate, NOAA Photo Library; SLR diagram by Kane & Fletcher ITEM NO. G-4

> > EXHIBIT

'B'

# Box 1. Hawai'i Climate Adaptation Priority Guidelines (Hawai'i State Planning Act)

- 1. Ensure that Hawaii's people are educated, informed, and aware of the impacts climate change may have on their communities;
- 2. Encourage community stewardship groups and local stakeholders to participate in planning and implementation of climate change policies;
- Invest in continued monitoring and research of Hawaii's climate and the impacts of climate change on the State;
- 4. Consider Native Hawaiian traditional knowledge and practices in planning for the impacts of climate change;
- Encourage the preservation and restoration of natural landscape features, such as coral reefs, beaches and dunes, forests, streams, floodplains, and wetlands, that have the inherent capacity to avoid, minimize, or mitigate the impacts of climate change;
- 6. Explore adaptation strategies that moderate harm or exploit beneficial opportunities in response to actual or expected climate change impacts to the natural and built environments;
- Promote sector resilience in areas such as water, roads, airports, and public health, by encouraging the identification of climate change threats, assessment of potential consequences, and evaluation of adaptation options;
- 8. Foster cross-jurisdictional collaboration between county, state, and federal agencies and partnerships between government and private entities and other nongovernmental entities, including nonprofit entities;
- **9.** Use management and implementation approaches that encourage the continual collection, evaluation, and integration of new information and strategies into new and existing practices, policies, and plans; and
- 10. Encourage planning and management of the natural and built environments that effectively integrate climate

# Box 2. Aloha+ Challenge Sustainable Development Goals

- Clean Energy: 70% clean energy, including 40% from renewables and 30% from efficiency
- Local Food: At least double local food production with a goal of 20 to 30% of food consumed grown locally
- Natural Resource Management: Reverse the trend of natural resource loss mauka to makai by increasing freshwater security, watershed protection, community- based marine management, invasive species prevention, and native species restoration
- **Waste Reduction:** Reduce the solid waste stream prior to disposal by 70% through rough source reduction, recycling, bioconversion, and landfill diversion methods
- Smart Sustainable Communities: Increase livability and resilience in the built environment through planning and implementation at the state and county levels
- Green Workforce and Education: Increase local green jobs and education to implement these targets



**Department of Hawaiian Home Lands** 

Moloka'i Island Plan



Figure 4.2 - Kapa'akea, Makakupa'ia, Kamiloloa Preferred Land Use Plan









Molokai Veterans Center

# **Molokai Veterans Center**

Malama Cultural Park



Google

Google



	200
	PAREDNESS & NATION
<ul> <li>A safe community with compreh and facilities, prioritizing the safe</li> <li>Disaster preparedness and clima self-sustainability.</li> <li>Coordinated and efficient disaster</li> </ul>	té change mitigation via community er-minded roadway improvements, ergency Access Road (WCEAR) and
Implementation Actions (in no particular order)	Küleava Who will help to implement?
Hold Community Resilience Workshops and prepare a disaster mitigation plan.	<b>DHHL</b> coordinate and hold workshops for the Wai'anae & Lualualei homestead communities
Clarify a process for determining the community's desired roure for the Wat'anae Coast Emergency Access Road (WCEAR).	[to be adited by DHHC]
Continue to explore the construction of a Wai'anae Coast Parallel Route mauka of Kawao Avenue ("6th Road")	[to be edited by DHHL]
Increase cross-department coordination and regular progress reports on roadway maintenance, improvements, and other construction affecting emergency procedures.	DHHL and homestead communities push for cross-department coordination beginning with the Community Resilience Workshops (see above).
Explore creation of homestead Community Resilience Plan that integrates short-term disaster response and long-term community resilience.	DHHL explore what work has been done in this area, existing information, and identify potential partners who might collaborate with DHHL to create a Community Resilience Plan. Could potentially result from Community Resilience Workshops (see above).
	Homestead communities participate and contribute their mana's to the planning process.
Explore community-led projects to increase home and neighborhood self-sufficiency (food, water, energy, and other forms).	Homestead communities assess existing resources and opportunities, coordinating with DHHL and other community partners to plan and initiate small-scale community projects.

ITEM NO. G-4 -----EXHIBIT 'H'

#### STATE OF HAWAII

# DEPARTMENT OF HAWAIIAN HOME LANDS

June 18-19, 2018

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager Subject: Presentation of Water Credit Allocation Criteria

# RECOMMENDED MOTION/ ACTION

None; for information only.

#### DISCUSSION

"Water Credits" are commitments to the issuance of future water meters by the Boards/Departments of Water Supply by the four Counties. They are issued in favor of entities, including the Department of Hawaiian Home Lands (DHHL or Department). Counties issue water credits under contracts called "Water Credit Agreements" or similarly titled, and are usually granted based on the entity receiving them having contributed money or infrastructure for water source, transmission, or storage.

This submittal outlines: (1) background on Water Credit Allocation Criteria to be implemented by the DHHL; (2) authorities and policy guidelines supporting the recommended motion/ action; and (3) a brief overview of the Internal Process for the Management of Water Credits, attached as Exhibit "A."

No approval by the Hawaiian Homes Commission (Commission) is necessary at this time because Department procedures, including procedures for managing water credits, are within the existing authority of the Chairman. The Chairman intends to implement these procedures for the appropriate management of water credits.
#### I. Background

As described above, "Water Credits" are commitments to the issuance of future water meters by the Boards/Departments of Water Supply by the four Counties. Water credits are obtained by the Department from the various County Departments and Boards of Water Supply through agreements. The Department has identified the need to manage water credits as important trust assets in the 2014 Hawaiian Homes Commission Water Policy Plan, Additional Goal 13, "Methodically and consistently manage and allocate water credits."

The need for such criteria and procedures was highlighted In January 2016, a homesteader inquired with a Department Land Agent as to whether and how he could assist her family in obtaining a water meter, which would require allocation of a water credit, to an existing homestead lot that had recently been subdivided to accommodate a growing family of beneficiaries. Several Department Divisions and consultants conferred on how to address the inquiry, which raised several questions: (1) what priorities does the Department use in allocating water credits?; (2) what procedures does the Department employ in allocating its water credits?; (3) how does the Department organize knowledge of its water credit inventory"; and (4) how does the Department determine charges, if any, for use of its water credits? Each of these questions implicates the Commission's management of public trust resources and in alignment with its purposes of serving beneficiaries of the Hawaiian Homes Commission Act (HHCA or "Act").

Previously, management of these assets has meant responding to inquiries on a case-by-case basis and concomitant complications concerning the tracking and inventorying water credits. The attached Internal Process for the Management of Water Credits responds to a need to standardize the means by which the DHHL allocates credits, updates inventories of credits and their usage, and ensures the allocation of credits is consistent with their status as trust assets and Department planning goals. These procedures solely affect the Department's internal management of its water credits and do not affect the current procedures under which Department Divisions and Offices and beneficiaries may make inquiries and requests for water resources with the Department.

In line with discussions and the goal noted above from the Water Policy Plan, the Department determined that this inquiry and its wider mission would be best met by developing and implementing clear criteria and a procedure for managing its water credits as trust resources.

#### II. Authorities and policies supporting procedures

Development and implementation of Internal Process for the Management of Water Credits is warranted under two of the four priority goals of the Water Policy Plan:

 Affirmatively communicate with beneficiaries regarding water decisions, performance, and water rights on a regional and annual basis.
 . . ]
 Develop and manage a Water Assets Inventory (WAI).

The Water Policy Plan also includes an additional goal that specifically concerns its management of water credits:

Part IV. Develop and protect water sources
[ . . . ]
13. Methodically and consistently manage and allocate water credits.

Id. The Water Policy Plan was itself developed as a means of ensuring compliance with the HHCA. The principal purposes of this Act include the provision of adequate amounts of water and supporting infrastructure, so that homestead lands will always be usable and accessible[.]" HHCA § 101(b)(4). The Act recognizes the solemn trust created between the United States and the State of Hawai'i and the fiduciary duties of the Commission to administer the Act on behalf of beneficiaries.

The fiduciary duties of a trustee include accurate accounting for trust assets, carefully managing those assets, and administering the assets impartially based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries. Also consistent with prudent management of trust assets, the Department is authorized to charge homesteaders subdividing their property for the water credit cost and other costs associated with water development.

In accordance with these obligations to manage, protect, and administer trust assets, the Department developed its Internal Process for the Management of Water Credits.

#### III. Overview of Water Credit Management Procedures

The Internal Process for the Management of Water Credits organize the Department's internal accounting of water credits and geographic location and the priorities served by the Department's allocation of the credits, as well as charges. Staff concurred that standardization of these internal procedures and prioritization of allocations and costs were needed and desirable.

The Internal Process for the Management of Water Credits include the following tasks and practices for the Department:

- Development and maintenance of a database of water credits, their geographic location, documentation of their acquisition and disposition, and their allocation.
- (2) Standardized criteria under which to prioritize requests for allocation of water credits.
- (3) Ensuring notification of water credit usage to County Departments of Water Supply or other water credit donors.
- (4) Ensuring appropriate approval from the Commission regarding disposition of water credits.

#### IV. Conclusion

The above information was presented to inform and update the Commission on the Department's efforts to improve its internal management of water credits.

RECOMMENDED MOTION/ ACTION None; for information only.

# **DEPARTMENT OF HAWAIIAN HOME LANDS**



# **DRAFT** Internal Process for the Management of Water Credits

Procedure Number ##-2018

> Jobie M.K. Masagatani, Chairman Hawaiian Homes Commission

Date

1

HHC ITEM G-5 Exhibit A

# Procedure and Workflow

- Subject: Internal Department of Hawaiian Home Lands procedures and workflow for the management and allocation of water credits.
- Purpose: To provide procedures for the Department of Hawaiian Home Lands to follow in implementing the Hawaiian Homes Commission Water Policy Plan, Part IV (13) additional goal to "Methodically and consistently manage and allocate water credits.."
- Policy: Water credits held by the department are a valuable trust asset. They should be methodically and consistently managed and allocated in a manner in accordance with the Constitutional and statutory authorities and Plans and Policies of the Department

Any remaining credits in excess of all needs described below shall be treated as a valuable trust asset. The Department shall make attempts to either monetize these credits or trade them for credits with the relevant DWS in areas where credits may be needed.

Authority: Water credits are obtained by the Department from the various County Departments / Boards of Water Supply through agreements. Those credits are issued under the various state and county authorities that govern those bodies.

The Department follows a three-tiered planning system to guide development and management of its land holdings for the benefit of current and future beneficiaries. The planning system includes its over-arching General Plan, followed by its second tier of Strategic Program Plans and Island Plans followed again by Regional and Development Plans in its third tier. Water credits are to be used to achieve the prioritized purposes in those plans.

The Hawaiian Homes Commission Water Policy Plan goals include, Part IV "Develop and protect water sources[,]" which states as a goal (13) "Methodically and consistently manage and allocate water credits."

# Glossary of Terms for Water Credit Management

- 1) **Charge** the fee paid in exchange for receiving the benefit of a water credit from the Department.
- 2) **Department -** the Department of Hawaiian Home Lands.
- 3) **Department of Water Supply** refers to the Kaua'i County Department of Water, Maui County Department of Water Supply, Honolulu City and County Board of Water Supply, and the Hawai'i County Department of Water Supply, as appropriate.

## Department of Hawaiian Home Lands Procedure

Internal Process for Homesteader-Use Well Development Requests

- 4) Homesteader the holder or successor thereto of a lease which may be of the following classes issued under section 207 of the act: (1) Residential or residence lot lease; (2) Pastoral or pastoral lot lease; and (3) Agricultural or agricultural lot lease.
- 5) **Island or Regional Plans** refers to plans developed under two tiers of the Department Planning Office's general planning. Island and Regional level plans are available on the Department Planning Office's website.
- 6) Water credits a certain amount of water to be delivered to a parcel or area based on an agreement and allocation from Hawaii's various Boards and Departments of Water Supply.
- 7) **Subdivision** Division of a homestead lot into two lots to allow the transfer of a portion of the lot to another individual who qualifies under the Act, subject to commission approval for the remaining term of the original lease.

**Department of Hawaiian Home Lands Procedure** Internal Process for Homesteader-Use Well Development Requests Number ##-2018

## Process

This process governs the allocation of water credits held by the Department

## **Responsible Entity** Action (DHHL Office or Division) Maintains a database of water credits held by the Department, the area of their geographic application, and all associated documentation related to the acquisition and disposition of the credits. Makes that information readily available to staff with need for the information. Ensures that unmet water credit requests and the balance of water credits reflected in the updated database are included in annual reports to the Hawaiian Homes Commission concerning the inventory of the Commission's public trust assets. (DHHL Office or Division) Maintains a database of unmet water credit demands for DHHL lands in the following categories. The categories listed first have higher priority for credit issuance: a. Awarded homestead lots b. Areas where the Department has invested in infrastructure development for homestead lots but development is incomplete c. Lots eligible for subdivision d. Ancillary community uses that are identified in Island or Regional Plans or other HHC land use designation actions e. Commercial and other non-homestead, noncommunity uses in the area on DHHL lands

•

<ul> <li>(DHHL Office or Division)</li> <li>Receives request for credit issuance and acknowledges receipt of request</li> <li>Determines if a credit is available and what the charge will be for the proposed use, based on the information known about the number of available credits and known demands (from above). Determination will be based on the following prioritization, and prepares a memo for Chairpers on same (see Exhibit A)</li> <li>a. First priority for credits is for awarded homestead existing lots. If there is a deficit o credits for awarded lots, they will be provided first come, first served to lessees at the time to lessee is ready to build.</li> <li>In these cases, credits will be provided at no charge.</li> <li>b. Second priority for credits are for planned development where the Department has invested in infrastructure development but the development has not progressed.</li> <li>In these cases, when the leases are</li> </ul>	
<ul> <li>charge will be for the proposed use, based on the information known about the number of available credits and known demands (from above). Determination will be based on the following prioritization, and prepares a memo for Chairpers on same (see Exhibit A)</li> <li>a. First priority for credits is for awarded homestead existing lots. If there is a deficit o credits for awarded lots, they will be provided first come, first served to lessees at the time t lessee is ready to build.</li> <li>In these cases, credits will be provided at no charge.</li> <li>b. Second priority for credits are for planned developments where the Department has invested in infrastructure development but the development has not progressed.</li> </ul>	
<ul> <li>homestead existing lots. If there is a deficit of credits for awarded lots, they will be provided first come, first served to lessees at the time to lessee is ready to build.</li> <li>In these cases, credits will be provided at no charge.</li> <li>b. Second priority for credits are for planned developments where the Department has invested in infrastructure development but the development has not progressed.</li> </ul>	
<ul> <li>b. Second priority for credits are for planned developments where the Department has invested in infrastructure development but the development has not progressed.</li> </ul>	he
awarded and the lessee is ready to build, credits will be provided at no	)
charge. c. Third priority are for credits for new lots resulting from a subdivision of existing lots. In these cases, the pre-subdivision lessee has already benefited from a from meter. Credits will be provided at the current cost of obtaining a credit from the relevant Department of Water Supply (not the value of the credit whe it was obtained by DHHL)	
<ul> <li>d. Fourth priority are for ancillary community use that are identified in Island or Regional Plans other HHC land use designation actions.</li> <li>In these cases credits will be provided no charge for any non-profit activities; the current cost of obtaining a credit from the relevant Department of Water Supply for for-profit activities.</li> </ul>	or at at
e. Fifth priority is for commercial and other non- homestead, non-community uses in the area of DHHL lands.	n

**Department of Hawaiian Home Lands Procedure** Internal Process for Homesteader-Use Well Development Requests Number ##-2018

• These are provided at the current cost of obtaining a credit from the relevant Department of Water Supply.

## Responsible Entity

## <u>Action</u>

Accepts or rejects staff recommendation

Office of the Chairperson

(DHHL Office or Division)

(DHHL Office or Division)

Responds to requestors inquiry in accord with the Office of Chairperson determination.

If the water credit was determined to be granted, manages issuance process and charge by:

- (1) updating DHHL internal database
- (2) notifying the appropriate County Department of Water Supply or other entity that granted the water credit
- (3) notifying Fiscal Office and/or Administrative Services Division of charges, if any, associated with the water credit disposition

## END OF PROCEDURE

## HHC ITEM G-5 Exhibit A

6

**Department of Hawaiian Home Lands Procedure** Internal Process for Homesteader-Use Well Development Requests Number ##-2018

- Exhibit A -

Sample analysis and recommendation to Chairperson for allocation of a water credit

To: Chairman, Department of Hawaiian Home Lands

From: DHHL Office or Division

Subject: Request for approval of water credit allocation

A request for 10 water credits was received from homesteaders for residential uses on their lands in Anahola, Kaua'i. According to the database maintained in our Division, DHHL has an agreement with Kaua'i County Department of Water under which DHHL was allocated 30 credits in relation to a well development agreement. Water credits to be allocated will be associated with parcels located at the following Tax Map Key (TMK) Nos.: (4) 4-8-018: 028, 029, 030, 031, 032, 033, 034, 035, 036, 037.

According to the DHHL's Water Credit Management Procedures, the request for water credits to service existing homestead lots is a "first priority" for awarding such credits and are not to be charged. DHHL has available credits in the amount requested.

For these reasons, our Division recommends approval of the request for 10 water credits to Anahola homesteaders at no charge to the homesteaders. Upon your determination, we will inform the requestors and proceed accordingly.

Please direct any inquiries to our Division.



OR (GINAL

## State of Hawaii

Department of Hawaiian Home Lands

June 18 - 19, 2018

To: Chair and Members, Hawaiian Homes Commission

Through: M. Kaleo Manuel, Acting Planning Program Manager

- From: Gigi O. Cairel, Grants Specialist Main E. Halealoha Ayau, Water Resources Specialist 444
- Subject: Approval to Extend Existing Water Rates for the DHHL Anahola Water System to June 30, 2019 or until Rates are Proposed for Increase

#### RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) approve to extend existing water rates for the Department of Hawaiian Home Lands (DHHL) Anahola Water System to June 30, 2019 or until rates are proposed for increase.

#### BACKGROUND AND PURPOSE

DHHL owns and operates the Anahola Water System on Kaua'i. See Map Exhibit A. The homestead areas served are the Anahola Farm Lots and the Bayview residential lots. There is one other connection to our system - emergency inter-tie with County of Kaua'i Department of Water. Of the four water systems that DHHL owns statewide, the Anahola Water System is the second in size (serving 75 beneficiaries) and the second oldest (built in the 1980s). The system was constructed to serve 45 residential lots and 30 farm lots. System components consist of well pumps, one 0.5 million gallon storage tank and 6,500 linear feet of distribution lines.

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 laws. Water for the DHHL Anahola Water System comes from the DHHL-owned groundwater source. The source water is excellent and water quality testing meets all water quality standards. The Anahola Water System operations is contracted out to a private company. This system is required to have a certified Grade I licensed operator by the Department of Health.

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 systems need continued investment to keep them operational. 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, storage and distribution 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 dependable water supply to beneficiaries 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 and electricity. For the Anahola Water System, the last time DHHL raised rates was in 2004. See Exhibit B.

#### 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 Anahola water system expires on June 30, 2018. See Exhibit C.

The HHC approved the DHHL request to proceed with beneficiary consultation regarding the proposed increase to the water rates for all DHHL-owned water systems at the HHC February 2018 meeting. Additional time is needed for the Anahola beneficiary consultation and to prepare a proposal for increasing the water rates for the DHHL Anahola Water System. It is anticipated that proposed increases may be recommended as early as the HHC regularly scheduled meeting on August 20-21, 2018.

From Table 1 below, the Anahola Water System operated at a loss of close to \$182,000 in Fiscal Year 2016. Taking into account non-payment of water bills and setting aside funds for reserves, the shortfall increases to \$300,000 (Table 2). Nonpayment of water bills amounted to \$40,000 (or 22% of the \$182,000 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 Anahola Water System have been paid out of Trust funds. This revenue shortfall continues to increase as operational costs increase, 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 Anahola Water System FY 2016 - Revenue and Expenses without Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$66,985	\$26,813	\$40,172
Total Expenses to operate the system	\$248,763	\$248,763	-0-
Shortfall	<\$181,778>	<\$221,950>	\$40,172

		Table 2	
	DHHL	Anahola Water System	
FY	2016	- Revenue and Expenses	
		with Reserves	

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$66,985	\$26,813	\$40,172
Total Expenses to operate the system	\$248,763	\$248,763	-0-
Reserve funds	\$75,150	\$75,150	-0-
TOTAL	\$323,913	\$323,913	-0-
Shortfall	<\$256,928>	<\$297,100>	\$40,172

As stated earlier, the Anahola Water System serves an average of 75 connections - all 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 operating costs. Lastly, the biggest challenge in setting the water rates for Anahola is balancing water system cost recovery with affordable rates to beneficiaries. According to US Census, the median household income (MHI) is very low - \$36,250. Affordability for ratepayers is generally defined as 1.5% of MHI and not more than 3% of MHI. It is likely that the Hawaiian Homes Trust may need to continue to subsidize the water rates for the Anahola Water System.

To financially break even, DHHL must look at decreasing expenses and finding new ways to increase revenue, in addition to increasing the water rates. Here are current approaches in Table 3 below.

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
•	Increase oversight of		Increase water rates
	contracted operator		Add more users to the water
	Leak detection		system
•	Investigate un-accounted for water		Obtained \$3M in CIP funds from US Department of Agriculture
	Increase routine maintenance		Rural Development
		•	Explore other sources for CIP funding

#### 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 D)
  - <u>Mission</u>: Understand our trust water assets and manage water systems.
  - o <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.
    - <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 E). 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.



#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

APRIL 11 - 12, 2016

- To: Chairman and Members, Hawaiian Homes Commission
- From: Kaleo Manuel, Acting Planning Program Manager
- Subject: Extend Existing Water Rates for the DHHL Moloka'i and Anahola Water Systems

#### RECOMMENDED MOTION/ ACTION

The Hawaiian Homes Commission (HHC) extends existing water rates (including water delivery, system, and meter fees) for all consumers on the Department of Hawaiian Home Lands' (DHHL) Moloka'i and Anahola Water Systems until June 30, 2018, pending preparation of a water rates assessment to be presented to the HHC for action.

#### DISCUSSION & BACKGROUND

#### Background

At its April 21, 2014 meeting, HHC approved Item G-1, as amended, which: (1) directed and delegated to the Chairman responsibility for preparation of a comprehensive Water Rates Assessment (WRA) for DHHL-owned and operated water systems; and, (2) extended existing water rates for all consumers of DHHL water systems until June 30, 2016, or until the WRA was prepared, whichever came first. See Exhibit "A" (attached).

Currently, WRA preparation remains in planning stages. Since April 21, 2014, DHHL staff attended monthly meetings to assemble information needed to conduct the WRA. Through these meetings, DHHL has identified a scope of work for a contract and has hired Rural Community Assistance Corporation ("RCAC") to provide processional services to prepare the WRA.

HHC ITEM G-5

EXHIBIT B

Purpose & Need for the WRA

DHHL owned and operated water systems should break even financially, but currently do not. Reaching a financial breakeven point for water systems, while increasing investments in necessary infrastructure maintenance and replacement, faces multiple challenges. First, operation costs should be reduced through increasing management efficiency and the development and use of less-expensive alternate energy sources; electricity costs are currently a major component of system operation. Second, DHHL has and should continue to seek state subsidy of costs of operations as we believe is justified under the Nelson decision. Third, there are significant numbers of delinguent accounts on the water systems that need to be collected or otherwise addressed. Fourth and finally, existing water rates are considerably below county rates and do not accurately account for true system operational costs or for needed investments in the system. Water rates must be increased as part of the overall effort to have systems break even financially.

Currently, DHHL water system operations incur an operating loss conservatively estimated to be over \$1,000,000 annually for around 600 customers. Stated another way, the HHC and DHHL currently subsidize these 600 users (primarily, but not exclusively homesteaders) by approximately \$1,500 per year. This continuing operating loss combined with the existing rate structure and enforcement also raises a number of equity issues.

- Generally, an ongoing subsidy of homesteaders represents a preference to assist current beneficiaries over future beneficiaries; money used to subsidize existing homesteaders is not being spent on developing new homesteads.
- Because these systems only serve some existing homesteaders, it also represents a preference for some homesteaders over others. Homesteaders living on the same island, sometimes in the same communities, are being charged significantly different rates for water based on being County or DHHL customers. Some homesteaders on county systems struggle to pay their water bills, yet receive no subsidy from the Department.
- A lack of enforcement against DHHL water customers who fail to pay their bills also exists. This unfairly subsidizes

HHC ITEM G-5 EXHIBIT B those who do not pay their bills by both the Department and those who do pay. Our attorney general has opined that DHHL cannot hold a contested case hearing on chronic delinquencies of lessee water bills until DHHL adopts administrative rules and procedures regarding collection and delinquency. Additionally, homesteaders who do not pay their bills but are served by the county do not have the option of not paying their bills; failure to pay results in their water being shut off.

To address the issue of water rates in a systematic and equitable manner, HHC directed and delegated to the Chairman responsibility for preparing a comprehensive WRA for all of its water systems. The WRA will assess various future water rates as well as water system operation options and scenarios, including scenarios that address the different challenges addressed above. Upon further examination of the numerous factors (personnel time, various costs, changing expenses) contributing to a water rate, DHHL staff determined that preparation of the WRA would require further research into methodologies, information-gathering, and engagement of a contractor. Additionally, DHHL's Moloka'i water system is scheduled for comprehensive improvements, which will also affect the calculation of water rates by reducing operational costs.

HHC's existing authorization to extend the water rate structure is scheduled to expire on July 1, 2016. Therefore, further HHC action is necessary to further extend the existing rates prior to the rate expiry on June 30, 2016, pending completion of the WRA.

#### Authority

Sections 220, 220.5, and 221 of the Hawaiian Homes Commission Act provide extensive authority to the HHC and DHHL to own, operate, and manage water systems, to set rates, and to derive revenue from the delivery of water to both homesteaders and non-homesteaders. How rates are set is specifically addressed in Section 10-3-76(i) of the Hawaii Administrative Rules that states:

"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."

HHC ITEM G-5

Generally, water utilities must charge rates that allow for a financial break even point including addressing all needed costs to maintain and operate the system. This is described in an Attorney General's Opinion dated August 22, 1994, states that:

"Every water system has operation and maintenance expenses as well as infrastructure capital requirements...Those costs are not for the water per se but for the delivery system, namely, for the "<u>furnishing</u> of water and for water service" (emphasis in original) as authorized in HRS §54-24. Customarily, those costs are prorated to consumers based on the amount of water used on some per unit basis. In the case of capital expenses, these may be paid in advance by the relevant legislative body or obtained through the issuance of bonds which are then repaid by collecting fees for water service on some unit basis. This is simply a means of amortizing the debt incurred in building the system."

#### DHHL Moloka'i Water System

The DHHL water system on Moloka'i has a System Identification Number of Public Water System (PWS) 230. The system has approximately 598 accounts and over 600 water meters, approximately 2,400 customers, and provides water to two additional public water systems including PWS 229 Kualapu'u and PWS 245 Kipu. The DHHL Water System consists of two ground water wells, treatment using sodium hypochlorite (commercial grade liquid bleach), storage tanks consisting of 0.1 MG, 1 MG, two 3.5 MG, a 0.2 MG and a 1.0195 MG pressure booster tank for a total storage capacity of 8,319,500 gallons, and its related distribution system consisting of an estimated 50 miles of pipe. The average daily water demand is approximately 475,000 gallons.

The system also includes approximately 460 fire hydrants and serves the homestead areas of Ho'olehua, Nā'iwa, Pālā'au and Kalama'ula. It is managed by a team consisting of Acting District Supervisor E. Halealoha Ayau, Water Maintenance Worker Larry Sagario, Water Maintenance Helper John Ocampo and Water Maintenance Helper Elroy Mollena (Temporary Assignment) all of whom are Certified Public Water System Operators Grades 1 and 2 (the system is classified as Grade 2 given the number of customers served). Support for the system is provided by Myron Poepoe, Equipment Operator and David Bush, General Labor.

In February 2016, DHHL submitted a Draft Environmental Assessment-Anticipated Finding of No Significant Impact (DEA-AFNSI) for proposed Moloka'i Water System improvements. These comprehensive improvements will take place at seven sites around central Moloka'i.

#### Existing Water Rates and Fees for Moloka'i Water System

There are two (2) different rate structures for those consumers on the DHHL Moloka'i Water System: 1. Homesteaders, 2. Other Than Homestead (OTH).

In the early 1980's the HHC approved water delivery fees for homesteaders at fairly low costs (\$0.41 per thousand gallons). On March 30, 2004, the HHC approved to increase water delivery and meter fees on homestead lots on the DHHL Moloka'i Water System, effective July 1, 2004 to bring homesteaders up to par with County Department of Water Supply charges.

On November 18, 2003, HHC approved the water delivery and system fees for Other Than Homestead (OTH) consumers on the DHHL Moloka'i Water System, to the Maui County, Board of Water Supply rates, as amended, effective July 1, 2004. Establishing rates for OTH consumers that are equivalent to those charged by the County has been a consistent practice for the DHHL Moloka'i Water System since 1983.

#### DHHL Anahola Water System

DHHL's water system in Anahola provides domestic water service to over seventy (70) residential and agricultural homesteaders and some OTH consumers, including the Kanuikapono Charter School, in the Anahola area. There is also an interconnection on the system to the County of Kaua'i water system that allows DHHL to provide water to the County and vice a versa for emergency and redundancy purposes. Unlike the DHHL Moloka'i Water System, the Anahola system is currently managed by a contracted certified water system operator.

#### Existing Water Rates and Fees for Anahola Water System

In the early 1980's the HHC approved water delivery fees for homesteaders at fairly low costs (\$0.92 per thousand gallons up to 25,000 gallons/month and \$0.28 per thousand gallons for usage over 25,000 gallons/month). On May 25, 2004, the HHC approved to increase water delivery and meter fees for homestead consumers on the DHHL Anahola Water System and increase charges

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and fees for new OTH consumers to County of Kauai, Board of Water Supply rates, effective July 1, 2004. The Anahola Water System does bi-monthly billings to all consumers.

#### Reiteration of Management Challenges

Operation and management of DHHL owned water systems present many challenges including high operation and management costs and inadequate derived revenue. Rising energy costs coupled with deferred system and infrastructure maintenance and replacement have led to DHHL operating its water systems at a deficit. The WRA will help to comprehensively address these issues. Other efforts, such as improvements to system efficiencies and upgrades are currently being analyzed and implemented.

#### RECOMMENDATION

Based on the foregoing, staff respectfully requests approval as recommended.

#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

#### APRIL 21, 2014

Chairman and Members, Hawaiian Homes Commission

From:

To:

Kaleo Manuel, Acting Planning Program Manager

Subject: Extend Existing Water Rates for the DHHL Molokai and Anahola Water Systems

#### RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC):

- a) Directs and delegates to the Chairperson the responsibility to prepare a comprehensive water rate assessment on all water systems owned and operated by the Department of Hawaiian Home Lands (DHHL); and
- b) Extends existing water rates (including water delivery, system, and meter fees) for all consumers on the DHHL Molokai and Anahola Water Systems until June 30, 2016 or until such an assessment is prepared and presented to the HHC for action, whichever comes first.

#### DISCUSSION & BACKGROUND

#### Purpose

DHHL owned and operated water systems should break even financially, but currently do not. Reaching a financial break even point for water systems, while increasing investments in necessary infrastructure maintenance and replacement, raises multiple challenges. First, operation costs should be reduced through increasing management efficiency and the development and use of less expensive alternate energy sources; electricity costs are currently a major component of system operation. Second, DHHL has and should continue to seek state subsidy of costs of operations as we believe is justified under the <u>Nelson</u> decision.

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EXHIBIT A EXHIBIT B Third, there are significant numbers of delinquent accounts on the water systems that need to be collected or otherwise addressed. Fourth and finally, existing water rates are considerably below county rates and do not accurately account for true system operational costs or for needed investments in the system. Water rates must be increased as part of the overall effort to have systems break even financially.

Currently, DHHL water system operations incur an operating loss conservatively estimated to be over \$1,000,000 annually for around 1,000 customers. Stated another way, the HHC and DHHL currently subsidize these 1,000 users (primarily, but not exclusively homesteaders) by approximately \$1,000 per year. This continuing operating loss combined with the existing rate structure and enforcement also raises a number of equity issues.

- Generally, an ongoing subsidy of homesteaders represents a preference to assist current beneficiaries over future beneficiaries; money used to subsidize existing homesteaders is not being spent on developing new homesteads.
- Because these systems only serve some existing homesteaders, it also represents a preference for some homesteaders over others. Homesteaders living on the same island, sometimes in the same communities or even across the street from each other, are being charged significantly different rates for water based on being County or DHHL customers. Some homesteaders on county systems struggle to pay their water bills, yet receive no subsidy from the Department.
- A lack of enforcement against DHHL water customers who fail to pay their bills also exists. This unfairly subsidizes those who do not pay their bills by both the Department and those who do pay. Additionally, homesteaders who do not pay their bills but are served by the county do not have the option of not paying their bills; failure to pay results in their water being cut off.

In order to address these challenges, DHHL needs to undertake a number of actions. To address the last issue (rates) in a systematic and equitable manner, a comprehensive water rate assessment for all of its water systems needs to be developed. This assessment must look at various future water rates as well as water system operation options and scenarios, including scenarios that address the different challenges addressed above. To be done well, this assessment will take at least one year to complete.

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EXHIBIT B

The existing water rate structure, however, is scheduled to expire on July 1, 2014. Even the maintenance of existing rates requires action by the HHC, and so action on this matter is necessary before June 30, 2014.

#### Authority

Sections 220, 220.5, and 221 of the Hawaiian Homes Commission Act provide extensive authority to the HHC and DHHL to own, operate, and manage water systems, to set rates, and to derive revenue from the delivery of water to both homesteaders and nonhomesteaders. How rates are set is specifically addressed in Section 10-3-76(i) of the Hawaii Administrative Rules that states:

"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."

Generally, water utilities must charge rates that allow for a financial break even point while addressing all needed costs to maintain and operate the system. This is described in an Attorney General's Opinion dated August 22, 1994, states that:

"Every water system has operation and maintenance expenses as well as infrastructure capital requirements...Those costs are not for the water per se but for the delivery system, namely, for the "furnishing of water and for water service" (emphasis in original) as authorized in HRS §54-24. Customarily, those costs are prorated to consumers based on the amount of water used on some per unit basis. In the case of capital expenses, these may be paid in advance by the relevant legislative body or obtained through the issuance of bonds which are then repaid by collecting fees for water service on some unit basis. This is simply a means of amortizing the debt incurred in building the system."

#### DHHL Molokai Water System

The DHHL water system on Moloka'i has a System Identification Number of Public Water System (PWS) 230. It is managed at the following address: 600 Maunaloa Highway, Suite D1

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Kaunakakai, Hawaii 96748. The system has approximately 581 water meters, approximately 2,400 customers, and provides water to two additional public water systems including PWS 229 Kualapu'u and PWS 245 Kipu. The DHHL Water System consists of two ground water wells, treatment using sodium hypochlorite (commercial grade liquid bleach), storage tanks consisting of 0.1 MG, 1 MG, two 3.5 MG, a 0.2 MG and a 0.015 MG pressure booster tank for a total storage capacity of 8,315,000 gallons, and its related distribution system consisting of an estimated 50 miles of pipe. The average daily water demand is approximately 475,000 gallons.

	Kauluwai 2	Kauluwai 1
State Well No.	0801-02	0801-01
Months of Operation Year Round		Year Round
Pump Capacity	625 pgm	504 pgm
Sample Tap at Well	Yes	Yes
Treatment at Well	Yes	Yes
Pump Motor Size	300 hp	200 hp

DHHL's Kauluwai Well Site Information

The system also includes approximately 600 fire hydrants and serves the homestead areas of Ho'olehua, Na'iwa, Pala'au and Kalama'ula. It is managed by a team consisting of Acting District Supervisor E. Halealoha Ayau, Water Maintenance Worker Larry Sagario, Water Maintenance Helper John Ocampo and Water Maintenance Helper Elroy Mollena (Temporary Assignment) all of whom are Certified Public Water System Operators Grades 1 and 2 (the system is classified as Grade 2 given the number of customers served). The on island consultant that provides support for major repairs of the system is Pacific-Electro Mechanical.

Existing Water Rates and Fees for Moloka'i Water System

There are two (2) different rate structures for those consumers on the DHHL Moloka'i Water System: 1. Homesteaders, 2. Other Than Homestead (OTH),

## Existing Water Rates and Fees for Homesteaders

In the early 1980's the HHC approved water delivery fees for homesteaders at low costs (\$0.41 per thousand gallons). On March 30, 2004, the HHC approved to increase water delivery and meter fees on homestead lots on the DHHL Moloka'i Water System,

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effective July 1, 2004 to bring homesteaders up to par with County Department of Water Supply charges (Exhibit A).

The tables below summarize the existing water rates and fees for homesteaders on the DHHL Moloka'i Water System.

Water Delivery Fees for Domestic Homestead Consumers (FY 2013)

(1,000 gal/month)	Fee (\$)	
0-10,000		1.42
10,001-25,000		1.91
Over 25,000		2.25

Water Delivery Fees for Agricultural Homestead Consumers (FY 2013)

(1,000 gal/month)	Fee (\$)	
0-10,000		1.42
10,001-25,000		1.91
Over 25,000		0.76

Meter Service Fees for Homestead Consumers

Meter Size (Inches)	Fee (\$ per meter/month)
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

Existing Water Rates and Fees for OTH Users

On November 18, 2003, the HHC approved the water delivery and system fees for Other Than Homestead (OTH) consumers on the DHHL Moloka'i Water System, to the Maui County, Board of Water Supply rates, as amended, effective July 1, 2004 (Exhibit B). Establishing rates for OTH consumers that are equivalent to those charged by the County has been a consistent practice for the DHHL Moloka'i Water System dating back to 1983.

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The tables below summarize the existing water rates and fees for OTH consumers on the DHHL Moloka'i Water System.

(1,000 gal/month)	Fee (\$)	
0-10,000	4	1.42
10,001-25,000		1.91
Over 25,000	1. A.	2.25

Water Delivery Fees for Domestic/Commercial OTH Consumers

Water Delivery Fees for Agricultural OTH Consumers 1.1

(1,000 gal/month)	Fee. (\$)
0-10,000	1.42
10,001-25,000	1.91
Over 25,000	1.46

Water System Development Fees for OTH Consumers

Meter Size (Inches)	Fee (\$ - one time payment)
5/8	6,030.00
3/4	8,442.00
1	15,678.00
1-1/2	34,974.00
2	61,506.00
3	138,690.00
4	247,230.00
6	555,966.00
8	987,714.00
10	1,543,680.00
12	2,222,658.00

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Meter Size (Inches)	Fee (\$ per meter/month)
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

### Meter Service Fees for OTH Consumers

#### DHHL Anahola Water System

The Department of Hawaiian Home Lands water system in Anahola provides domestic water service to over seventy (70) residential and agricultural homesteaders and a few OTH consumers, including the Kanuikapono Charter School, in the Anahola area. There is also an interconnection on the system to the County of Kaua'i water system that allows DHHL to provide water to the County and vice a versa for emergency and redundancy purposes. Unlike the DHHL Moloka'i Water System, the Anahola system is currently managed by a contracted certified water system operator.

## Existing Water Rates and Fees for Anahola Water System

In the early 1980's the HHC approved water delivery fees for homesteaders at low costs (\$0.92 per thousand gallons up to 25,000 gallons/month and \$0.28 per thousand gallons for usage over 25,000 gallons/month). On May 25, 2004, the HHC approved to increase water delivery and meter fees for homestead consumers on the DHHL Anahola Water System and increase charges and fees for new OTH consumers to County of Kauai, Board of Water Supply rates, effective July 1, 2004 (Exhibit C). The Anahola Water System does bi-monthly billings to all consumers.

The tables below summarize the existing water rates and fees for the DHHL Anahola Water System.

Water Delivery Fees for Domestic Consumers with 5/8 inch meter (FY 2013)

Bi-Monthly Use (per 1,000 gal)	Fee (\$)
0-20,000	2.76
20,001-40,000	3.20
Over 40,000	4.50

The three block water use is tied to the size of the meter. If the meter is larger, the amount of water allocated for use is larger, but the fee remains the same per block. For details on the other meter sizes and related water use, please see Exhibit C.

Water Delivery Fees for Agricultural Consumers (FY 2013)

Bi-Monthly Use (per 1,000 gal)	Fee (\$)
0-25,000	2.76
Over 25,000	0.70

Meter Service Fees (FY 2013)

Meter Size (Inches)	Fee (\$ per meter/month)				
5/8	12.00				
3/4	16.00				
1	25.00				
1-1/2	45.00				
2	75.00				
4	220.00				

Reiteration of Management Challenges

Operation and management of DHHL owned water systems have been a challenge, both in high operation and management costs and little derived revenue. Primarily because of rising energy costs, coupled with deferred system and infrastructure maintenance and replacement, the water systems operate with extreme costs to DHHL. The low revenues received, long standing subsidies, high payment delinquencies, and lack of enforcement results in minimal revenue generation to DHHL. These challenges have lead DHHL in running water systems in a deficit. In

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attempts to better manage DHHL owned water systems, a comprehensive water rate assessment on all water systems owned an operated by DHHL will be conducted. Other efforts, like improvements to system efficiencies and upgrades are currently being analyzed.

#### RECOMMENDATION

Based on the foregoing, staff recommends the HHC take the following action:

The Hawaiian Homes Commission (HHC):

- a) Directs and delegates to the Chairperson the responsibility to prepare a comprehensive water rate assessment on all water systems owned and operated by the Department of Hawaiian Home Lands (DHHL); and
- b) Extends existing water rates (including water delivery, system, and meter fees) for all consumers on the DHHL Molokai and Anahola Water Systems until June 30, 2016 or until such an assessment is prepared and presented to the HHC for action, whichever comes first.



#### STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

#### May 25, 2004

To: Chairman and Members, Hawaiian Homes Commission

From: Daniel Kelii, HSD Administrator

Subject: Water Rate Increase for the Anahola Water System, Anahola, Kauai

#### RECOMMENDED MOTION / ACTION

It is recommended that the Hawaiian Homes Commission (HHC):

- (1) Grant its approval to increase water delivery and meter fees for homestead consumers on the Department of Hawaiian Home Lands (DHHL) Anahola water system as shown; and
  - (2) Increase water delivery, meter, and facilities reserve charges for new users on non-homestead lots on the Anahola water system, to the County of Kauai, Board of Water Supply rates, as amended, effective July 1, 2004. Existing consumers on non-homestead lots, as of the date of this submittal, shall have their rates increased as shown.

#### BACKGROUND

The DHHL's Anahola water system provides domestic water service to over seventy (70) homesteaders and four (4) other than homestead users in the Anahola area. There are forty-six (46) agricultural lot lessees and twenty-seven (27) residential lot lessees on the system. The water system supplies water to the farm lot developments and the Bayview residential development.

In the early 1980's, the Commission approved water delivery fees . in the amount of \$0.92 per 1,000 gallons up to 25,000 gallons after which the fee decreases to \$0.28 per 1,000 gallons. Meter fees are \$3.00 per billing period. The fees have remained in effect since that time. The proposed fee structure is based on the existing County of Kauai, Division of Water Supply water rates.

\*Copy of Document from Working File\*

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#### DISCUSSION

The proposed fee increases are intended to encourage conservation, support farming, and operate the DHHL's water system in a financially self-sustaining manner.

Amending the water delivery fees by (1) increasing the fee charged to domestic consumers, (2) establishing a new agricultural rate, and (3) increasing meter service fees will offset the amount that DHHL subsidizes to operate its water system and may provide increased revenue to other homesteading programs and services.

Capital expenditures for system improvements between FY 94 and FY 04 were \$3.0M. Operating costs, over \$130,000 per year, are paid out of DHHL's trust fund rather than general funds approved by the legislature. Revenues from delivery and meter fees are \$22,000 per year or about one-sixth of the cost to run the system. The Department can no longer continue to subsidize this revenue shortfall and must increase its fees in order to operate the system in a financially self-sufficient manner.

Section 10-3-76(i), Hawaii Administrative Rules, states that,

"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 mi nimum monthly charge."

Attorney General's Opinion dated August 22, 1994, states that:

Every water system has operation and maintenance expenses as well as infrastructure capital requirements ... Those costs are not for the water per se but for the delivery system, namely, for the "furnishing of water and for water service" (emphasis in original) as authorized in HRS §54-24. HRS §54-26. Customarily, those costs are prorated to consumers based on the amount of water used on some per unit basis. In the case of capital expenses, these may be paid in advance by the relevant legislative body or obtained through the issuance of bonds which are then repaid by collecting fees for water service on some unit basis. This is simply a means of amortizing the debt incurred in building the system.

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EXHIBIT B

#### Existing Water Delivery Fees For Consumers

The existing water delivery fee for all consumers is \$0.92 per 1,000 gallons up to 25,000 gallons after which the fee decreases to \$0.28 per 1,000 gallons. The average residential water use is 23,000 gallons per bi-monthly billing period.

Per 1,000 gal / mon		Existing Fee (\$)
Domestic a Consumers	and Agricultural	
	0 - 25,000 gal	0.92
**************************************	Over 25,000	0.28

#### Proposed Water Delivery Fees For Domestic Consumers

The proposed water delivery fee expands the current two-block fee structure to a three-block fee structure for domestic consumers. A three-block fee structure is intended to encourage conservation and the efficient use of water.

(per 1,000 gal)	Proposed Fee For Domestic Consumers (\$)									
	FY 04	FY 05	FY. 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
First Rate Block	1.00	1.10	1.20	1.40	1.60	1.80	2.00	2.20	2.40	2.76
Second Rate Block	1.50	1.60	1.70	1.90	2.10	2.30	2.50	2.70	2.90	3.20
Third Rate Block	2.00	2.30	2.60	2.90	3.20	3.40	3.60	3.80	4.00	4.50

The First, Second, and Third Block rates apply within use ranges identified by "thresholds". The threshold varies with the size of the meter. The cost of water delivery will depend on how much water is consumed during the billing period. The Block Thresholds are as follows:

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EXHIBIT P

Meter Size (inches)	First Rate Block (gallons) used bi-monthly	Second Rate Block (gallons) used bi-monthly	Third Rate Block (gallons) used bi-monthly		
5/8	0 - 20,000	20,001 - 40,000	> 40,000		
3/4	0 - 70,000	70,001 - 140,000	> 140,000		
1	0-200,000	200,001 - 400,000	> 400,000		
1-1/2	0 - 600,000	600,001 - 1,200,000	> 1,200,000		
2	0 - 1,200,000	1,200,001 - 2,400,000	> 2,400,000		
4	0 - 6,000,000	6,000,001 - 12,000,000	> 12,000,000		

## Proposed Water Delivery Fees For Agricultural Consumers

To support farming, the proposed delivery fees include an agricultural rate for farmers. To qualify, each domestic water consumer shall submit a written request, be in compliance with the department's administrative rules regarding residential homes on farm and pasture lots, and furnish satisfactory proof (as determined by the Department) of engagement in agriculture. Documents such as the State's Excise Tax Form, the Federal Internal Revenue Service's Schedule F, and/or other Internal Revenue forms showing farm income may be used to satisfy the above requirements.

(per 1,000 gal)	Proposed Fee For Agricultural Consumers (\$)									
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
0 - 25,000	1.00	1.10	1.20	1,40	1.60	1.80	2.00	2.20	2.40	2.76
Over 25,000	0.40	0.50	0.60	0.70	0.70	0.70	0.70	0.70	0.70	0.70

The amount of 25,000 gallons is based on the assumption that only one dwelling exists on the farm premises. In the event that two dwellings are served, then the higher rate shown for each period shall apply to the product of 25,000 gallons times the number of dwellings served.

#### Existing Meter Service Fees

The existing meter service fees are \$3.00 per bi-monthly billing period regardless of meter size.

Meter Size (inches)	Existing Fee (\$)
5/8	. 3.00
3/4	3.00
1	3.00
1-1/2	3.00
2	3.00
4	3.00

#### Proposed Meter Service Fees

Meter service fees are a fixed charge designed to recover costs, regardless of the amount of water consumed. Customer costs include meter reading, billing, accounting and collections expenses, inquiries, complaints, investigations, maintenance, and capital costs related to meters and service. Proposed rates are monthly. The service charge in FY 13 is based on the existing County rate for that meter size. The fee is computed by raising the fee ten percent per year until the existing County fee is met.

Meter Size (inches)	FY 04	FY 05	FY 06	FY - 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
5/8	3.00	3.00	3.60	4.80	6.00	7.20	8.40	9.60	10.80	12.00
3/4	3.00	3.20	4.80	6.40	8.00	9.60	11.20	12.80	14.40	16.00
1	3.00	5.00	7.50	10.00	12.50	15.00	17.50	20.00	22.50	25.00
1-1/2	4.50	9.00	13.50	18.00	22.50	27.00	31.50	36.00	40.50	45.00
2	7.50	15.00	22.50	30.00	37.50	45.00	52.50	60.00	67.50	75.00
4	22.00	44.00	66.00	88.00	110.00	132.00	154.00	176.00	198.00	220.00

#### RECOMMENDATION

It is recommended that the Hawaiian Homes Commission grant its approval to increase fees as requested to all consumers on the Anahola water system. A rate review and report will be presented to the HHC in FY 08 and FY 11. Fees shall take effect on July 1, 2004.

ITEM NO. B-7
## Rates Effective as approved by the Hawaiian Homes Commission April 2016

Department of Hawaiian Home Lands Anahola Farm Lots Water System Water Rate Schedule Residential beneficiaries

Meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi-Monthly
5/8"	\$12.00
3/4"	\$16.00
1"	\$25.00
1 1/2"	\$45.00
2"	\$75.00
4"	\$220.00

Water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 20,000	\$2.76
Tier 2	20,001 - 40,000	\$3.20
Tier 3	Over 40,000	\$4.50

	TIER 1	TIER 2	TIER 3
	Rate: \$2.76 per 1,000 gals.	Rate: \$3.20 per 1,000 gals.	Rate: \$4.50 per 1,000 gals.
METER SIZE	First Rate Block (gallons used bi-monthly)	Second Rate Block (gallons used bi-monthly)	Third Rate Block (gallons used bi-monthly)
5/8"	0 - 20,000	20,001 - 40,000	> 40,000
3/4"	0 - 70,000	70,001 - 140,000	> 140,000
1"	0 - 200,000	200,001 - 400,000	> 400,000
1 1/2"	0 - 600,000	600,001 - 1,200,000	> 1,200,000
2"	0-1,200,000	1,200,001 - 2,400,000	> 2,400,000
4"	0-6,000,000	6,000,001 - 12,000,000	> 12,000,000

## Rates Effective as approved by the Hawaiian Homes Commission April 2016

Department of Hawaiian Home Lands Anahola Farm Lots Water System Water Rate Schedule Agriculture beneficiaries\*

Meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
3/4"	\$16.00
1 1/2"	\$45.00
2"	\$75.00
2"	\$110.00

Water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 25,000	\$2.76
Tier 2	Over 25,000	\$0.70

\*Note: These rates are for agriculture homestead lots and need to be approved by DHHL.

		TIER 1	TIER 2
		Rate: \$2.76 per 1,000 gals.	Rate: \$0.70 per 1,000 gals.
METER SIZE	# of structures	First Rate Block (gallons used bi-monthly)	Second Rate Block (gallons used bi-monthly)
5/8"	N/A	0-25,000	> 25,000
3/4"	1	0-25,000	> 25,000
3/4"	2	0 - 50,000	> 50,000
1 1/2"	1	0-25,000	> 25,000
1 1/2"	2	0 - 50,000	> 50,000
2"	1	0 - 25,000	> 25,000
2"	2	0 - 50,000	> 50,000

## 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 water assets;
- Plan for our <u>water</u> needs;
- Aggressively understand, exercise and assert our <u>kuleana</u> as stewards of <u>water</u>;
- Develop and protect water sources; and
- Manage <u>water</u> systems.

## Values

- Waiwai: Mohala i ka wai ka maka o ka pua. Unfolded by the water are the faces of the flowers. The availability of water to our lands and people is integral to the trust and our mission.
- 2. Waihona: Ua lehulehu a manomano ka `ikena a ka Hawai`i. Great and numerous is the knowledge of the Hawaiians. Honoring and documenting our knowledge about water 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 'ăina</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 `õiwi 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:

- 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:

- Educate beneficiaries, the DHHL, HHC, and other stakeholders continually on our water kuleana.
- Foster self-sufficiency of beneficiaries by promoting the adequate supply of water for homesteading when developing or managing water.
- 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:

- Affirmatively communicate with beneficiaries regarding <u>water</u> decisions, performance, and <u>water</u> rights on a regional and annual basis.
- 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).
- 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 water related decisions.
- Revise budgets to show the total costs of a) water system management b) all spending on water issues.
- 3. Staff and organize the DHHL consistent with importance of water to the trust.

## Part II. Plan for our water needs

- Determine current and foreseeable future needs based upon periodic reviews of water availability projections that incorporate climate change, projected beneficiary demand, <u>alternative sources</u> and <u>efficiency measures</u>.
- 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.
- 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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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

- Carefully weigh alternatives regarding the dedication or DHHL management of new <u>water</u> systems.
- 13. Methodically and consistently manage and allocate water credits.
- Support the drilling of wells by beneficiaries for their own use on lots where appropriate.
- 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

- 1983. Pūku`i, Mary Kawena. 'Õlelo No'eau: Hawaiian Proverbs & Poetical Sayings. Honolulu: Bernice Pauahi Bishop Museum.
- 2. Aia i hea ka wai a Kane? (Traditional chant, "Where is the water of Kane?")



## 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 `õiwi.

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.



#### 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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EXHIBIT 1

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



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.

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 E

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.

conditions or public health and safety considerations.

4) DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency

EXHIBIT A

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However,



## U.S. DEPARTM . T 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.

EXHIBIT B



(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 pect 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.

EXHIBIT B



(2) If construction is started with Agency approval, post-approval in accounce 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 whe. ... ine median household income of the set. ... is 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]



#### STATE OF HAWAI'I DEPARTMENT OF HAWAIIAN HOME LANDS

#### June 18-19, 2018

- To: Chairman and Members, Hawaiian Homes Commission
- Thru: M. Kaleo Manuel, Acting Planning Program Manager
- From: Lehua Kinilau-Cano, Legislative Analyst Lehne Kinde-Gar-Julie-Ann Cachola, Planner
- Subject: Nānākuli & Wai`anae and Lualualei Regional Plan Updates

#### Recommended Action

None; For information only.

#### Discussion

#### PURPOSE

The purpose of this informational submittal is to provide the Hawaiian Homes Commission (HHC) with the Nānākuli & Wai'anae and Lualualei Regional Plans prior to adoption of the regional plans anticipated for next month's HHC meeting.

#### BACKGROUND

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 plans document current conditions and trends and identify a prioritized list of projects important to the community and the department.

The Nānākuli Regional Plan updates the 2009 Regional Plan for the Traditional Native Trust Lands of the Ahupua'a of Nānākuli. The Wai'anae and Lualualei Regional Plan updates the 2010 Wai'anae and Lualualei Regional Plan. The outlook of a regional plan is typically 3-5 years. DHHL initiated the process to update these regional plans in June of 2017. Subsequent consultation meetings with beneficiaries in this region were conducted. Draft plans were completed in March 2018 and updated since then based on continued meetings (See Exhibit A for the Nānākuli Regional Plan and Exhibit B for the Wai'anae and Lualualei Regional Plan).

#### OUTREACH PROCESS & METHODOLOGY

Several meetings were held from September 2017 to June 2018 and are detailed in each plan. In addition to conducting these meetings, a survey was distributed to Nānākuli, Wai`anae, and Lualualei lessees to gather additional mana`o.

Results of Beneficiary Consultation to Date

Through the beneficiary consultation planning process, participants identified values and guiding principles that are detailed in each regional plan. These values and guiding principles in turn shaped the vision statement for each region.

The vision for the Nānākuli region is as follows:

"The Nānākuli Homesteads are communities united in a vision for the prosperity of our keiki, 'ōpio, mākua, kūpuna, and 'ohana. With education, collaboration, and pono communitybased economic development, we can ensure the safety, cultural abundance, and self-determination of all who call this community home."

The vision for the Wai'anae and Lualualei region is as follows:

"The Homestead Communities of Wai'anae and Lualualei are communities that prioritize the safety and wellbeing of our keiki, kupuna, and 'ohana, strengthened by internal and external collaborations and driven towards selfsufficiency."

#### PRIORITY PROJECT RECOMMENDATIONS

Based on the vision statement as shaped by the values and guiding principles and in continued discussion with beneficiaries, priority projects were identified for each region as follows:

#### Nānākuli Priority Projects

- 1. Disaster Preparedness Nānākuli homestead communities have identified issues of disaster preparedness, community resilience, and broader climate change adaptation as high priorities. Perhaps the most visible of related projects is the Wai'anae Coast Emergency Access Road (WCEAR). Alongside the WCEAR, a second/parallel access road is being considered. Perhaps most importantly, homesteaders identified needs for both short-term disaster preparedness - evacuation routes and emergency plans to ensure immediate safety - and long-term disaster resiliency, which could come as a result of community self-sufficiency.
- 2. Improve Community Access to Non-Homesteading Areas Nonhomesteading areas, utilized by communities in ways other than living, are vital to the wellbeing and connectedness of the Nānākuli homestead communities, as well as to the Wai'anae Coast as a whole. Potential spaces within the Nānākuli homestead communities have been identified, each with varying levels of feasibility.
- 3. Street Repairs and Improvements for Health and Safety in the Region - Several roadway-related issues were identified by Nānākuli homesteaders, all of which directly influence the safety of homesteaders and their families. Measures necessary to combat identified issues and advance opportunities - in addition to general repair and maintenance of homestead and regional roadways - will require coordination among multiple entities including the State, the City & County, the Department of Transportation, DHHL, and private stakeholders, among others.
- 4. Establish Community-Based Education Programs Education is critically important to the Nānākuli homestead communities, as it is one of many factors that drives communities forward, connecting them and raising up the next generation. A main focus of community education in the Nānākuli homestead communities is Hawaiian language and culture. In addition to cultural and 'āina-based education programs, community members have expressed interest in other forms of education.
- 5. Identify and Pursue Opportunities for "Pono Economic Development" and Community Action - "Pono Economic Development" for the Nānākuli homestead communities means providing sustainable opportunities for all to support

ourselves and our communities. Economic development can be accomplished by a variety of means and can also include services provided to community members, which in turn strengthen resiliency and sustainability.

Wai'anae and Lualualei Priority Projects

- 1. Disaster Preparedness & Coordination Wai'anae and Lualualei homestead communities have identified issues of disaster preparedness, community resilience, and broader climate change adaptation as high priorities. Perhaps the most visible of related projects is the Wai'anae Coast Emergency Access Road (WCEAR). Alongside the WCEAR, a potential second/parallel access road is being considered. Perhaps most importantly, homesteaders identified needs for both short-term disaster preparedness - evacuation routes and emergency plans to ensure immediate safety - and longterm disaster resiliency, which could come as a result of community self-sufficiency.
- 2. Improve Community Access to Non-Homesteading Areas Nonhomesteading areas, utilized by communities in ways other than living, are vital to the wellbeing and connectedness of the Wai'anae and Lualualei homestead communities, as well as to the Wai'anae Coast as a whole. Potential spaces within the Wai'anae and Lualualei homestead communities have been identified, each with varying levels of feasibility.
- 3. Homestead Infrastructure & Maintenance Several infrastructure- and maintenance-related needs were identified by Wai'anae and Lualualei homesteaders. Measures necessary to combat identified issues and advance opportunities - in addition to general repair and maintenance of homestead and regional roadways - will require coordination among multiple entities including the State, the City & County, the Department of Transportation, DHHL, and private stakeholders, among others.
- 4. Safety & Community Enforcement Safety hinges upon all aspects of a community, including its infrastructure, its policies and laws, and the people that inhabit it. The Wai'anae and Lualualei homestead communities have indicated a readiness to enforce safety-related policies and regulations, and a goal is to establish the necessary community education and framework to do so.

5. Increase Capacity for Specific Community-Based Projects -Community-based projects and economic development for the Wai'anae and Lualualei homestead communities means providing sustainable opportunities for all to support ourselves and our communities. Economic development can be accomplished by a variety of means and can also include services provided to community members, which in turn strengthen resiliency and sustainability.

A more thorough description of these priority projects can be found in the regional plans.

Recommendation

None; For information only

Note: Exhibit A -Nanakuli Regional Plan 2018 (115 pages) and Exhibit B -Waianae and Lualualei Regional Plan 2-18 (96 pages) can be made available. DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 18, 2018 Kapolei, Oahu

# H-ITEMS ADMINISTRATIVE SERVICES DIVISION

## STATE OF HAWAII

## DEPARTMENT OF HAWAIIAN HOME LANDS

June 18 &19, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Willian Aila Jr., Deputy Director

SUBJECT:

- H-1 Fiscal Year 2019 DHHL Budget (related to H-2)
- H-2 Approval of Fiscal Year 2019 DHHL Budget

THIS WILL BE AN ORAL UPDATE PROVIDED AT THE TABLE.

ITEM NO. H-1, H-2,

#### STATE OF HAWAII

#### DEPARTMENT OF HAWAIIAN HOME LANDS

June 19, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Rodney K. M. Lau, Administrative Services Officer

SUBJECT: Transfer of Hawaiian Home Receipts Money at the End Of the Fourth Quarter, FY 2018

#### RECOMMENDED MOTION/ACTION

That the Commission approve the transfer of the entire receipts deposited in the Hawaiian Home Receipts Fund as of June 30, 2018 to the Hawaiian Home General Loan Fund.

#### DISCUSSION

Section 213 (g) of the Hawaiian Homes Commission Act, 1920, as amended, reads in part as follows:

"(3) Hawaiian home receipts fund. All interest moneys from loans or investments received by the department from any fund except as provided for in each respective fund, shall be deposited into this fund. At the end of each quarter, all moneys in this fund may be transferred to the Hawaiian home operating fund, the Hawaiian home administration account, the Hawaiian home trust fund, and any loan fund in accordance with rules adopted by the department."

Section 10-3-52(b) of Title 10, DHHL Administrative rules, provides that:

"If the Commission fails to approve a plan for transfer, all moneys in the Hawaiian home receipts fund shall be transferred at the end of that respective quarter as follows:

- (1) Nine per cent to the operating fund; and
- (2) Ninety-one per cent to the general loan fund."

As of June 30, 2018, the estimated balance in the Hawaiian Home Receipts Fund will be approximately \$1,200,000. Based on the

on-going loan requirements for fiscal year 2019, it is recommended that cash receipts in the Hawaiian Home Receipts Fund for the quarter ending June 30, 2018 be transferred to the Hawaiian Home General Loan Fund.

# DEPARTMENT OF HAWAIIAN HOME LANDS HAWAIIAN HOMES COMMISSION June 18 & 19, 2018 Kapolei, Oahu

# J AGENDA

From:	Burrows-Nuuanu, Leatrice W
Sent:	Friday, May 18, 2018 12:39 PM
То:	'john hopkins'
Cc:	
Subject:	Request to Address the Commission - J Agenda, June 18, 2018

Aloha John,

Mahalo for your call, I have listed you on the J Agenda for June 18, 2018. I will send a confirmation letter and the filed agenda on June 12<sup>th</sup> via email. We look forward to seeing you then.

Mahalo,

feath

Leah Burrows-Nuuanu Hawaiian Homes Commission Department of Hawaiian Home Lands 91-5420 Kapolei Parkway Kapolei HI 06707

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From:	Pat Kahawaiolaa <kcaiprez@gmail.com></kcaiprez@gmail.com>
Sent:	Friday, June 08, 2018 7:00 PM
То:	Burrows-Nuuanu, Leatrice W
Subject:	Req to be on agenda June 18 Kapolei

Aloha KCA is requesting to address on action items for Aina Mauna. Please inform us if the possibility exists. Aloha

1

Keaukaha Smiles 'Owau me ka ha'aha'a Patrick L. Kahawaiolaa Sent from my iPhone



#### Subject:

Subject: Re: J Agenda Confirmation and June 18 & 19, 2018, 2017 -HHC Agenda

Hui Aloha Leah,

I left phone message and also want to text my concerns>>>

1) can you ask CHAIR JOBIE ... if OAHU KAPOLEI DHHL can provide COFFEE ... TEA... ICE WATER.... and small snacks.... for our NA KUPUNA AND KANAKA MAOLI ... it's cold ... and next week has a long AGENDA AND IT IS THE END OF THE YEAR TO BEGIN 2018.... gathering

2) who do I see face to face to address my DHHL concerns ... WITH FORCEFUL ACTIONS...????... I been on this OAHU DEATH LIST for over HALF MY LIFETIME.

3) can I request a copy of my presentations

for the past 3 Solid Years

4) I want to confirm next Monday...

at 2:30pm.... 15 min. PowerPoint

THANK YOU SO MUCH

PrincesLehuanani

kumaewakainakaleomomona

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