Pursuant to proper call, the 633rd Regular Meeting of the Hawaiian Homes Commission was held at the Department of Hawaiian Home Lands, 91-5420 Kapolei Parkway, Kapolei, Hawaii, beginning at 9:35 a.m.

**PRESENT**  
Jobie M. K. Masagatani, Chairman Designate  
Imaikalani Aiu, Commissioner, Kauai  
Perry O. Artates, Commissioner, Maui  
Leimana DaMate, Commissioner, West Hawaii  
Gene Ross K. Davis, Commissioner, Molokai  
Michael P. Kahikina, Commissioner, Oahu  
Ian B. Lee Loy, Commissioner, East Hawaii  
Renwick V. I. Tassill, Commissioner, Oahu

**EXCUSED**  
J. Kama Hopkins, Commissioner, Oahu

**COUNSEL**  
S. Kalani Bush, Deputy Attorney General

**STAFF**  
Michelle Kauhane Deputy to the Chairman  
Linda Chinn, Administrator, Land Management Division  
Francis Apoliona, Compliance Officer  
Darrell Yagodich, Administrator, Planning Office  
Dean Oshiro, Acting Administrator, Homestead Services Division  
Norman Sakamoto, Land Development Specialist  
Juan Garcia, Administrator, District Homestead Operations  
Kaleo Manuel, Planner, Planning Office  
Julie Cachola, Planner, Planning Office  
Bob Freitas, Planner, Planning Office  
Dre Kalili, Policy and Program Analyst  
Kahana Albinio, Acting Property Development Manager  
Nancy McPherson, Planner, Planning Office  
Elaine Searle, Secretary to the Commission

**PULE**  
Commissioner Tassill

**AGENDA**  
Commissioner Artates moved, seconded by Commissioner Aiu, to approve the agenda. Motion carried unanimously.
STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
91-5420 Kapolei Parkway, Kapolei, Hawai‘i
November 19, 2012, 9:30 a.m., and November 20, 2012, 1:00 p.m.

ORDER OF BUSINESS

Roll Call
Approval of Agenda

A - WORKSHOP PRESENTATIONS

A-1 FAA Presentation on Utility and Air-Space Easement, Hilo International Airport, Keaukaha, Island of Hawai‘i
A-2 HUD (Housing and Urban Development) Assessment of Native Hawaiian Housing Needs
A-3 Alternative Energy Projects, Island of Maui

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

C - OFFICE OF THE CHAIRMAN

C-1 Approval of Hawaiian Homes Commission Calendar for 2013
C-2 For Information Only - Status of Negotiation to Finalize Terms with Green Energy Team, LLC Working with Homestead Community Development Corporation, Anahola, Kaua‘i

D - HOMESTEAD SERVICES DIVISION

D-1 HSD Status Reports
Exhibits:
A - Homestead Lease and Application Totals and Monthly Activity Reports
B - Delinquency Report
C - DHHL Guarantees for USDA-RD Loans
D - DHHL Guarantees for FHA Construction Loans

D-2 Approval of Various Lease Awards
D-3 Approval of Various Assignment of Leasehold Interest in Recently Approved Lease Awards
D-4 Ratification of Loan Approvals (see exhibit)
D-5 Approval of Consent to Mortgage (see exhibit)
D-6 Schedule of Loan Delinquency Contested Case Hearings (see exhibit)
D-7 Loan Interest Rate Policy
D-8 Homestead Application Transfers / Cancellations (see exhibit)
D-9 Commission Designation of Successors to Application Rights - Public Notice 2011 (see exhibit)
D-10 Reinstatement of Deferred Applications (see exhibit)
D-11 Ratification of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)
D-12 Approval of Assignment of Leasehold Interest (see exhibit)
D-13 Approval of Amendment of Leasehold Interest (see exhibit)
D-14 Approval to Use Cinder from Puʻu Papapa
D-15 Request to Vacate Previous Designation of Successors and Amendment to Recommend Sole Successor - Ernest Kaohimaunu, Sr., Transfer Through Successorship

F - LAND MANAGEMENT DIVISION

F-1 Exploration of a Feral Animal Management Demonstration Project, Humuʻula, Island of Hawaiʻi
F-2 Issuance of License, Office of Hawaiian Affairs, Keaukaha, Island of Hawaiʻi
F-3 Notices of Default and Revocations, Statewide
AMENDED
STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS
(continuation)
HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
91-5420 Kapolei Parkway, Kapolei, Hawai'i
November 20, 2012, 1:00 p.m.

RECONVENE

A - WORKSHOP PRESENTATION

A-4 Native Hawaiian Roll Commission

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

E - LAND DEVELOPMENT DIVISION

E-1 Ratification of the Settlement Committee Decision to Hire an Expert Witness for
Civil No. 09-1-1615-07 (ECN), Honokaia Ohana et al, v Masagatani, et al,
Honokaa, Hawaii

J - GENERAL AGENDA

J-1 Request to Address Commission - Hawaiian Community Assets
J-2 Request to Address Commission - Waiohuli Undivided Interest Lessees
J-3 Request to Address Commission - Keoki Aiwohi, Stacey Eli, Raefaala Lewis,
Charleston Mahoe and Charliata Mahoe
J-4 Request to Address Commission - Corbett and Garla Roy, Jr.

EXECUTIVE SESSION

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. Maui Delinquent Property Tax Update
2. Status re: Hale Makana O Nanakuli Project
3. Nelson Case: "Sufficient Sums" for DHHL Funding,
   Richard Nelson, III, Kaliko Chun et al. v HHC, Civil No. 07-1-1663
4. Leighton Pang Kee v DHHL, Civil No. 12-1-2403-09
5. Honokaia Ohana et al. v Masagatani et al., Civil No. 09-1-1615-07 (ECN)
6. In the Matter of Changing Counsel for HHC and DHHL and Changing
   Administrative Rules
ANNOUNCEMENTS AND ADJOURNMENT

1. Next Meeting – December 17, 2012, Kapolei, Hawai‘i
2. Other Announcements
3. Adjournment

Jobie M.K. Masagatani, Chairman Designate
Hawaiian Homes Commission

COMMISSION MEMBERS

Imaikalani P. Aiu, Kaua‘i
Perry O. Artates, Maui
Leimana DaMate, West Hawai‘i
Gene Ross K. Davis, Moloka‘i

J. Kama Hopkins, O‘ahu
Michael P. Kahikina, O‘ahu
Ian B. Lee Loy, East Hawai‘i
Renwick V.I. Tassill, O‘ahu

The next community meeting will be held on Monday, December 17, 2012 at Ka Waihona O Ka Na‘auao Charter School, Nanakuli (former Nanaikapono Elementary School) 89-195 Farrington Highway, Nanakuli, O‘ahu at 6:30 p.m.

Special Accommodations (such as Sign Language interpreter, large print, taped materials) can be provided, if requested at least five (5) working days before the scheduled meeting on the respective island by calling (808) 620-9590.
AMENDED AGENDA

Commissioner Tassill moved, seconded by Commissioner Kahikina to convene with Item J-4, Corbett Roy, Jr., after “B” agenda items. Motion carried unanimously.

APPROVAL OF MINUTES

Commissioner DaMate moved, seconded by Commissioner Aiu, to approve the minutes of July 23-24, 2012, as circulated. Motion carried unanimously.

A - WORKSHOP PRESENTATIONS

A-1 FAA Presentation on Utility and Air-Space Easement, Hilo International Airport, Keaukaha, Island of Hawaii

FAA Administrators Darice Young, Hilo Manager Al Miller, District Manager Ken Reyes, and Specialist John Urguhart presented a power point on the VORTAC. VORTAC is a navigational radar site providing a beacon to assist both military and civilian planes to navigate safely in the airways between the islands. It assists pilots in determining where they are in relation to the facility itself, as well as to provide safety features and guidelines in determining how pilots fly along different airways. The beacon emits a high frequency which brings awareness instantaneously to the pilot where he is in relation to the ground. The Hilo VORTAC enables efficient and reliable aviation service into Hilo in all kinds of weather, said Ms. Young. Hilo is considered one of only two major vital links of emergency air support and evacuation for the Big Island and serves as an alternate airport for the State of Hawaii and Honolulu International Airport.

Mr. Reyes responded to questions posed by Commissioners DaMate and Tassill that there are no existing conflicts with Camp Pohakuloa usage, nor does the VORTAC facility, located in the Keaukaha area, emit any kind of cancer causing effects. The facility is maintained and cleared from any foliage or trees obstructing its airway signals. The Keaukaha community was apprised of this project and support the services provided by the VORTAC facility. FAA anticipates approval of a 10-foot wide easement within an existing 50-foot wide road with airspace of 1,000 foot radius to be presented in next month's agenda. Commissioner Lee Loy requested documentation of other users in the area. Chair Masagatani inquired as to what other alternatives would suffice if the easement is not granted. The impact of the VORTAC would affect more than 25% of the aviation capability of Hawaii which would diminish service for local, national, and international flights that depend on this system, noted Mr. Reyes. He articulated that Hilo airport serves as the closest airport for mainland flights should there be an emergency. Material presented to be made a part of these minutes as Exhibit “B” for Item A-1.
A-2 HUD (Housing and Urban Development) Assessment of Native Hawaiian Housing Needs

Dre Kalili, Policy and Program Analyst, presented a power point, providing information regarding a needs assessment study being conducted by the Department of Housing and Urban Development (HUD) of Native Hawaiian housing needs. HUD is partnering with DHHL, in conducting this study that includes a survey of 500 native Hawaiian households (applicants), and interviews with homestead leaders, DHHL staff, and housing service providers. The study will gather such information, such as housing composition, existing conditions, water usage, housing preferences, and amenities, as well as relationships amongst household members. This study is to better understand the housing needs of native Hawaiians, that are also applicants and beneficiaries of the Trust, noted D. Kalili. Outreach resources will include DHHL’s Ka Nuhou newsletter, OHA’s Ka Wai Ola newspaper, as well as community meetings, to convey important information regarding the survey. Homesteaders will be hired to aid in the interviews.

Preliminary discussions with HUD will include formalizing a relationship through an MOU (Memorandum of Understanding) and authorizing the chairman to negotiate the MOU with HUD. Senator Inouye has appropriated funding to implement this study. A previous study was conducted in 1996, but nothing was in detail. HUD anticipates that the surveys will represent a wide range of native Hawaiians. Commissioner Lee Loy suggested expanding the number of interviews to better represent a wider range of waitlisted applicants. Housing needs are different on each island, and it would be diligent of HUD to utilize samplings from each island, said Commissioner DaMante. She recommended HUD assess the water and alternative energy resources. D. Kalili concurs that samplings would include both water and electricity usage. Material was submitted to be made a part of these minutes as Exhibit “A” on Item A-2

RECESS 11:15 a.m.

RECONVENE 11:25 a.m.

A-3 Alternative Energy Projects, Island of Maui

Norman Sakamoto, Land Development Specialist and Julie Cachola, Planner, provided a power point presentation on potential alternative energy projects on the island of Maui. Part of the focus is due to the supply and demand for electricity, relative to the state’s electrical companies, HECO, HELCO, and MECO. Background information that was presented included Hawaii as the third lowest energy user in the United States with a higher cost on usage. N. Sakamoto noted that energy costs in the Hawaii are at 11% of our gross domestic product, compared to other states that are at 4%, with Hawaii ranking second in solar installations. Oahu uses 72% of the power usage while Maui uses an 11% power usage, added N. Sakamoto.
The Hawaii State Legislature adopted a Hawaii Clean Energy Initiative (HCEI) in 2001, partnering with the U.S. Department of Energy (USDOE) with prospects of an undersea cable to supply Oahu's energy needs. The undersea cable has since been embroiled in controversial issues. Hawaii has implemented a renewable energy standard portfolio with the current goal set at 40% by the year 2030; that is 40% of the electricity sold, by the Hawaiian Electric Companies coming from renewable energy sources.

The HEI (Hawaii Electric Industries) companies plan to initiate Requests For Proposals (RFP's) for renewable energy beginning in early 2013: 200 MW (megawatt) for Oahu and 50 MW of firm renewable energy for Maui. "Firm" renewable energy references hydro-electric and geothermal as opposed to solar. HELCO (Hawaii Electric Light Company), on the island of Hawaii, did submit an RFP for geothermal energy. Some vendors inquired about possible renewable energy projects at Honokawai, Pulehunui, Waiohule, and Kahikinui, on the island of Maui. N. Sakamoto noted that if the undersea cable happens, more opportunities may be gained should our lands be utilized. He stated that each vendor will be allowed to look at our lands, and propose how they intend to utilize it. According to Commissioner Artates, Kahikinui, on Maui, has benefited from a 6,000 lineal feet concrete road worth $1.2 million, at no cost. He recommended pursuing this kind of renewable energy project. Commissioner Kahikina stated that a policy procedure was submitted in September 2012 by this commission's energy committee, to place a moratorium on such actions, until benefits are vetted. According to N. Sakamoto, it would clearly be the commission's prerogative to make those kinds of decisions on whether they want to proceed or not. Commissioner DaMate suggested a faster turn-around period be initiated, to approve the proposals, to not diminish opportunities for the department. She recommended strategizing in preparation for when these bills are introduced to the Legislature.

In a September 2011 submittal, the Energy Committee included a viable geothermal energy option, but part of the challenge encountered was the mineral rights. Commissioner Aiu voiced how key elements need to be considered on what kind of returns are to be expected, as well as finding suitable partners, who have agreeable standards, other than technical competencies, and are sensitive to cultural issues. Commissioner Davis acknowledged that MECO offered renewable energy to Molokai until the levels of opportunity were saturated. Commissioner Kahikina inquired whether laws prevent the department from creating its own alternative energy. Norman Sakamoto noted that consultants would need to be brought in to address statutes, as this is a PUC-regulated industry. Material was submitted to be made a part of these minutes as Exhibit "A" for Item No. A-3

**AMENDED AGENDA**

Moved by Commissioner Kahikina, seconded by Commissioner Aiu, to convene with "J" agenda Item No. J-4. Motion carried unanimously.

Chair Masagatani noted that the "J" agenda provides opportunity for the public to present their concerns. She emphasized that "no action" is taken in this forum.
ITEM NO. J-4

SUBJECT: Request to Address Commission - Corbett Roy, Jr. and Garla Roy.

Mr. Corbett (Garla) Roy, Jr. (Roy, Jr.) expressed his dissatisfaction on matters pertaining to a lease transfer that went awry between him and his father, Corbett Roy, (Roy, Sr.) As a 25% native Hawaiian, Roy, Jr. is ineligible to qualify as an applicant for Hawaiian home lands, a prerequisite to becoming a waitlisted applicant. When he negotiated to purchase a lot on Maui, his father was required to be on the lease, to allow the eventual transfer of the lease to him. The assignment of lease was completed on October 24, 2007, for the Maui property. Roy, Jr. articulated that he purchased the lot for $35,000, built a home, but decided to sell it a short time later. The home was built for $200,000, appraised at $319,000 and sold for $238,000 in March 2012, and never benefited from the sale, expressed Roy Jr. He noted three members of his family are named Corbett O Roy; his father (Roy, Sr.), himself (Roy, Jr.), and his son (Roy, III). Roy, Jr. further stated he is unnerved with the inconsistencies of the names appearing on some of the documents; such as, Corbett Roy, Corbett O. Roy, Corbett Roy, Sr. and Corbett O. Roy, Sr. as it may refer to any one of his family members.

Roy, Jr. indicated he was advised by staff of an available agricultural lease lot for sale in Waimea, Island of Hawaii, which he subsequently purchased for $96,000, with the assistance of Realtor, Charmaine Poki, in November 2007. Due to the 50% blood quantum requirement, his father was required to be on the lease as a co-lessee. In the meantime, Roy, Sr. amassed credit issues and suffered harassment by his son, Roy, Jr. To resolve this issue, Roy, Jr. requested that the lease be under his name only. Roy, Sr. expressed a change of heart, and, subsequently, wanted to designate his lease to another son, Stephen Roy. Roy, Jr. sensed the urgency to resolve this matter, as he had tendered funds to purchase the Waimea property. Chair Masagatani requested staff to address what now appeared to be two separate matters: 1) alleged action taken on the part of department staff which needs further investigation; and 2) rights available to Roy, Jr. which will involve legal counsel. Commissioner DaMate recommended delaying the transfer until all issues are resolved. Roy, Jr. indicated he has engaged Native Hawaiian Legal Corporation (NHLC) as counsel. Material was submitted to be made a part of these minutes as Exhibit "A." for Item J-4.

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

Robin Danner - Anahola Hawaiian Homestead Association (AHHA) board member; President, Hawaiian Council Development Corporation (HCDC). Re: Item A-2. R. Danner encouraged the commission to utilize homestead associations who have displayed the capacity to partner and develop projects, such as the partnership between HCDC and KIUC (Kauai Island Utility Cooperative). D. Danner noted that HCDC has demonstrated how they have progressed through partnerships. She recommended that the commission pass a renewable energy policy, and encouraged other homestead associations, especially on Maui, to develop partnerships.
Shari Cummings - AHHA and HCDC Board Member, Re: Item C-2, Ms. Cummings presented background on her Ohana, beginnings as homesteaders from the 1970's, who settled and aided in the development of the Anahola lands. Ms. Cummings expressed that the Hawaiian Homes Commission Act (HHCA) was not intended only for homesteading, but for commercial and non-profit projects, as well. She requested the commission intervene, to allow Anahola beneficiaries to identify the Albizia project as its own, with the aid of HCDC as its mentor. She professed that every partnering venture with HCDC has benefited the Anahola beneficiaries. She added that DHHL has been in opposition, to serving the needs of its community.

Robin Danner – Re: Item C-2: Ms. Danner provided a timeline when Green Energy, Inc. (GEI) first approached the department in 2010 for the clearing of 2,000 acres of Albizia. She said nothing was accomplished for a whole year. HCDC's partnership with Green Energy began in November 2011, which resulted in a community-based economic development project, said R. Danner. As a starting point, HCDC paid for an appraisal on fair market value for this property. Through the process, HCDC developed its own homestead benefits agreement. This project was presented to DHHL in a letter dated April 30, 2012, and addressed at the regular June 2012 agenda. To her dismay, DHHL presented it as its own project, not HCDC's, noted R. Danner. She stated the commission is the governing body, not DHHL, and DHHL, unethically, made it their project, to then conduct negotiations with Green Energy. In September 2012, the commission approved negotiations with DHHL, GEI, and HCDC as partners; yet, to this point, R. Danner senses they are being excluded, as participant. She urged the commission to emphasize to the department that this is HCDC's project as co-partners. She opposes a memo from the Department of the Attorney General which challenges HCDC from being on the lease as an eleemosynary organization. Commissioner Lee Loy then asked Shari Cummings how she perceived the department working against beneficiaries. Ms. Cummings stated the department has placed roadblocks in their efforts to be involved in this project. Commissioner Aiu asked what would be HCDC's recommendation. R. Danner stated that the memo submitted by the Attorney General's office should be rated as an "opinion" only. Commission members should reject the notion that HCDC cannot be placed on the land license, and to have HCDC's original proposal implemented to include them as co-lessees, with the appraised land value going to DHHL, and everything else going to HCDC.

Further discussion may be addressed when the item appears on the agenda, noted Chair Masagatani. Commissioner Davis expressed how various communities have developed beyond his expectations. He is thankful for resources available to Molokai homesteaders from the department. Commissioner Kahikina disagreed and admonished the department for alienating his own family, stating that it is the commission's fiduciary responsibility, to act exclusively in the best interest of the beneficiary and exercise prudence in management, to adhere to the terms of the Trust.

Kaipo Kincaid - Hui Kakoo Aina Hoopulapula, Executive Secretary, Re: Item C-2, K. Kincaid supports fiduciary consultation. She represents 40,000 applicants and beneficiaries on the waitlist. One of the major issues that concern her is the flow of money, from these projects, going to homesteaders through beneficiary packages, and not to general revenues for DHHL. K.
Kincaid believes it imperative to seek other means of revenue, to support those still on the waitlist, as the current $30,000,000 settlement appears to be depleting.

**Kawai Warren – President, Kekaha Homestead Association: Re: Item A-2.**
Mr. Warren expressed his support for the renewable energy project submitted by R. Danner.

**RECESS - 2:00 p.m.**

**RECONVENE - 2:30 p.m.**

**C - OFFICE OF THE CHAIRMAN**

**ITEM NO: C-1**

**SUBJECT: Approval of Hawaiian Homes Commission Calendar for 2013**

**RECOMMENDATION**

That the Hawaiian Homes 2013 Commission Calendar be accepted as presented in Exhibit "A," stated Deputy Kauhane.

**MOTION/ACTION**

Moved by Commissioner DaMate, seconded by Commissioner Kahikina. Motion carried unanimously.

**ITEM NO: C-2**

**SUBJECT: For Information Only – Status of Negotiation to Finalize Terms with Green Energy Team LLC Working with Homestead Community Development Corporation, Anahola, Kauai**

**MOTION/ACTION**

None, for information only.

Norman Sakamoto, Land Development Specialist and Julie Cachola, Planner, presented the status of negotiations to finalize terms with Green Energy LLC (Green Energy) working with Homestead Community Development Corporation, (HCDC) for 2,143 acres in Anahola. N. Sakamoto provided a timetable of items addressed which include:

1) preparing the lease; 2) informing the public prior to the lease of public land for proposed project; 3) conducting not less than two public hearings on Kauai and, 4) distributing an outline
of the proposal, public testimony, and comments from interested parties and the public; 5) working with HCDC in revising the homestead benefits agreement with discussion and public hearings to follow; and 6) seeking commission approval to execute the lease.

Certain issues were reviewed and drafts circulated between DHHL, Green Energy and DAG (Department of the Attorney General). Three issues still remain: 1) land disposition, 2) fair rent and 3) community benefits. The commission had an opportunity to review the different land dispositions.

N. Sakamoto stated that staff approached the Department of Attorney General (DAG) with regard to having HCDC receive a direct lease/license from DHHL for the property. Based on a negative response by DAG, the department would then recommend utilizing section 171-95 between DHHL and Green Energy.

DHHL received an appraisal from Green Energy and HCDC which needs to be evaluated to determine fair market value. Utilizing other comparable land transactions will aid in determining fair market value, explained N. Sakamoto. One comparable listing was 3,500 acres at $50 per acre for prime land; another was $25 per acre for non-prime land. Another approach in determining fair rent is to value the land; then ask for a return, based on the valuation of the land. Clearing the albizia may be incorporated in terms of adjusting the lease. Fair rent to the department may include cost to improve the land as well as rental per arable acre and percentage of gross revenue of bio-fuel generated. Terms of the rent would depend on the land disposition. A proposed lease term was altered from 20 years to 30 years, with an opportunity to terminate after 20 years, as recommended by Green Energy, said N. Sakamoto. He noted that the main issue is determining the land disposition and legal guidance from DAG. Chair recommended this matter be moved to executive session.

MOTION

Moved by Commissioner Lee Loy, seconded by Commissioner Kahikina, to adjourn in executive session, subsequent to Native Hawaiian Legal Corporation Counsel Alan Murakami comments.

COMMENT

Commissioner DaMate queried why the need be addressed in executive session. Deputy AG Bush responded that due to the liability issues, discussions would need to continue in the executive session format.

ACTION

Motion carried. Commissioner DaMate opposed this action.
COMMENT

Deputy AG Bush denied Commissioner Kahikina's request to have Deputy Kauhane be included in this discussion.

DISCUSSION

HCDC Counsel Alan Murakami and Green Energy Team (GET) Project Manager Eric Knutzen appeared before the commission. Mr. Knutzen expressed how this project, in partnership with HCDC, aids Anahola homesteaders, by focusing on the albizia renewable energy project. GET plans to clear the roads and ditches, in partnership with HCDC, a workforce provider. Attorney Murakami said he is puzzled by this lease arrangement, and legal opinions can be subject to different interpretations. He advocated having HCDC's proposal be considered acceptable, once the matter comes before the commission. He articulated that this is an initiative by a native Hawaiian organization to engage in contracts, on behalf of its beneficiaries, something which is defined in the Hawaiian Homes Commission Act (HHCA) Section 207(c)(1)(a), and absent from this submittal. The commission should be guided by the terms of the HHCA (Hawaiian Homes Commission Act) and implement its statutes. This initiative, from a native Hawaiian organization, should be welcoming and encouraging because the state's legislature established a Self-Governance Act in 2001. It is also an expression of legislative policy, to engage in contracts, which is exactly what HCDC is attempting to do. Attorney Murakami deemed this a critical issue in determining what degree native Hawaiian organizations will have in administering the terms of this Act. He commended this commission towards setting a new paradigm in self-governance.

Kali Watson, Executive Director, Hawaiian Community Development Board, and Economic Housing Committee Chair for Nanakuli Hawaiian Homestead Association, is concerned of the potentially "bad" precedent set with the exclusion of a native Hawaiian organization. Exclusion would violate the HHCA, in establishing efforts of self-governance and improvements to the area in which they reside. Mr. Watson communicated that the department should facilitate having HCDC be part of the legal working relationship with the alternative energy producer.

RECESS 3:10 p.m.

EXECUTIVE SESSION

The commission convened in executive session 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 this above-referenced matter.

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Lee Loy, to reconvene in regular session. Motion carried unanimously.
RECONVENE  3:55 p.m.

ITEM NO:  C-2 (cont)
SUBJECT:  For Information Only – Status of Negotiation to Finalize Terms with Green Energy Team LLC Working with Homestead Community Development Corporation, Anahola, Kauai

RECOMMENDATION

Due to the land disposition matter discussed in executive session, Chair entertained an action item "to authorize the chairman to communicate with the attorney general to secure independent counsel regarding disposition options available for this project."

AMENDED MOTION

Moved by Commissioner Lee Loy, seconded by Commissioner Kahikina to authorize this recommendation. A roll call vote was taken.

AE
   AIU             KAHIKINA
   ARTATES        LEE LOY
   DAMATE         TASSILL
   DAVIS          MASAGATANI

AOLE
   NONE

EXCUSED
   HOPKINS

ACTION

Motion carried unanimously.

D - HOMESTEAD SERVICES DIVISION

ITEM NO:  D-1
SUBJECT:  HSD Status Reports

Exhibits:
   A - Homestead Lease and Application Totals and Monthly Activity Reports
   B - Delinquency Report
   C - DHHL Guarantees for USDA-RD Loans
   D - DHHL Guarantees for FHA Construction Loans

Correction:  Typographical error: Exhibit "D," Lot No. 52, should be spelled Keaukaha

MOTION/ACTION

None, for information only.
ITEM NO: D-2
SUBJECT: Approval of Various Lease Awards

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Kahikina. Motion carried unanimously.

ITEM NO: D-3
SUBJECT: Approval of Various Assignment of Leasehold Interest in Recently Approved Lease Awards

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-4
SUBJECT: Ratification of Loan Approvals (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner Kahikina. Motion carried unanimously.

ITEM NO: D-5
SUBJECT: Approval of Consent to Mortgage (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner Kahikina. Motion carried unanimously.

ITEM NO: D-6
SUBJECT: Schedule of Loan Delinquency Contested Case Hearings (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.
ITEM NO: D-7
SUBJECT: Loan Interest Rate Policy

MOTION

Moved by Commissioner Lee Loy, seconded by Commissioner DaMate.

DISCUSSION

In the breakdown of various interest rates, the department will service those loans originated by the department. For FHA and RD loan rates, the interest rates will need to be vetted before it can be determined what the rates will be, noted D. Oshiro.

ACTION

Motion carried unanimously.

ITEM NO: D-8
SUBJECT: Homestead Application Transfers/Cancellations (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-9
SUBJECT: Commission Designation of Successors to Application Rights - Public Notice 2011 (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-10
SUBJECT: Reinstatement of Deferred Applications (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.
ITEM NO: D-11
SUBJECT: Ratification of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-12
SUBJECT: Approval of Assignment of Leasehold Interest (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-13
SUBJECT: Approval of Amendment of Leasehold Interest (see exhibit)

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner DaMate. Motion carried unanimously.

ITEM NO: D-14
SUBJECT: Approval to Use Cinder from Puu Papapa

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Artates.

DISCUSSION

Endangered species were found at Puu Papapa in 1995, and all mining ceased at the request of the U.S. Department of Fish and Wildlife in 2011, said Deputy Kauhane. In September 2012, approval was granted to the department to remove the existing stockpile for road maintenance only. Once the stockpile is depleted, all cinder removal will cease. Commissioner DaMate plans to meet with the Waimea homestead community, as they object to removal of the cinders by the department. The department currently purchases cinder for road repairs.
ACTION

This item was deferred until the next monthly meeting.

ITEM NO: D-15
SUBJECT: Request to Vacate Previous Designation of Successors and Amendment to Recommend Sole Successor - Ernest Kaohimaunu, Sr., Transfer Through Successorship

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Artates. Motion carried unanimously.

F - LAND MANAGEMENT DIVISION

ITEM NO: F-1
SUBJECT: Exploration of a Feral Animal Management Demonstration Project, Humuula, Island of Hawaii

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Artates. Motion carried unanimously.

MOTION/ACTION

Moved by Commission Tassill, seconded by Commissioner DaMate to recess the meeting until tomorrow and defer Items F-2 and F-3 until tomorrow. Motion carried unanimously.

RECESS: 4:25 p.m.
HAWAIIAN HOMES COMMISSION
Minutes of November 20, 2012
Meeting Held in Kapolei, Oahu

RECONVENE: 4:20 p.m.

PRESENT
Jobie M. K. Masagatani, Chairman Designate
Imaikalani Aiu, Commissioner, Kauai
Perry O. Artates, Commissioner, Maui
Gene Ross K. Davis, Commissioner, Molokai
J. Kama Hopkins, Commissioner, Oahu
Michael P. Kahikina, Commissioner, Oahu
Ian B. Lee Loy, Commissioner, East Hawaii
Renwick V. I. Tassill, Commissioner, Oahu

EXCUSED
Leimana DaMate, Commissioner, West Hawaii

COUNSEL
S. Kalani Bush, Deputy Attorney General

COMMENT: Item A-4, Native Hawaiian Roll Commission, is deferred to next month's December agenda.

AMENDED AGENDA

Moved by Commissioner Hopkins, seconded by Commissioner Aiu, to convene with Item No. E-1. Motion carried unanimously.

E - LAND DEVELOPMENT DIVISION

ITEM NO: E-1
SUBJECT: Ratification of the Settlement Committee's Decision to Hire an Expert Witness for Civil No. 09-1-1615-07 (ECN), Honokaia Ohana, et. al., v. Masagatani, et. al., Honokaia Hawaii

RECOMMENDATION

Sandra Pfund, Land Development Administrator, recommended to the commission, to ratify the decision of the settlement committee, in the Honokaia Ohana's above-referenced case, to hire an expert witness.
MOTION/ACTION

Moved by Commissioner Lee Loy, seconded by Commissioner Kahikina. Motion carried unanimously.

AMENDED AGENDA

Moved by Commissioner Lee Loy, seconded by Commissioner Tassill to convene with Items No. F-2 and F-3. Motion carried unanimously.

LAND MANAGEMENT DIVISION

ITEM NO: F-2
SUBJECT: Issuance of License, Office of Hawaiian Affairs, Keaukaha, Island of Hawaii

RECOMMENDATION

That an existing benefits license be extended to Office of Hawaiian Affairs (OHA) for an additional year to operate its office site at the DHHL East Hawaii District Office, noted Kahana Albinio, Land Management Supervisor. Approval of this action will afford them that opportunity.

MOTION/ACTION

Moved by Commissioner Lee Loy, seconded by Commissioner Tassill. Motion carried. Commissioner Hopkins recused himself from voting.

ITEM NO: F-3
SUBJECT: Notices of Default and Revocations, Statewide

MOTION/ACTION

None, for information only.

J - GENERAL AGENDA

ITEM NO: J-1
SUBJECT: Request to Address the Commission – Hawaiian Community Assets
MOTION/ACTION

None, for information only.

DISCUSSION

Hawaiian Community Assets (HCA) representatives, Jeff Gilbreath and Kehaulani Filimoenatu, presented information on its mission, to provide opportunities to beneficiaries to sustain themselves through financial risks and partnership opportunities. K. Filimoenatu offered a glimpse of HCA’s beginnings from 1994 to assist native Hawaiians who are unable to take care of themselves. HCA wishes to partner with others, including this Trust, to sustain its mission and provide financial success to native Hawaiians. J. Gilbreath stated that families need to be nurtured and educated to get them back to the land. He noted that HCA has provided services under grants and contracts for more than six years under DHHL, and has leveraged funding to enhance its services to native Hawaiian homebuyers. J. Gilbreath said he looks forward to working with the department to help usher in opportunities and initiatives to address homelessness.

Many people fall short of financial assistance and is encouraged by this avenue available to beneficiaries who have lost their way, noted Commissioner Tassill. Chair Masagatani recognized K. Filimoenatu for her accomplishments, since HCA’s inception. She supports the sharing of partnership opportunities that address financial issues and foreclosure prevention. K. Filimoenatu will provide an update on lease cancellations and foreclosure processes, and looks forward to collaborating with the department in such matters. Material presented to be made a part of these minutes as Exhibits "A" and "B" of item J-1.

ITEM NO: J-2
SUBJECT: Request to Address the Commission – Waiohuli Undivided Interest Lessees

MOTION/ACTION

None, for information only.

DISCUSSION

Dane Makaila was awarded an undivided lot in Waiohuli in 2005 and resides on Oahu. He expressed appreciation to Kekoa Enomoto for reaching out to the 290 lessees, offering assistance and sustaining their hopes and dreams to one day become homesteaders. Since the signing of the lease, there has been one delay after another, noted D. Makaila. He is part of a contingent of lessees, who continue to wait for their lands. He remains hopeful to one day move onto the aina, for the sake of his children and his children's children.
In Keoka Enomoto's testimony, she requested that a Waiohuli Undivided Interest Lessees list be accessible to her; to allow them to organize and band together, to facilitate meetings and workshops, and, that DHHL be held accountable for installing infrastructure in Waiohuli.
Puanani Crabbe submitted testimony, thanking Keoka Enomoto for encouraging her to become a member of the Keokea Undivided Interest Hui, and fostering the faith that one day they, too, would be a part of the Keokea/Waiohuli homestead, on Maui. P. Crabbe's testimony submitted as Exhibit "B" of Item J-2.

ITEM NO: J-3
SUBJECT: Request to Address the Commission – Keoki Aiwohi, Stacey Eli, Raefaela Lewis, Charleston Mahoe and Charlita Mahoe

MOTION/ACTION

None, for information only.

DISCUSSION

Charlita Mahoe testified against the Hale Makana O Nanakuli (Hale Makana) project initiated by the Nanakuli Hawaiian Homestead Community Association (NHHCA). She was led to believe this housing project was for Hawaiian kupuna of Nanakuli. In 2007, she discovered that plans changed from being a kupuna housing project to a public rental project on Hawaiian home lands. A petition was circulated in August 2012, listing over 1,000 signatures, affirming a stand against the NHHCA's development of the Hale Makana project. A survey is being conducted, to determine if the community is "for" or "against" leasing or selling homes to non-Hawaiians. Results will be forthcoming at a community meeting in December. Charleston Mahoe said he's been on the waitlist for 11 years, and articulated that this project should "not be in our backyard," and is concerned this may spread to other neighboring homesteads; adding it is not NHHCA's job to care for the homeless people; it is the state's job. C. Mahoe conveyed they are seeking counsel from Native Hawaiian Legal Corporation (NHLC). Chair queried whether members would take matters into their own hands should things not go their way, to which Ms. Mahoe concurred that it may be a possibility.

Germaine Meyers, Nanakuli homesteader, spoke in support of the project and praised NHHCA for initiating the Hale Makana project, to meet the need to shelter 48 families. She encouraged a letter of support, by this commission, be addressed to the Nanakuli homesteaders, to demonstrate how they heeded the community's needs. Shirley Gohier, G. Meyers' mother, spoke in support of this project. She believes others, including non-Hawaiians, should be given an opportunity to become homeowners. Commissioner Lee Loy noted that the commission reviewed this project last year in May, on Kauai. Chair added that action was taken in June 2012, to allow subdividing the property into four (4) parts, and authorizing a short-term lease of five (5) years, to advance further construction of Hale Makana. A 65-year general lease would be issued to NHHCA upon completion. Commissioner Tassill added his support and encouraged the Nanakuli community to move forward with their plan.
Arleen Lucero, a Nanakuli resident, spoke in favor of the Hale Makana project. She noted that the function of a general lease is to ensure income for the department, to continue the rehabilitation of the native people. Many people are unaware of this fact; thus, she encouraged members in her community to participate in the democratic process.

Patti Tancayo, Hawaiian Community Development Board (HCDB) member, articulated she has deep roots in Kalamaula, Molokai. Her family has been blessed by this program, which addresses the Hawaiian home lands package on self-determination. According to P. Tancayo, this development is projected to bring in $15,000,000 of financing from outside sources and approximately $400,000 in annual receipts from various U.S. subsidies. At the end of a compliance period, NHHCA could possibly own its project and assume its operational management. In 2009, a survey showed the average income in Nanakuli was $45,600 for a household family of 5.2. Fast forward to 2012, the median income for a family of five (5) is $44,520. She believes this project serves as a model for all homestead communities and for the many who would qualify. P. Tancayo provided material to be made a part of these minutes as Exhibit “A” for Item J-3.

MOTION/ACTION

Due to a lack of quorum, executive session was deferred until the next regular meeting. Moved by Commissioner Kahikina, seconded by Commissioner Aiu, to adjourn the meeting. Motion carried unanimously.

ADJOURNMENT:  5:45 p.m.
ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING  The next meeting is scheduled for December 16-17, 2012, Kapolei, Oahu.

ANNOUNCEMENTS  The next community meeting will be held at Ka Waihona O Ka Naauao Charter School, Nanakuli, 89-195 Farrington Highway, Nanakuli, Oahu, at 6:00 p.m.

ADJOURNMENT:  5:45 p.m.

Respectfully submitted,

[Signature]
Jobie M. K. Masagatani, Chairman Designate
Hawaiian Homes Commission

Prepared by:

[Signature]
Elaine G. Searle, Secretary
Hawaiian Homes Commission

APPROVED BY:
The Hawaiian Homes Commission
At Its Regular Monthly Meeting Of
September 24, 2013

[Signature]
Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission
<table>
<thead>
<tr>
<th>FULL NAME (PLEASE SIGN)</th>
<th>ADDRESS (STREET, CITY, ZIP)</th>
<th>TELEPHONE</th>
</tr>
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<tbody>
<tr>
<td>Larry Young - FAA</td>
<td>92-815 Kamehameha Hwy, Aiea, HI 96701</td>
<td>808-433-2975</td>
</tr>
<tr>
<td>Robin Danner - FAA</td>
<td>P.O. Box 237958, Honolulu, HI 96823</td>
<td>808-376-2400</td>
</tr>
<tr>
<td>Shari Munakami</td>
<td>114A Bishop St, Honolulu, HI 96817</td>
<td>808-521-2302</td>
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<tr>
<td>Colette Ro</td>
<td>1610 Bishop St, Honolulu, HI 96817</td>
<td>808-521-2302</td>
</tr>
<tr>
<td>Kiako Kinoshita</td>
<td>1610 Bishop St, Honolulu, HI 96817</td>
<td>808-521-2302</td>
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<tr>
<td>Wayne Johnson</td>
<td>1610 Bishop St, Honolulu, HI 96817</td>
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<td>Kiako Kinoshita</td>
<td>1610 Bishop St, Honolulu, HI 96817</td>
<td>808-521-2302</td>
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<tr>
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<td>31-5450 Kepapae St, Kepapae, Oahu</td>
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<tr>
<td>FULL NAME (PLEASE SIGN)</td>
<td>Dace Malama</td>
<td></td>
</tr>
<tr>
<td>ADDRESS (STREET, CITY, ZIP)</td>
<td>P.O. Box 4715, Kilauea, Kauai, Hi 96756</td>
<td></td>
</tr>
<tr>
<td>PHONE</td>
<td>387-6072</td>
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<th>Reference ITEM NO.</th>
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<tr>
<td>ADDRESS (STREET, CITY, ZIP)</td>
<td>99-220 Nahiku Ave, Hau Makana, Kauai, 11</td>
</tr>
<tr>
<td>PHONE</td>
<td>282-5972</td>
</tr>
</tbody>
</table>

| FULL NAME (PLEASE SIGN) | Germaine Meyers |
| ADDRESS (STREET, CITY, ZIP) | 89-302 Leopaka Ave, Kapolei, Oahu, 11 |
| PHONE | 282-0404 |

| FULL NAME (PLEASE SIGN) | Jeff Parbee |
| ADDRESS (STREET, CITY, ZIP) | 89-239 Leopaka Ave, Hau Makana, Kapolei, 11 |
| PHONE | 853-8502 |

| FULL NAME (PLEASE SIGN) | Steve Keane |
| ADDRESS (STREET, CITY, ZIP) | |
| PHONE | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
What's a VORTAC?

- **VOR** means *Very High Frequency (VHF) Omni-directional Radio Range*,
  - Determine the direction of aircraft from any position to or from a VOR beacon, and
  - if necessary, track to or from the beacon on a selected bearing.
  - The number of bearings can be considered to be limited to 360, one degree apart = Radials.

- **TACAN** means *TACTical Air Navigation*.
  
  A co-located VOR and TACAN beacon is called a VORTAC.

- **DME** means *Distance Measuring Equipment*
  - Transponder-based radio navigation technology.
  - Used to determine their distance from a land-based transponder.

  A co-located VOR and DME beacon is called a VOR/DME.
Principles of Operation

- VOR operates on Very High Frequency (VHF) between 108MHz and 118MHz. The primary navigation aid used by general aviation.
- TACAN operates on Ultra High Frequency (UHF) between 960MHz and 1215MHz. The primary navigation aid used by the military.
- The distance measuring component of the TACAN.
  - Operates with the same specifications as the civilian DME
  - TACANs are usually collocated with VOR Facilities
Critical Need

- Hilo VORTAC (One of over 950 Systems) supports the National Airspace System (NAS) in the Hawaiian Islands and the Oceanic Route system in the Pacific.

- Hilo VORTAC directly supports:
  - Numerous critical Airways (Victor Airways).
  - Several Standard Instrument Approach Procedures (SIAPs).
  - A number of Standard Terminal Arrivals (STARs) and Standard Instrument Departures (SID) for Hawaii and Hilo International Airport.
SDOT Airports

Department of Hawaiian Home Lands

Department of Land & Natural Resources

Hilo
VORTAC
1000 Foot Radius

72.1 Acres
5775.01 Feet Circumference

Facility ID & Type
ITO VOR

Google

November 19, 2012
Siting Criteria for VOR Sites

- Meet FAA Order - Siting Criteria for VOR, VOR/DME, and VORTAC.
  Generally, we look for objects that may block or create multipath signals.
  - Radius 100m (~ 325ft)
  - No metallic objects
  - Sheds, single tree h > 7m
  - Radius 200m (~ 650ft)
  - Building with metallic content
  - Power and telephone lines
  - Wire fences h > 1.2m
  - Group of tree h > 10m
  - Radius 300m (~ 1000ft)
  - Forest h > 8m
  - Metallic buildings
  - Building h > 12m
How The Surrounding Area Impacts VORTAC

- The total signal received by the aircraft receiver is the sum of the direct and reflected signals.

- Increasing the reflected surfaces around the VORTAC will adversely change the total signal received and cause bearing errors.

- Minimize reflected surfaces around the VORTAC where the reflected signals are strongest (Clear Zone).

- Direct reflected signals to an unused bearing.
Summation

- Since 1948 the Hilo VORTAC has operated as a Critical Aviation Navigation Facility for General Lyman Field and Hilo International Airport, as well as an integral part of the National Airspace system in Hawaii.

- The Hilo VORTAC enables a safe, efficient and reliable aviation service into and out of Hilo International Airport in all kinds of weather.

- The Hilo International Airport is one of only two major vital links for emergency air support and evacuation for the Big Island; and is also an alternate airport for the State of Hawaii and Honolulu International Airport.

- FAA seeking long term Easements for the Restricted Area, and facility utilities – Electricity/Telephone.
Any Questions?
Circling not authorized south of RW 8-26.

MISSED APPROACH: Climbing left turn to 5000 direct POA NDB and Hold.

<table>
<thead>
<tr>
<th>ATIS</th>
<th>HILO APP CON</th>
<th>HILO TOWER*</th>
<th>GND CON</th>
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<td>128.4</td>
<td>118.7</td>
<td>115.1</td>
<td>121.3</td>
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</table>

ELEV 38  TOZE 31

POA

PAHOU POA

5000

RW21

3.08

1800

KOPSE

210°

Procedure

Turn NA

CATEGORY  A   B   C   D

UNAV MDA  440-1 409 (500-1) 440-1 409 (500-1)

CIRCLING  500-1 462 (500-1) 500-1 462 (500-1)

700-2 662 (700-2)

HILO, HAWAII

Orig 12096
Circling not authorized south of Rwy 8-26.

MISSING APPROACH: Climbing left turn to 3000 via ITO R-079 to VEVES 5 DME and hold.

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<th>Hilo Tower</th>
<th>Gnd Con</th>
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<td>119.7 269.2</td>
<td>118.1 [CTAF] 263.1</td>
<td>121.9</td>
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 CATEGORY

CIRCLING 500-1/2 462 (500-1/2) 700-2 662 (700-2)
IFR TAKEOFF MINIMUMS AND (OBSTACLE) DEPARTURE PROCEDURES

Civil Airports and Selected Military Airports

ALL USERS: Airports that have Departure Procedures (DPs) designed specifically to assist pilots in avoiding obstacles during the climb to the minimum enroute altitude, and/or airports that have civil IFR takeoff minimums other than standard, are listed below. Takeoff Minimums and Departure Procedures apply to all runways unless otherwise specified. Altitudes, unless otherwise indicated, are minimum altitudes in MSL.

DPs specifically designed for obstacle avoidance are referred to as Obstacle Departure Procedures (ODPs) and are described below in text, or published separately as a graphic procedure. If the Obstacle DP is published as a graphic procedure, its name will be listed below, and it can be found in either this volume (civil), or the applicable military volume, as appropriate. Users will recognize graphic obstacle DPs by the term "(OBSTACLE)" included in the procedure title, e.g., TETON TWO (OBSTACLE). If not specifically assigned a departure procedure (i.e., ODP, SID, or radar vector) as part of an IFR clearance, an ODP may be required to be flown for obstacle clearance, even though not specifically stated in the IFR clearance. When doing so in this manner, ATC should be informed when the ODP being used contains a specified route to be flown, restrictions before turning, and/or altitude restrictions.

Graphic DPs designed by ATC to standardize traffic flows, ensure aircraft separation and enhance capacity are referred to as "Standard Instrument Departures (SIDs)". SIDs also provide obstacle clearance and are published under the appropriate airport section. ATC clearance must be received prior to flying a SID.

CIVIL USERS NOTE: Title 14 Code of Federal Regulations Part 91 prescribes standard takeoff rules and establishes takeoff minimums for certain operators as follows: (1) Aircraft having two engines or less - one statute mile. (2) Aircraft having more than two engines - one-half statute mile. These standard minima apply in the absence of any different minima listed below.

MILITARY USERS NOTE: Civil (nonstandard) takeoff minima are published below. For military takeoff minima, refer to appropriate service directives.

<table>
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<tr>
<th>NAME</th>
<th>TAKEOFF MINIMUMS</th>
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<td>HILO, HI</td>
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<tr>
<td>BABELTHUAP/KOROR (ROR) (PTRO)</td>
<td>TAKEOFF MINIMUMS: Rwys 27, 400-1 or std. with a min. climb of 299 per NM to 500. DEPARTURE PROCEDURE: Rwys 9, climb runway heading to 700 then as cleared.</td>
<td>HILO INTL (ITO) (PHTO)</td>
<td>DEPARTURE PROCEDURE: Use PARIS DEPARTURE.</td>
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<tr>
<td>AMDT 1 08015 (FAA)</td>
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<td>AMDT 6 05359 (FAA)</td>
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<td>GUAM, GG</td>
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<td>HONOLULU, HI</td>
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<td>GUAM INTL (GUM) (PGUM)</td>
<td>TAKEOFF MINIMUMS: Rwys 6L, 6R, 500-1 or std. with a min. climb 300 per NM to 800. Rwys 24L, 24R, 500-1 or std. with a min. climb of 300 per NM to 1400. DEPARTURE PROCEDURE: Rwys 6L, 6R, climb runway heading to 800 before turning. Rwys 24L, 24R climb runway heading to 1600 before turning.</td>
<td>HONOLULU INTL (HNL) (PHNL)</td>
<td>DEPARTURE PROCEDURE: use HONOLULU DEPARTURE.</td>
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<td>ORIG A 08971 (FAA)</td>
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<td>AMDT 7 05269 (FAA)</td>
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<tr>
<td>HANA (MNM) (PHHN)</td>
<td>DEPARTURE PROCEDURE: Use LINDBERG DEPARTURE.</td>
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PARIS FOUR DEPARTURE (OBLASTACLE)  

ATIS 126.4
GND CON 121.9
HILO TOWER* 118.1 (CTAF) 263.1
HILO DEP CON 111.7 269.2

UPOLU POINT
112.3 UPP chan 70

PARI S
N20° 10.12'
W155° 13.32'

R-325

SAPDE
N20° 09.29'
W154° 57.76'

PAC, 15 NOV 2012 to 10 JAN 2013

Rwy 3, 8: STANDARD
Rwy 21: Standard with minimum climb of 310' per NM to 1100 or 1300-2½ for climb in visual conditions.
Rwy 26: Standard with minimum climb of 385' per NM to 2900 or 1300-2½ for climb in visual conditions.

NOTE: Chart not to scale.

PARIS FOUR DEPARTURE (OBLASTACLE)
DEPARTURE ROUTE DESCRIPTION

TAKE-OFF RUNWAY 3: Climb heading 030° and ITO R-355 to SAPDE INT, thence....

TAKE-OFF RUNWAY 8: Climb heading 079° to ITO VORTAC and ITO R-355 to SAPDE INT, thence....

TAKE-OFF RUNWAY 21: Climbing left turn direct ITO VORTAC and ITO R-355 to SAPDE INT, or climb in visual conditions to cross ITO VORTAC northbound at or above 1200 MSL, then via R-355 to SAPDE INT, thence....

TAKE-OFF RUNWAY 26: Climbing right turn via heading 045° and ITO R-355 to SAPDE INT, or climb in visual conditions to cross ITO VORTAC northbound at or above 1200 MSL, then via R-355 to SAPDE INT, thence....

....proceed via UPP R-082 to PARIS INT.

TAKE-OFF OBSTACLE NOTES
Rwy 3: Numerous trees and WSK beginning 395' from DER, 68' left of centerline, up to 86' AGL/115' MSL
Numerous trees beginning 325' from DER, 137' right of centerline, up to 66' AGL/95' MSL

Rwy 8: Tree 1198' from DER, 480' left of centerline, 37' AGL/70' MSL
Numerous trees beginning 414' from DER, 328' right of centerline, up to 46' AGL/79' MSL

Rwy 21: Numerous trees and poles beginning 1077' from DER, 272' left of centerline, up to 70' AGL/490' MSL
Numerous trees and poles beginning 236' from DER, 43' right of centerline, up to 83' AGL/362' MSL
Vehicles on road beginning 234' from DER, 260' left of centerline, 15' AGL/58' MSL

Rwy 26: Numerous vehicles beginning 6' from DER, 452' right of centerline, up to 15' AGL/39' MSL
Numerous trees and light poles beginning 542' from DER, 471' left of centerline, up to 86' AGL/92' MSL
Numerous trees beginning 1645' from DER, 266' right of centerline, up to 93' AGL/119' MSL
Windsock 3' from DER, 269' right of centerline, 19' AGL/46' MSL
Radar reflector 373' from DER, 346' right of centerline, 10' AGL/37' MSL
What is this assessment?

- Conducted by HUD Policy Development Research
- Target completion: December 2014
- Proposed methodology:
  - 500 household surveys (Applicants)
  - Interviews with homestead leaders, housing service providers, and DHHL staff
- $1M appropriated by Senator Inouye
Assessment products?

- Household composition and income
- Existing housing conditions
- Electricity and water use
- Housing preferences
- Needed community amenities
- Attitudes toward DHHL

Benefit to DHHL

- Current data on applicants' housing needs
  - Directs HUD policy development
    - Office of Native American Programs/NAHASDA
    - Federal Housing Administration (FHA)
  - Directs DHHL
    - Planning
    - Housing product
    - Financing
DHHL’s Role

- Conduct pre-assessment outreach/education
  - DHHL Ka Nuhou
  - Ka Wai Ola O OHA
  - Website and social media
  - Community meetings
- Assist in selecting sample group

Formalizing a HUD-DHHL relationship

- HUD letter requesting a formal relationship
- MOU to formalize:
  - Each agency’s role
  - Confidentiality requirements
  - Use of data
- HHC action item in December to authorize chairman to negotiate/enter into an MOU
Next Steps

- December HHC action item
- Chair negotiates and enters into MOU
- Outreach begins

Questions?
Jobie M. K. Masagatani, Chairman  
Hawaiian Homes Commission  
PO Box 1879  
Honolulu, HI 96805

Dear Chairman Masagatani:

As you are aware, HUD’s Office of Policy Development and Research is preparing to conduct a Native Hawaiian Housing Needs Study as authorized by Senate Report 111-69? Our office is interested in partnering with the Department of Hawaiian Home Lands to ensure the success of this effort and the accuracy of the data collected in this study.

This study proposes to include 500 face-to-face interviews with native Hawaiians who are Department of Hawaiian Home Lands applicants. HUD has considered other data samples for this study, but the applicants are likely to produce the best data on native Hawaiian housing needs. Our office also had preliminary discussions on this topic with the previous Chairman of the Commission, but we were not able to formalize an agreement before his departure.

HUD expects the results of the study to help guide in its policy development with regard to programs that target native Hawaiian housing needs. HUD also expects your department will benefit in understanding the housing needs and capacities of those families who are waiting for a Hawaiian Home Lands lease award and/or housing product.

Please let us know the next steps to move toward a formal agreement on this collaboration. HUD looks forward to hearing from you or your staff soon. If you have any questions, please contact Jennifer Stoloff at (202) 402-5723 or Jennifer.A.Stoloff@hud.gov.

Sincerely,

Mark D. Shroder  
Associate Deputy Assistant Secretary  
Office of Research, Evaluation, and Monitoring
Alternative Energy Projects
Island of Maui
Hawaiian Homes Commission
November 19, 2012

Item No. A-3

Today's Workshop

- Focuses on the supply and demand for electricity relative to HEI companies (HECO, HELCO, MECO)
- Attempts to simplify operating concepts and major variables
- Does not cover transportation energy initiatives (jet fuel, automobiles) or energy efficiency/consumer demand efforts (e.g., use of CFLs)
Basic Terms & Facts

- WATT (W) - a unit of power, or energy per unit time (the rate at which energy is being used)
- MEGAWATT (MW) - one million watts
- For one instant, one megawatt can power 1,000 homes
- An average U.S. household uses about 10,000 kilowatt-hours (kWh) of electricity each year.

Hawaii’s Energy Profile

- 3rd lowest per capita energy use in the U.S. in 2010
- Most dependent on petroleum for its energy needs
- Highest electricity and gasoline prices in the U.S.
- Between 2008 and 2009, household fuels and utilities costs rose 36.4%
- Energy costs approach 11% of our GDP, compared to 4% of most states
- 2nd in the U.S. for installed solar watts per person
  - By the end of 2011, more than 10,000 customer-sited PV systems on Oahu, Hawaii Island and in Maui County totaled over 78 MW of solar capacity
The Window of Opportunity

- The Time is now
- DHHL lands are uniquely situated to capitalize on this opportunity
- There are many variables adding to complexity
- We need to be in the right place at the right time
- We have beneficiary support
- The Trust and beneficiaries will benefit
- We will contribute significantly to meeting the state’s and Maui’s renewable energy goals

This opportunity is tied to:

1. Demand for Energy—Revenue Opportunity
2. Major Shifts in Energy Policies
3. Renewable Energy Goals (Standards)
4. The Renewable Energy Market
5. Intrinsic Resources of our Lands, particularly at Kahikinui
2011 Energy Demand

<table>
<thead>
<tr>
<th>Power Sold (MW)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu</td>
<td>7.242</td>
</tr>
<tr>
<td>Hawaii</td>
<td>1.104</td>
</tr>
<tr>
<td>Kauai</td>
<td>435</td>
</tr>
<tr>
<td>Lanai</td>
<td>29</td>
</tr>
<tr>
<td>Maui</td>
<td>1.125</td>
</tr>
<tr>
<td>Molokai</td>
<td>21</td>
</tr>
<tr>
<td>Statewide</td>
<td>9,982</td>
</tr>
</tbody>
</table>


The Price we Pay for Power

- In 2010, Hawaii imported 94% of its energy and paid the highest electricity prices in the U.S.

<table>
<thead>
<tr>
<th>Electric Consumer</th>
<th>Hawaii (cents/kWh)</th>
<th>U.S. Average (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>37.70 cents/kWh</td>
<td>12.04 cents/kWh</td>
</tr>
<tr>
<td>Commercial</td>
<td>35.29 cents/kWh</td>
<td>16.44 cents/kWh</td>
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<tr>
<td>Industrial</td>
<td>31.41 cents/kWh</td>
<td>7.18 cents/kWh</td>
</tr>
</tbody>
</table>
### Energy Revenues

#### Chapter 269-121, Hawaii Revised Statutes

- Authorizes the PUC to collect a Public Benefits Fee
- The 2011 surcharge was set at 1.5% of HECO’s projected total electric revenue, estimated at $75M over the 2-year surcharge period

*Source: Hermina Morita, Chair, Hawai‘i Public Utilities Commission, Report to the Plenary Session, Hawai‘i Clean Energy Initiative, May 2, 2011.*

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<table>
<thead>
<tr>
<th>Islands</th>
<th>Revenues (Millions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu</td>
<td>3,104</td>
<td>66.6%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>443</td>
<td>14.6%</td>
</tr>
<tr>
<td>Kauai</td>
<td>182</td>
<td>6.4%</td>
</tr>
<tr>
<td>Lanai</td>
<td>11</td>
<td>0.3%</td>
</tr>
<tr>
<td>Maui</td>
<td>303</td>
<td>13.4%</td>
</tr>
<tr>
<td>Molokai</td>
<td>13</td>
<td>0.4%</td>
</tr>
<tr>
<td>Statewide</td>
<td>3,147</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Revenues (in Million $)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HECO</td>
<td>2,104</td>
</tr>
<tr>
<td>HELCO</td>
<td>443</td>
</tr>
<tr>
<td>MECO</td>
<td>417</td>
</tr>
<tr>
<td>HEI total</td>
<td>2,964</td>
</tr>
<tr>
<td>RIUC</td>
<td>182</td>
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</table>

#### Annual Revenues ($1,000)

[Diagram showing annual revenues]
1. Major Shifts in Energy Policies

**Shifts in Energy and Power**

- HEI (HECO, MECO, HELCO) produces energy to meet energy demand on each island
  - Primarily Fossil Fuel based
- In 2001, Legislature and Executive Branch passes the Hawaii Clean Energy Initiative (HCEI)
  - Identifies Renewable Energy Goals (Standards) for each Island
  - Authorizes PUC to impose fines if standards not met
- Prospects for an Undersea Cable
  - To supply Oahu’s energy needs
  - Opens prospects for renewable energy

2. Major Shifts in Energy Policies

**Major Policy Changes**

- In 2001, Hawaii established a renewable portfolio goal. (Act 272)
- In 2004, Hawaii's renewable portfolio goal was replaced with an enforceable renewable portfolio standard (RPS). (Act 95)
- In 2008, the U.S. Department of Energy (DOE) and the State of Hawaii signed an MOU establishing the Hawaii Clean Energy Initiative. Although the MOU is not legally binding, it has the potential to help reduce oil consumption in Hawaii by 72% if implementation is successful.
- In 2009, Hawaii’s renewable portfolio standard was significantly expanded formalizing many of the goals established by the Hawaii Clean Energy Initiative in 2008. (Act 155)
Chapter 269-92, HRS – **Renewable Portfolio Standards**

Each electric utility company that sells electricity for consumption in the State shall establish a renewable portfolio standard of:

1. 10% of its net electricity sales by Dec. 31, 2010
2. 15% of its net electricity sales by Dec. 31, 2015
3. 25% of its net electricity sales by Dec. 31, 2020
4. 40% of its net electricity sales by Dec. 31, 2030
Renewable Energy Production

State Renewable Electric Power Generation by Energy Source

4. The Renewable Energy Market
How Utilities Purchase Energy

Feed-in-Tariff (FIT) Program:
- Designed to encourage the addition of more renewable energy projects in Hawaii.
- It fixes the price, by energy source, for the next 20 years through standardized contract terms that provide an easy way to sell renewable energy to the utility.
- It provides a quota of energy that utilities can purchase for projects that do not exceed 5 MW and does not require PUC approval.
How Utilities Purchase Energy

Competitive Bidding:
- Utilities issue Request for Proposals (RFP) for a certain amount of energy.
- Energy Producers submit their bid proposals within 60 days of the RFP.
- Terms are negotiated resulting in a Power Purchase Agreement (PPA) which is an agreement to sell power to the utility.
- The RFP and PPA are subject to PUC approval. Timing for PUC decision-making is dependent upon the size and complexity of the project, impact to the community, and community support.

Bilateral Negotiation:
- The utility can ask the PUC for an exemption from the competitive bidding process.
- PUC has to approve the agreement.
Request for Proposals (RFPs)

- The HEI companies will soon initiate new requests for proposals (RFPs) for more renewable energy:
  - 500 MW for Oahu;
  - 50 MW of firm renewable energy for Maui; and
- Nov. 9th: HELCO issued an RFP for 50 MW of additional geothermal energy for Hawaii Island

Status of PPAs (in MW)

<table>
<thead>
<tr>
<th></th>
<th>Approved, In Service</th>
<th>PPA Approved, Under Devmt</th>
<th>Negotiating</th>
<th>Totals</th>
<th>RFPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>74</td>
<td>8</td>
<td>22</td>
<td>104</td>
<td>50</td>
</tr>
<tr>
<td>Lanai</td>
<td>1</td>
<td>200</td>
<td>201</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maui</td>
<td>13</td>
<td>21</td>
<td>34</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>O'ahu</td>
<td>187</td>
<td>98</td>
<td>157</td>
<td>442</td>
<td>500</td>
</tr>
<tr>
<td>Totals</td>
<td>275</td>
<td>127</td>
<td>380</td>
<td>781</td>
<td>600</td>
</tr>
</tbody>
</table>
Inter-Island Undersea Cable

In 2012, the Legislature established a regulatory structure for the installation and implementation of an interisland high voltage electric cable system:

- To bring utility scale renewable energy available throughout the islands into a stable grid;
- To stabilize and equalize rates in all areas served by the cable;
- To increase Hawai'i's energy independence;
- To support energy self-sufficiency increasing the ratio of indigenous to imported energy;
- To ensure greater energy security and diversification; and
- To support the achievement of the renewable portfolio standards.
Renewable Energy Projects on HHIL:

1. Kalaeloa Solar One, LLC
   - Kalaeloa Solar Two (5 MW) PPA approved
   - Kalaeloa Solar One (5MW) Negotiating
   - 34-acres, 20 years @ $355,200.00

2. Kalaeloa Home Lands Solar, LLC
   - 5 MW negotiating
   - 30-acres, 20 years @$302,760.00

HHIL Items to Expect in the Future:

- Approval to issue a DHHL RFP for renewable energy development in Kahkinui/Maui Island
- Beneficiary Consultation Report
- Energy Policy Plan
- Legislation related to renewable energy development
Critical Timing

- MECO will issue the RFP for 50MW of Maui Renewable Energy at the beginning of 2013

- HECO will issue the RFP for 200 MW of Oahu Renewable Energy at the beginning of 2013
October 25, 2012

Hawaiian Homes Commission
Attn: Chairwoman Masagatani
91-5420 Kapolei Parkway
Kapolei, HI 96707

Aloha e Honorable Chairwoman:

On behalf of Hawaiian Community Assets (HCA), I am writing to request placement on the J Agenda for the November Hawaiian Homes Commission meeting to share about our work in assisting Hawaiian Home Lands Beneficiaries in securing and sustaining affordable housing.

HCA is a nonprofit HUD-approved housing counseling agency and Native community development financial institution founded in 2000 to build and sustain economic self-sufficiency of low- and moderate-income communities with a particular focus on Native Hawaiians. Our philosophy supports affordable housing, culturally-relevant financial education, and asset building programs.

If you could please follow up with a confirmation of placement of our organization on the J Agenda for the requested date, it would be greatly appreciated. Please feel free to contact me should you have any questions or otherwise.

Sincerely

[Signature]

Jeff Gilbreath
Executive Director

"Building Foundations for Future Generations"
Invest in Our Beneficiaries: A Strategy for Fighting Generational Homelessness

Short-Term:
- Invest in HUD-approved foreclosure prevention counseling and Beneficiary Advocacy services
  - HCA has secured $505,000 over 3 years from National Mortgage Settlement Funds supporting HUD-approved housing counseling for foreclosure/lease cancellation prevention and Beneficiary Advocacy
  - An investment by DHHL could increase collective impact to ensure Beneficiaries fight homelessness
- Partner with HCA to launch foreclosure/lease cancellation prevention strategy
  - Servicer fairs to target Homestead communities with highest rates of mortgage delinquency
  - Training of DHHL staff on client intake and community outreach to enhance collective impact
  - Utilize Deferred Sales Product and NAHASDA funding to assist Beneficiaries sustain home ownership

Mid-Term:
- Promote expansion of the United States Department of Agriculture’s Substantially Underserved Trust Areas (SUTA) definition to include Hawaiian Home Lands
  - Allow continued use of USDA 502 Mortgage Loan Programs
- Pursue updates to MOUs with Federal government to provide greater opportunities for Beneficiary families to secure and sustain home ownership
  - FHA 247 and 184A to expand refinancing opportunities
  - VA to allow for greater home ownership opportunities

Long-Term:
- Invest in native Hawaiian developed and controlled CDFIs
  - Increase access to capital and credit for Beneficiary families to enhance their ability to secure and sustain permanent housing
- HCA to utilize AmeriCorps VISTA members to promote supportive housing for Beneficiary families to prevent homelessness
  - VISTA members to conduct supportive housing feasibility study, including demand for development of rental, multifamily, and kupuna housing opportunities
  - VISTA members to build capacity of homeless service provider coalitions statewide to integrate supportive housing services into their existing coalition emergency and transitional shelters with a particular focus on serving Native Hawaiians

“Building Foundations for Future Generations”
What resources are important to support your work in building financial capability?

- Good FICO score, build considerable savings up to 35% of income
- Spend safely, wisely
- FHA Streamline Refinance program be available to Hawaiian Home Lands
- Federal funding to support community-based financial education, affordable housing services, and innovative programs and products for CDFIs
- Land – if no land, no homeownership, no affordable rentals
- Federal SBA funds available for small businesses – up to $750k loans at low-interest
- Federal Home Loan Bank a resource for Native CDFIs to sell mortgages on the secondary market

What have you learned from your experience with financial education that you want others to know about and learn from?

- Confidence and hope for a better future and tools to make it happen
- “Asset management” to get financially stable
- Locally developed financial products are more appropriate because they put money in terms of local experience
- Foreclosures, adjustable rate mortgages, hardship situation requesting 2-3 months extension does not affect FICO score
- When financial skills are shared by our Hawaiian people, we get more comfortable with money and managing our money
- Its about more than money – its our land, our relationships, our community, our culture, our traditions
Rental Rates

All tenants will receive federal rental subsidies plus utility allowances. They will be responsible for paying the balance owed on their rent, not to exceed 30% of their gross income.

Example A: Kimo & Lei Aloha have three children and a gross monthly income of $1,733.00, with a yearly income of $20,800. After allowable deductions for three minors, their monthly rent would be $484. ($20,800 - (3 x $480 child deduction) x 30% /12 = $484)

Example B: Aunty Helena is on social security and has monthly income of $900.00. Her annual income is $10,800. Her monthly rent will not exceed $270 ($900 x 30%).

Tenants must pay for the following:
- Telephone
- Cable
- Utilities (electric)

Other Qualifying Criteria:
- Credit Rating
- Criminal Check

Contact Information:

HAWAIIAN COMMUNITY DEVELOPMENT BOARD
Email: info@hawndev.org
Phone: 529-0404

UNIVERSITY OF HAWAII - WEST OAHU
Email: hale.makana.classes@gmail.com
Phone: 777-7664

HAWAIIAN COMMUNITY ASSETS
Email: info@hawaiiancommunity.net
Phone: 587-7886

Project Partners

Hawaiian Community Assets and the University of Hawaii West Oahu will provide financial counseling and computer classes primarily focusing on Nanakuli homestead residents and related members. This will help families prepare to meet the qualifying criteria and complete rental applications.

Families that become residents of Hale Makana who are on or can qualify for the Hawaiian Home Lands waitlist will receive financial counseling from Hawaiian Community Assets with the goal of being able to qualify for a mortgage and accept a residential lease on Hawaiian Home Lands.

All Nanakuli residents will have available financial and computer literacy classes funded by a Native Hawaiian Institutions Assisting Communities grant through the University of Hawaii, West Oahu.

Hale Makana O Nanakuli
Affordable Rental Housing

Helping Hands become Homes again

Hawaiian Community Assets

HAWAIIAN COMMUNITY DEVELOPMENT
**Project Description**

In response to overcrowded households, severely dilapidated houses, and the lack of affordable housing opportunities in the Nanakuli Homesteads, the Nanakuli Hawaiian Homestead Community Association forged a partnership with the non-profit Hawaiian Community Development Board to develop a 48-unit affordable rental housing project in the Nanakuli Homestead community.

The Hale Makana O Nanakuli project will provide safe, secure, long-term rental housing designed to meet the needs of Nanakuli’s low income, with the focus on Nanakuli’s low income Hawaiian families who earn 40% or below the adjusted median income. It will provide immediate relief to Nanakuli families with too many members living in the same household, to families living in dangerous dilapidated houses, or to families who have been forced to abandon their homes. Qualified tenants of Hale Makana may participate in the Kauhalepono Replacement Home Project.

The project is primarily designed to help the Nanakuli homestead community by providing alternate housing, but within a major “village center” that also includes multi-purpose learning, community health, and commercial retail centers.

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**Project Features & Unit Mix**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># of Units</th>
<th>Size</th>
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</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>16</td>
<td>592 sf.</td>
</tr>
<tr>
<td>2-bedroom</td>
<td>8</td>
<td>843 sf.</td>
</tr>
<tr>
<td>3-bedroom</td>
<td>24</td>
<td>1,123-1,164 sf.</td>
</tr>
</tbody>
</table>

The 1,123 - 1,164 square foot, two-story three-bedroom units have two full bath rooms (one up, one down), a large, open living/dining/kitchen area and sizable interior storage areas. The 843 square foot two-bedrooms will have two bathrooms (one full, one ¾ in master bedroom), walk-in closets in the master bedroom and an open living/dining/kitchen area designed for family pa’ina. The 592 square foot one-bedroom units also provide large, open living/dining/kitchen areas with adequate closet and interior storage space. Other design features include:

- Covered entry areas at all units create a porch-like effect and provide shelter from weather.
- Large windows at living rooms and bedroom for maximum light and air.
- Granite countertops and wood-like flooring.

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**Property Amenities**

- Security Camera System & Perimeter Fencing
- Private Access Gate
- Cable Ready
- Community Resource Center with state of the art equipment and technology for educational workshops and training provided by UH West Oahu.
- Tot play equipment and picnic table
- Tenant & Visitor Parking Stalls
- Onsite Resident Manager
- Onsite Laundry

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**2012 Maximum Household Income (40% of AMI)**

<table>
<thead>
<tr>
<th>Household size</th>
<th>Monthly Income</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,403</td>
<td>$28,840</td>
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<tr>
<td>2</td>
<td>$2,747</td>
<td>$32,960</td>
</tr>
<tr>
<td>3</td>
<td>$3,090</td>
<td>$37,080</td>
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<tr>
<td>4</td>
<td>$3,433</td>
<td>$41,200</td>
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<td>5</td>
<td>$3,710</td>
<td>$44,520</td>
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<td>6</td>
<td>$3,983</td>
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<td>9</td>
<td>$4,807</td>
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<tr>
<td>11</td>
<td>$5,357</td>
<td>$64,280</td>
</tr>
<tr>
<td>12</td>
<td>$5,630</td>
<td>$67,560</td>
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Affordable Housing and CDFIs Stakeholder Meeting

During the 11th Annual Native Hawaiian Convention coordinated by the Council for Native Hawaiian Advancement, HCA facilitated the Affordable Housing and CDFI Stakeholder Meeting.

The goal of the meeting was to determine what policy priorities will enhance affordable housing and financial education services for Hawaiian families. Additional questions were presented during the meeting at the request of Sherry Salway Black, Appointee to President Obama’s Advisory Council on Financial Capability.

Date: Tuesday, October 2, 2012

Venue: Hawaii Convention Center

Presenters: Sherry Salway Black, President Obama’s Advisory Council on Financial Capability
Chris James, US Small Business Administration
Kristi Coker-Bias, Oweesta/First Nations
Jaci Reed, Oweesta/First Nations
Michelle Kauhane, Department of Hawaiian Home Lands

Facilitator: Jeff Gilbreath. Executive Director, Hawaiian Community Assets

Format: Panel presentation, group question and answer, questionnaire hand-outs

Time: 60 minutes

Attendees: 53 individuals

Representation: Federal, State, Municipal, and Tribal government agencies, nonprofit organizations, CDFIs, Hawaiian Homestead Associations, housing counseling agencies, individual Beneficiaries
What policy priorities will enhance affordable housing and financial education services for Hawaiian families?

- Expand the United States Department of Agriculture’s SUTA definition to include Hawaiian Home Lands
- Update FHA 247 and 184A MOUs to increase refinancing on Hawaiian Home Lands and purchase off of Hawaiian Home Lands
- Engage the United States Department of Veterans Affairs to update its MOU with DHHL to allow for
- Require Native CDFIs competing for NACA funds to be controlled by the Native community to be served – to lessen competition between nonprofit, community-based loan funds and credit unions
- Keep Consumer Financial Protection Bureau intact and partner to run a Native initiative – “Protect Native $$$”
- Reform mortgage interest deduction to provide greater opportunities for low-income families to take advantage vs high-income families
- Require financial literacy for kids in schools
- Encourage a Federal Inter-Agency partnership at Federal to “invest in our next generation”, providing financial education services and products to build our next generation of college graduates, homeowners, and small business owners

Why is it important for your people to be more financially capable?

- For self-sufficiency and self determination and self respect
- To fulfill the Hawaiian/local dream of owning your own house
- To build strong, sustainable communities
- Our next generation to be better of than we are now
- So we can break the cycle of poverty and homelessness among our Hawaiian families
- If we are more financially capable, then we have more opportunities to be active in our local economy

What does your community need to empower people to be more financially capable?

- Always begins local, because our Hawaiian people were here first
- Equity and equality to Hawaiian Home Lands Beneficiaries, so we as individuals can be empowered and therefore increase capabilities to give back to our greater communities
- Education for our young people before they get into difficulties
- Credit counseling – planning to purchase a home
- Asset building education programs
- Self-help housing models so we can build communities as families
- Money
- Land for agriculture, aquaculture, pastoral INCLUDES housing
- Access to affordable mortgage financing
- Truly affordable housing – rentals and homeownership
Homebuyer and Financial Education Program Report

April 2012

Prepared by:

Hawaiian Community Assets

HHC Item No. J-1
Exhibit C
Date 11-20-12
The following report was developed by Hawaiian Community Assets (HCA), a 501(c) (3) nonprofit HUD approved housing counseling agency and Native Community Development Financial Institution, documenting the results of its Homebuyer and Financial Education Program between Fiscal Years 2006-2011. Funding for the program was in part provided by Native Hawaiian Block Grant (NHBG) funds made possible through the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996. The data included in the report was collected and managed through HCA’s HUD approved client management system, Home Counselor Online.

April 2012©
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Organization History

Founding
Hawaiian Community Assets, Inc (HCA) was founded in 2000, on the island of Maui, with the charge to create a community development financial institution (CDFI) that would address the housing needs of Native Hawaiian individuals and families. After initially focusing on formation of a banking institution, HCA eventually settled on a mortgage broker operation within the existing nonprofit as the most efficient use of its capital resources. While developing lending programs for construction and long-term mortgages for use on Hawaiian Home Lands, HCA staff also developed a unique (United States Department of Housing and Urban Development) HUD approved homeownership and financial literacy curriculum - Kahua Waiwai: Homebuyer Edition© - adapted from standard HUD and Native American curriculum to reflect local culture and values.

For its lending program, HCA opened an office in Honolulu and adopted the trade name, Hawaii Community Lending (HCL). By mid-2002, HCA was offering a fully integrated program. Services included: outreach, training in financial literacy and homeownership, counseling for debt reduction, credit repair and saving, and access to construction and mortgage loans. In addition to these core services, HCA was providing important complementary services - for families, technical assistance on working through government processes and the complexities of having a home built, and for communities, assistance organizing to better address external barriers to successful community development.

In July, 2006, HCA moved its principal office from Maui to Honolulu in order to better serve families across the entire state.

Today, HCA maintains its primary goal of increasing the success rate among Native Hawaiians pursuing home ownership. This goal is accomplished by providing a comprehensive program that includes outreach, financial education and homeownership training, individualized counseling, and access to asset building program, loan packaging services, and micro-loan products.

Mission
HCA is a 501(c) (3), nonprofit HUD approved housing counseling agency and emerging Native CDFI. The organization’s mission is to increase the capacity of low- and moderate-income communities to achieve and sustain economic self-sufficiency, with a particular focus on Native Hawaiians.
HCA supports permanent housing, culturally-relevant financial education, and asset building programs to achieve its mission. The organization’s particular focus on home ownership stems from a philosophy which roots itself within the organization and every aspect of its work. This philosophy, known as, *Kahua Waiwai* espouses the basic philosophy of "A Sense of Place." The home is viewed as a foundation (Kahua). Upon this foundation is built the family's spiritual values, teachings, and cultural traditions (Waiwai). It is the spiritual value of the home and its surroundings that provides stability and the opportunity for families to build a secure future. Opportunities that help stabilize family life help to create a more stable community. Thus, it can be said that home ownership encompasses more than just the purchase of a house - it is an investment in the future. A strong foundation, if built properly, will serve generations to come.

**NAHASDA Funding**

HCA has provided services for more than six years under grants and contracts with the State Department of Hawaiian Homelands (DHHL) and as a sub-recipient (under DHHL) of HUD Native Hawaiian Block Grant (NHBG) funds made possible through the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996. With support of NAHASDA funding HCA has:

1. Established itself as the largest provider of homebuyer and financial education services and products for Native Hawaiian families statewide;
2. Leveraged funding from local, state, and national sources to enhance community development of Hawaiian Home Lands;
3. Secured partnerships to increase the rate of homeownership for Hawaiian Home Lands Lessees; and
4. Enhanced its capacity to create a continuum of service in the realm of housing counseling with the goal of providing Native Hawaiian families with the necessary education and tools to move from the beach to the biggest investment in their lifetime — a home.

*Established itself as the largest provider of homebuyer and financial education services and products for Native Hawaiian families statewide.* With NAHASDA funding, HCA has maintained itself as the largest provider of homebuyer education and counseling services under the DHHL and Office of Hawaiian Affairs Home Ownership Assistance (HOAP) program. In particular, NAHASDA funding has allowed for delivery of homebuyer education workshops, individualized counseling, matched savings for down payment and closing costs, and mortgage origination and loan packaging services from its 4 County-based offices on Oahu, Maui, Big Island, and Kauai. Since 2006, HCA has assisted Native Hawaiian families with mortgage financing in the following Hawaiian Home Lands Developments:

- Lanai
- Kekaha
- Villages of Lealii
- Kau pea Phaes I, II, and III
- Waiehu Kou IV
- Hoolehua
- Kanehili Phases I and II
Leveraged funding from local, state, and national sources to enhance community development of Hawaiian Home Lands. The organization has leveraged funding for its work in providing financial education services and products from two of the largest national rural community development organizations—Rural Community Assistance Corporation and Rural LISC (Local Initiatives Support Corporation). HCA has also leveraged Federal Administration for Native Americans to expand its mortgage origination services and establish a youth financial education program that has served more than 930 Hawaii youth residing in low-income communities with age- and culturally-appropriate financial training.

Secured partnerships to increase the rate of homeownership for Hawaiian Home Lands Lessees. In 2008, HCA formed an exciting new partnership between HCL and Bank2 Native American Bank to increase access to mortgage capital for beneficiaries of the Hawaiian Homes Commission Act. The partnership allowed HCL to utilize NAHASDA funding to originate the section 184A Native Hawaiian Housing Loan Guarantee program; a mortgage product specifically designed for Native Hawaiians on Hawaiian Home Lands. In addition, NAHASDA funding has allowed HCA the opportunity to work with families in a variety of contexts, including through self-help and private developers, county housing agencies, DHHL, and special populations such as the Kalapana community displaced by Kilauea lava flows and Niihau immigrants on Kauai.

Enhanced its capacity to create a continuum of service in the realm of housing counseling with the goal of providing Native Hawaiian families with the necessary education and tools to move from the beach to the biggest investment in their lifetime—a home. NAHASDA funding has been a primary source of building the capacity of HCA to expand its services to address the diverse housing needs of our Native Hawaiian families. In particular, the ongoing housing crisis has led to the organization developing foreclosure prevention, youth and family financial education, and rental housing and homeless services programs over the course of the last 4 years. With a intimate understanding of our communities, HCA is not only able to see the various needs of communities, but also potential solutions that can be brought together in a comprehensive service delivery model to increase the rates of families securing and sustaining permanent housing.
Program Model

Program Areas
HCA has two program areas - financial education services and community lending - that drive the organization’s comprehensive approach to achieving its mission.

<table>
<thead>
<tr>
<th>Financial Education Services</th>
<th>Hawaii Community Lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebuyer and Financial Education Workshops</td>
<td>Loan Packaging</td>
</tr>
<tr>
<td>Individualized Counseling (Renter, Pre-/Post-Purchase, Foreclosure Prevention)</td>
<td>Micro-Loans</td>
</tr>
<tr>
<td>Training and Technical Assistance</td>
<td>Asset Building Programs</td>
</tr>
</tbody>
</table>

Homebuyer and Financial Education Workshops
HCA’s homebuyer and financial education workshops seek to engage the entire family in the home buying process in a culturally-appropriate manner. The 1-day, 8-hour workshops cover lessons on household economics, family values and savings goals, buying versus renting a home, money management, credit and credit reports, qualifying for a mortgage, the home buying process, and surviving a financial crisis. The workshops are provided for free every month in underserved, rural communities on Oahu, Maui, Kauai, and Hawaii Island. The workshops regularly feature local credit unions, insurance providers, and other partners offering financial products specific to the needs of our families.

Individualized Counseling
HCA encourages individuals who attend its homebuyer and financial education workshops to sign up for free individualized housing counseling. In 2011, the average DHHL homebuyer took part in 5.08 hours of individualized pre-purchase counseling and 2.95 hours of post-purchase counseling. As required by HUD, HCA counselors follow a defined quality control process when engaging families in the sessions which includes (1) review of the household budget, (2) completion of a financial analysis, (3) development or review of a customized financial action plan, and (4) referral to appropriate asset building services and products to address the client’s diverse housing needs.

Loan Packaging
With 10 years experience providing loan services on Hawaiian Home Lands, HCA’s lending program, HCL, has a proven track record of assisting families achieve the dream of homeownership. Since the program was established, HCL has originated more than $x
in purchase and refinance mortgage loans. Currently, HCA provides loan packaging services for USDA 502 Direct Loans to assist homebuyers enrolled in self-help projects on Hawaiian Home Lands.

Micro-Loan Products
Through the HCL program, the organization offers secured Credit Builder micro-loans to low-income individuals to help improve credit and build savings. The secured loans are low-principal and have fixed interest rates with repayment periods ranging from 6-24 months. Though a technically a loan product, the Credit Builder micro-loans function more like “forced savings” vehicles in that HCA provides the collateral without actually loaning the money. Once a program participant “re-pays” their loan in-full they not only improve their credit but they also receive their money back, minus the interest which goes to serve the next family with a micro-loan.

Asset Building Programs
HCA implements various asset building programs to further its mission in building the economic self-sufficiency of individuals and families through home ownership. In particular, HCA refers clients to the Hawaii Family Finance Project’s Hawaii Individual Development Account administered by the Council for Native Hawaiian Advancement (CNHA). HIDA offers Hawaiian homebuyers a 6:1 match on savings up to $2,500 for a total of $17,500 to cover down payment and closing costs for homes on or off Hawaiian Home Lands.

HCA also administers its own matched saving programs. Its Youth MATCH Savings program provides youth, 13-24 with a 3:1 match on savings up to $100 for purchase of a long-term goal related to job/career training, housing, education, or small business development. Its Renters MATCH Savings program provides homeless individuals with up to a 5:1 match on savings up to $500 to secure and sustain rental housing. The programs are modeled after the Homestead Individual Development Account program, HCA established in 2007 in partnership with CNHA and DHHL.

Finally, HCA partners with CNHA to offer working families and individuals with free tax preparation to access Child and Earned Income Tax Credits, the largest anti-poverty program administered by the Federal government, yet the most underutilized. Additional referrals are made to self-help housing opportunities, free life insurance through Mass Mutual, and savings accounts with local banks and credit unions.
Program Results

Homebuyer and Financial Education

HCA has assisted more than 700 families realize the dream of homeownership. In 11 years of operation, HCA has provided homebuyer education and individualized counseling to more than 8,000 prospective homebuyers.

More specifically, between Fiscal Years 2007 and 2011, HCA trained 3,465 individuals through its homebuyer and financial education workshops and engaged 2,282 individuals in credit counseling (see Table below for more information). Clients who attended HCA workshops and took part in 18-24 months of individualized credit counseling (1) identified savings goals, (2) increased their use of budgeting tools, and (3) increased their knowledge of how to read credit reports and improve their credit scores.

As the foreclosure crisis started to have significant impacts on our Hawaii families in 2008, HCA launched a campaign to promote its foreclosure mitigation services followed by a pilot project in 2010 to serve homeless families living in transitional shelters with high rates of Native Hawaiians. The campaign and project have resulted in HCA expanding its services to all low-income communities across the state.

<table>
<thead>
<tr>
<th></th>
<th>FY 2006-07</th>
<th>FY 2007-08</th>
<th>FY 2008-09</th>
<th>FY 2009-10</th>
<th>FY 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebuyer Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshops Held</td>
<td>46</td>
<td>56</td>
<td>47</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Families graduated from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>homebuyer workshops</td>
<td>787</td>
<td>682</td>
<td>537</td>
<td>827</td>
<td>632</td>
</tr>
<tr>
<td>Families engaged in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>homeless/rental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>148</td>
</tr>
<tr>
<td>counseling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families engaged in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pre-purchase</td>
<td>572</td>
<td>406</td>
<td>417</td>
<td>497</td>
<td>390</td>
</tr>
<tr>
<td>counseling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families engaged in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>post-purchase</td>
<td>-</td>
<td>40</td>
<td>97</td>
<td>120</td>
<td>51</td>
</tr>
<tr>
<td>counseling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of families served with low-</td>
<td>50%</td>
<td>64%</td>
<td>72%</td>
<td>40%</td>
<td>66%</td>
</tr>
<tr>
<td>or very-low incomes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of families served who were</td>
<td>85%</td>
<td>90%</td>
<td>78%</td>
<td>67%</td>
<td>61%</td>
</tr>
<tr>
<td>Native Hawaiian</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Between Fiscal Years 2007 and 2010, HCA clients who received a minimum of 8 hours of homebuyer and financial education training and participated in individualized credit counseling over a period of 18-24 months:

- Improved their credit scores by 101 points from 540 to 641; and
- Decreased their debt by $5,012;
- Increased their savings by $7,003.
In Fiscal Year 2011, HCA clients who received a minimum of 8 hours of homebuyer and financial education training and participated in at least 5 hours of individualized credit counseling over the 12-month period:

- Improved their credit scores by 32 points;
- Decreased their debt-to-income ratio by 6 points from 34% to 28%; and
- Increased their savings by $4,904.60

**Mortgage Origination and Loan Packaging**

HCL was established as the state’s first non-profit mortgage broker. Net revenues earned through the program support HCA’s statewide homebuyer and financial education programs so they can be provided for free.

Since inception, HCL has provided more than $123 million in mortgage loan originations. Of the mortgage loans originated:

- 90% have been made to families on Hawaiian Home Lands;
- 35% have been made to First-Time Homebuyers; and
- 42% have been made to low- or moderate-income families.

The following Table provides an overview of the success of HCL between Fiscal Years 2007 and 2010.

<table>
<thead>
<tr>
<th></th>
<th>FY 2006-07</th>
<th>FY 2007-08</th>
<th>FY 2008-09</th>
<th>FY 2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount ($) of Mortgage Loans Provided</td>
<td>$14.5 million</td>
<td>$16 million</td>
<td>$6.4 million</td>
<td>$23.5 million</td>
</tr>
<tr>
<td>% of Loans to First-Time Homebuyers</td>
<td>25%</td>
<td>27%</td>
<td>28%</td>
<td>66%</td>
</tr>
<tr>
<td>% of Loans to Families on Hawaiian Home Lands</td>
<td>67%</td>
<td>79%</td>
<td>89%</td>
<td>99%</td>
</tr>
<tr>
<td>Average Sales Price of Home</td>
<td>$263,015</td>
<td>$190,664</td>
<td>$299,818</td>
<td>$258,242</td>
</tr>
</tbody>
</table>

Today, HCL commits itself to a vision of providing access to capital to those most in need through micro-loan products and loan packaging services. The housing needs of our Native Hawaiian families are diverse, allowing this vision to best address those needs with flexibility, innovation, and community guidance.
Match Savings for Down Payment and Closing Costs

The program allowed Hawaiian Home Lands Undivided Interest Lessees to enroll for a maximum 24 months with a requirement of completing homebuyer education training and individualized counseling to receive a 3:1 match on savings up to $2,500 to cover down payment and closing costs. Overall, 19 families graduated from the program, saving a total of $52,372.04. 9 families who were unable to close on their loans during the program period were referred to CNHA’s new Hawaii Family Finance Project HIDA program (see Table below for more information).

<table>
<thead>
<tr>
<th>Clients</th>
<th>Number</th>
<th>Amount Saved/Family</th>
<th>Collective Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referred to new HIDA</td>
<td>9</td>
<td>$1,811.70</td>
<td>$16,305.31</td>
</tr>
<tr>
<td>Graduated</td>
<td>19</td>
<td>$2,909.56</td>
<td>$52,372.04</td>
</tr>
<tr>
<td><strong>OVERALL SAVINGS</strong></td>
<td></td>
<td><strong>$68,677.35</strong></td>
<td></td>
</tr>
</tbody>
</table>

The results of the program confirm that low-income families enrolled in the program:
- built long-term savings habits and decreased unnecessary spending over time;
- can and will save when properly incentivized, and;
- are more likely to save above the program’s maximum match savings amount of $2500 when they are simultaneously engaged in individualized financial counseling.
Potential Opportunities

Diverse Housing Needs
NAHASDA funding has been instrumental in helping our Native Hawaiian families achieve economic self-sufficiency through homeownership. With the ongoing economic and housing crises, we have an extraordinary opportunity to dedicate these funds to the address the diverse housing needs of our families and promote self-determination through the establishment of a comprehensive work plan to not only assist our first-time homebuyers, but also the hard working families forced to live on the beach, multi-generational households renting together to offset extremely high housing costs, and Beneficiaries aspiring to build a foundation for wealth through aquaculture, agriculture, ranching, and business development.

With this goal in mind, potential opportunities for NAHASDA funding may include:

- Development of affordable transitional, rental, rent-to-own, multi-family, and self-help housing units to structure a broad pathway for our families to achieve and sustain the dream of homeownership that is in-line with our cultural values and traditions;
- Increasing opportunities for Native Hawaiian youth, their families, and their grandparents to achieve and sustain economic self-sufficiency through homeownership on aquaculture, agriculture, and pastoral lots located on Hawaiian Home Lands;
- Implementation of loan products by local CDFIs to further assist Native Hawaiian families overcome barriers to accessing credit necessary to become financially qualified to secure and sustain permanent housing and obtain financing for home purchase; and
- Leveraging of Local, State, and Federal Resources dedicated to increasing and sustaining homeownership while simultaneously promoting self-determination through implementation of local food and energy initiatives. In particular:
  - **National Mortgage Settlement**: Approximately $72 million dedicated to Hawaii homeowners for principal reduction, refinancing, one-time cash payment, public education campaign, and HUD approved housing education and counseling to prevent foreclosure.
  - **Hawaii Family Finance Project**: $3.1 million pilot project funded by the US Department of Treasury, administered by the Council for Native Hawaiian Advancement, and delivered by HUD housing counseling agencies to increase the homeownership rates of low- and moderate-income Hawaii families through the delivery of free homebuyer education, individualized counseling, tax preparation assistance, and matched savings for down payment, closing costs, and debt reduction.
  - **Local Food and Energy Initiatives**: The Hawaii State Department of Business, Economic Development, and Tourism currently administers a fund dedicated to the implementation of local food and energy initiatives. The fund has been established through a $1.05 retention fee on oil companies for every barrel of oil imported into Hawaii.
Summary

Conclusion
HCA’s Homebuyer and Financial Education Program Report highlights the impacts of the organization’s homebuyer and financial education program during the Fiscal Years of 2007 and 2011. The organization’s comprehensive service delivery model was able to be created and implemented with funding from DHHL and NAHASDA as well as Rural Community Assistance Corporation and Rural LISC.

NAHASDA funding has assisted HCA to:
1. Established itself as the largest provider of homebuyer and financial education services and products for Native Hawaiian families statewide;
2. Leverage funding from local, state, and national sources to enhance community development of Hawaiian Home Lands;
3. Secure partnerships to increase the rate of homeownership for Hawaiian Home Lands Lessees; and
4. Enhance its capacity to create a continuum of service in the realm of housing counseling with the goal of providing Native Hawaiian families with the necessary education and tools to move from the beach to the biggest investment in their lifetime – a home.

The following key program outcomes would not have been possible without NAHASDA funding as a foundational piece of implementing the organization’s Homebuyer and Financial Education Program:

- 3,465 individuals graduated homebuyer and financial education workshops;
- 2,282 individuals received credit counseling;
- Individuals who completed at least 8 hours of homebuyer education training and received credit counseling over a 18-24 month period (1) improved their credit scores by 101 points from 540 to 641, (2) decreased their debt by $5,012, and (3) increased their savings by $7,003;
- $123 million in mortgage loans have been made to serve Native Hawaiian families through Hawaii Community Lending; and
- 28 Native Hawaiian families collectively saved $68,677.35 toward down payment and closing costs in the Homestead Individual Development Account Program.

To address the diverse housing needs of our Native Hawaiian people, potential opportunities for NAHASDA funding may include:

- Development of affordable transitional, rental, rent-to-own, multi-family, and self-help housing units to structure a broad pathway for our families to achieve
and sustain the dream of homeownership that is in-line with our cultural values and traditions;

- Increasing opportunities for Native Hawaiian youth, their families, and their grandparents to achieve and sustain economic self-sufficiency through homeownership on aquaculture, agriculture, and pastoral lots located on Hawaiian Home Lands;

- Implementation of loan products by local CDFIs to further assist Native Hawaiian families overcome barriers to accessing credit necessary to become financially qualified to secure and sustain permanent housing and obtain financing for home purchase; and

- Leveraging of Local, State, and Federal Resources dedicated to increasing and sustaining homeownership while simultaneously promoting self-determination through implementation of local food and energy initiatives.
Hawaiian Home Lands Beneficiaries

In July 2012, Hawaiian Community Assets (HCA) released its Annual Homebuyer Education Program Report. Though not published in Report, HCA disaggregated the data on Hawaiian Home Lands Beneficiaries served through the Program.

The following is an overview of the data compiled on said Beneficiaries and their families enrolled HCA’s Homebuyer Education Program in the 18-month period between January 1, 2011 and June 30, 2012.

Services Delivered
HCA reported the following outcomes for Beneficiaries as a result of implementing its comprehensive service delivery model:

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries Enrolled</td>
<td>255</td>
</tr>
<tr>
<td>Credit Reports Reviewed</td>
<td>183</td>
</tr>
<tr>
<td>Financial Assessments Conducted</td>
<td>71</td>
</tr>
<tr>
<td>Pre-Qualifications Secured</td>
<td>23</td>
</tr>
<tr>
<td>Homes Purchased</td>
<td>26</td>
</tr>
</tbody>
</table>

Average Beneficiary
HCA reported the following financial demographics at intake for the average Beneficiary served with homebuyer education workshops and individualized counseling:

<table>
<thead>
<tr>
<th>Financial Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>$3,965.27</td>
</tr>
<tr>
<td>Number of Household Members</td>
<td>3.3</td>
</tr>
<tr>
<td>Household Savings</td>
<td>$1,556.87</td>
</tr>
<tr>
<td>Credit Score</td>
<td>641</td>
</tr>
<tr>
<td>Monthly Debt</td>
<td>$778.86</td>
</tr>
<tr>
<td>Overall Debt</td>
<td>$16,236.14</td>
</tr>
</tbody>
</table>

Average Mortgage Affordability
Based on financial assessments conducted for 71 Beneficiary households during the 18-month period, HCA reported the following average mortgage affordability based on a 31% front end ratio and a 43% back end ratio, respectively, at a 5% interest rate over 30 years:

<table>
<thead>
<tr>
<th>Affordability Parameter</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Loan Amount with Current Income and Existing Debt</td>
<td>$206,876</td>
</tr>
<tr>
<td>Maximum Loan Amount with Current Income and No Debt</td>
<td>$259,967</td>
</tr>
</tbody>
</table>
Testimony of Waiohuli Undivided Interest Lessees Association to
Hawaiian Homes Commission
1 p.m. 11/20/12 at DHHL Kapolei

Aloha mai e na Hawaiian Homes commissioners,

Mahalo for this opportunity to testify on behalf of the fledgling Waiohuli Undivided Interest Lessees Association.

My name is Kekoa Enomoto. I am a six-year resident of Waiohuli Phase 1 homestead and am helping to facilitate 289 homelands beneficiaries, who seek to live at Waiohuli Phase 2 residential homestead. In this facilitator capacity, I serve as secretary pro tem of the Waiohuli Undivided Interest Lessees Association.

Right now I would like to read the testimony of Puamana Crabbe, who cannot be here because she works full time in early education.

---

Now, I would like to give you an update on the 9 1/2-week-old Waiohuli Undivided Interest Lessees Association, as follows:

. Third membership meeting: Since testifying Oct. 22 at the Hawaiian Homes Commission meeting at Leilani, Maui, the group held a third membership meeting Nov. 4, when it ratified the group's name, mission and bylaws. Its name is 'Ahaui 'Aina Ho'opulapula 'O Waiohuli dba Waiohuli Undivided Interest Lessees Association, shown on officers' business cards ordered Nov. 7. Attendees also agreed to do financial assessments before the Dec. 2 monthly meeting and to sign waivers releasing all assessment information to DHHL.

. Names list: Association officers seek a list of names of the 289 Waiohuli Undivided Interest Lessees in order to inform and organize them. The list reportedly is unavailable; however, the DHHL website shows the names of thousands on the waiting lists for all islands. So we are perplexed by this incongruity.

. O'ahu meeting: Waiohuli Undivided Interest Lessees Association met this past Saturday in Kaneohe to organize O'ahu-based beneficiaries. Attendees elected Puamana Crabbe as their O'ahu representative; set a tentative 2013 monthly meeting schedule, and agreed to testify at Hawaiian Homes Commission meetings on O'ahu.

. Website/Facebook: The association recently established its website and an Ahaui Aina Hoopulapula O Waiohuli Facebook page.

. Hi'ilani Aloha LLC: Officers met Nov. 12 with Peter Hanohano of Hi'ilani Aloha LLC. He advised that Hi'ilani Aloha could provide "fees for services" to start and maintain IRS 501 (c)(3) nonprofit status and to hire grant writers.

. Honua Consulting: Officers convened Nov. 17 with Trisha Kehaulani Watson of Honua Consulting. She agreed to obtain an EIN number for the group; fill out papers to register with the state Department of Commerce & Consumer Affairs; and, most importantly, to hold a free 501(c)(3) workshop tentatively set from 5 to 7 p.m. Dec. 13 at the Queen Lili'uokalani Children's Center on Maui.

In closing, I mahalo the nine Hawaiian Homes commissioners for your service, compassion and commitment to our people.

Likewise, I acknowledge the 'onipa'a, or commitment, shown in the proactive action by the fledgling Waiohuli Undivided Interest Lessees Association. Members seek to hold the Department of Hawaiian Home Lands accountable for its stated kuleana to install Waiohuli infrastructure by 2016; so 289 beneficiaries may actualize the leases they were awarded nearly eight years ago, in mid-2005.

Mahalo.

HHC Item No. 7-2
Exhibit 4
Date 11-20-12
Keokea Undivided Interest Testimony

Welina mai kakou, o ko‘u inoa o Puamana Crabbe. Mai noho mai ma Mo‘ili‘ili, O‘ahu. He makaakane o Mogul Kaleiokalanakila Crabbe a me laua o Rose Na‘auao “Maka” Pelayo Crabbe, ua hala ‘oia. He hiapo au no ‘elima mau kaikunane a me hoʻokahi kakaina.

* Aloha everyone, my name is Puamana Crabbe. I am from Mo‘ili‘ili, O‘ahu. My father is Mogul Kaleiokalanakila Crabbe and the late Rose Na‘auao “Maka” Pelayo Crabbe. I am the oldest of 5 brothers and 1 sister. My kupuna kuakahi- Julia Kawaihaunu and Solomon Kana‘auao were from Kipahulu, Maui.

My father currently lives on Hawaiian Homelands at La‘iopua in Kona and my sister, Leihua Lu‘uwai lives on Hawaiian Homelands in Wai‘ohuli with her husband and their 3 ‘opio. I have the opportunity to realize home ownership here on Maui along with another brother, Kamanapono.

- I mahaio Kekoa Enomoto for encouraging me to join this unique hui of Keokea Undivided Interest leaseholders. I am energized and hopeful that as we grow with support of more lessees, we become more educated of the process and secure a constructive dialogue with DHHL administration, and meet our goal of living in our houses by 2016.
- I am committed to working with our Hui towards receiving the appropriate infrastructure, financial assessments, construction/ building of homes and any issues that DHHL/Hawaiian Homes Commission/State and other entities introduce to the lessees.
- To strengthen our Hui, we need to reach out to the other 289 lessees and seek their support, facilitate ongoing developments with partnering organizations in the financial, building and utilities communities and engage in constructive dialogue with DHHL/Hawaiian Homes Commission/State entities.
- 2005 - Opportunity to move onto Hawaiian Homes, took steps to qualify for home loan/ attended a financial assessment workshop (still need to qualify).

Move to Maui: I look f wd to moving and living in Keokea and living on the ‘aina of my kupuna. Planning to move to Maui takes planning and plan to work when I move to Maui and be a part of a thriving community.

Building plans: Meet w/a local (Maui) architect, contractors & suppliers to build my house. I will look into options of building and what works best for me.

Priority on my list is ongoing/ qualifying for a loan to build my house.

Me ka ha‘aha‘a,

Puamana Crabbe

Puamana Crabbe Mo‘ili‘ili, HI 96826 puamnaz1@yahoo.com
November 20, 2012

Germaine K. Meyers
89-320 Nanakuli Avenue
Waianae, HI 96792

Aloha Madam Chairwoman, Honorable Commissioners, ohana and friends, I come before you today in full support of Hale Makana O’ Nanakuli, and full support of the Nanakuli Village Center.

Unlike most of the Nanakuli Homesteaders with homes and generous size properties, I have been attending all of the homestead association meetings since July 2012. I have listened to all the facts, and only facts, regarding Hale Makana O’ Nanakuli and Nanakuli Village Center.

All of my grandparents were part of the first homesteaders of Nanakuli. Grandma Hanohano and Tutuman raised my maternal ohana of 14 on 2nd road. My grandma and grandpa Meyers raised my paternal ohana of 15 on 4th road. Three of my grandparents are 100% Hawaiian. Only grandpa Meyers is part German.

With a combined total of 29 uncles and aunties born and raised on two homestead lots, it is my reality that homestead land is needed and much appreciated. Prince Kuhio’s encouragement of the perpetuation and rehabilitation of the Hawaiian Race is a reality of my ohana.

I commend our Nanakuli Homestead Association for embracing the abundance of needs of our Hawaiian homesteaders and for creating Hale Makana O’ Nanakuli for the sake of meeting the tremendous need for shelter.

I have been a Lessee of Nanakuli since I signed my lease in 2001. I appreciate my home and generous property. I wish every Hawaiian could receive this from the Department of Hawaiian Home Lands. Unfortunately, as I know, money is a resource the department does not have in abundance.

It is with love and compassion that I support the building of 48 units in Hale Makana O’ Nanakuli that will provide a home for 48 families.

Madam Chairwoman and Honorable Commissioners, I humbly request for your mutual support of this beautiful and much needed resources. Please, send a letter of support of this project to the Nanakuli Homesteaders that already have homes, and please show the vulnerable Hawaiians and keikis in my hometown that you care about their needs as well. The vulnerable Hawaiians who’s voice has been silenced in shame by those who already have homes.

Mahalo Ke Akua! Mahalo beloved ohana!

[Signature]

Germaine K. Meyers

HHC Item No. J-8
Exhibit A
Date 11-20-12
To Whom It May Concern:

We are here to meet with DHHL and the Hawaiian Home Commission to inform them of a problem we feel should be a concern of everyone involved.

My father, Corbett O Roy Sr is an applicant for DHHL and was on various lists for years. As it seemed several years ago, he would not be awarded any land in his lifetime. As Hawaiians, we received Ka Wai Ola monthly and saw that Hawaiians were selling their interest in the awards they received from DHHL. Although we did not feel that buying leases were the right thing to do, it seemed that if DHHL allowed it and people were placing ads in Ka Wai Ola, then it must be okay to do. We were successful in the purchase of Maui-Waiehu Kou III. We bought the lot for $35,000 and built a home on that property.

Here is what we can recall on the transaction.

**Waiehu Kou III Lot 65, Maui, Hawaii**

- **June 2007** - found land for sale on Maui in Ka Wai Ola. Went to Maui to see land. Met with Harold Ano and he was willing to transfer his interest to us.

- **July 03, 2007** - Cashiers check from Territorial Savings for $500.00 deposit to Harold ANO.

- **August 1, 2007** - Request to transfer paperwork done. ANO transfers lease. Request transfer paperwork say Corbett Oheleahaaheo ROY but signs Corbett O. Roy Sr.

- **Further Transfer Forms completed to have lease transferred to** Signed by Corbett Roy Jr. August 22, 2007 but no signature from Corbett Roy Sr. Signed by Corbett O. Roy III on August 06, 2007, no signature from Corbett Roy Sr.

- **October 11, 2007** transfer approved and ANO signs the assignment of lease.

- **October 17, 2007** Corbett O. Roy and Corbett O Roy Jr. signs ASSIGNMENT OF LEASE. Notarized by Alethea TAKARA, DHHL notary.

- **October 17, 2007** - simultaneous transfer of lease from Corbett O. Roy to Corbett O. Roy Jr. done. **Note transfer request was from Corbett Oheleahaaheo Roy, signed as Corbett O. Roy Sr. and lease paperwork final was Corbett O. Roy to Corbett O. Roy Jr.**

- **October 24, 2007** lease finalized for Corbett O. Roy and transferred to Corbett O. Roy Jr. simultaneously by Chairman Micah KANE.
• **October 26, 2007**- Received docket packet for lease Residential Lot No 65, Waiehu Kou III.

• Home built and later sold to Randy Awo and Dela Nux in March 2012.

**Waimea Lease No 6176, Lot 15C, Big Island, Hawaii**

• **On about October 28, 2007** or possibly the day I got the docket packet for Maui, I was called by Gail Loo and she informed me about a agriculture lot in Waimea and wanted to know if I was interested. She said it would be in the Ka Wai Ola in November and if I wanted to get it to contact the realtor Charmaine Quilit Poki. We called and made contact with Charmaine. We told her that Gail Loo referred us to her.

• **October 29, 2007**- 0800 Charmaine Quilit Poki checks credit on Corbett Roy Sr, Corbett Roy, and Willi Pualoa III. Lien found on Corbett Roy Sr for $4816.87 by Peter Lee. Not informed about the lien until 11/14/07.

• **October 30, 2007**- Charmaine Quilit Poki opens an escrow account with Fidelity National Title. Escrow arranged between Quilit Poki and Lawren TAKARA (possibly family to Lea TAKARA DHHL).

• **October 30, 2007** BOH cashiers check #8612737 to: Fidelity National for $1000.00 from Corbett Roy Jr Original purchase price on DROA $89,000.00 DROA for Corbett Roy. Later Corbett Roy crossed out but signature is Corbett O. Roy Jr.

• **October 31, 2007** email received from Quilit Poki. Another buyer found. Have to bid up as she is cancelling the original DROA of $89,000.00.

• **November 01, 2001**- Final bid of $96,000.00 accepted by seller of lease Willie PUALOA III

• **November 01, 2007**, Quilit Poki changes DROA from Corbett Roy to Corbett Roy Jr. Per Quilit Poki, Sr. has terrible credit and cannot put Sr. on paperwork.

• **November 02, 2007** escrow instruction worksheet submitted by Quilit Poki showing a purchase price of $96,000.00.

• **November 07, 2007** DHHL transfer request form submitted by Lessee Willie PUALOA III
• **November 09, 2007** transfer request form signed by Corbett O. Roy Sr. as new lessee Corbett O. Roy Sr.

• **November 14, 2007**- new paperwork from Fidelity National as Corbett O. Roy. Quilit Poki is told by Gale LOO that DROA must be amended because Jr. is not 50% Hawaiian. So left as Corbett O. Roy.

• **April 16, 2008**, finalized paperwork signed by Willie PUALOA III and Corbett Oheleahaapeo Roy.

• **May 05, 2008** cashiers check State of Hawaii CU #0001409890 for $56,000.00 to Willie PUALOA III from Corbett O. Roy Jr. Promissory note from Corbett Roy Jr. to Willie Pualoa III to receive balance in 30 days.

• **May 23, 2008** lease assigned to *Corbett Oheleahaapeo Roy*

• **June 05, 2008** BOH HELOC check #1 for $39,000.00 to Willie PUALOA III

• Quilit Poki, Gale LOO, and Lee TAKARA agree to amend purchaser on DHHL paperwork drafted by State of Hawaii Attorney Generals Office to Corbett Oheleahaapeo Roy to avoid any question about the poor credit report and blood quantum. **Note transfee request form was from Willie Pualoa III to Corbett O. Roy Sr, so why is lease written as Corbett Oheleahaapeo Roy?**

• We asked for the paperwork to be handled like Maui, as a simultaneous transfer from assignor to assignee and be placed in my name or my son’s, which happens to be Corbett Oheleahaapeo Roy too. My son and daughter was the original successor, but DHHL stated that my daughter was not 18 years old yet and could not be named. Again I do not think this rule is accurate as per the printed rules for DHHL.

We hope the commission and DHHL sees that Waimea Lease No 6176, Lot 15C in Puukapu should belong to the Corbett Oheleahaapeo Roy that paid for it and was the purchaser as named in the DROA as well as the escrow account.

I have planted trees, installed water and paid the property tax and other utilities and feel that my father’s recent poor judgement and questionable health state has gotten the best of him. But as I stated, the lease is in Corbett Oheleahaapeo Roy’s name. This is my name and I feel that DHHL, the escrow company and realtor wrote it specifically to disassociate Corbett O. Roy Sr with any financial transaction so that the paperwork could be finalized.
We started this venture in October with the staff of DHHL contacting me to purchase this land. It was finally complete in May 2008. I tried several times to contact Gail Loo to find out the status of the land transfer and she has not been available.

$96,000 is a lot of money to purchase anything, and it was our hope to make Waimea our family home. We have plans to grow crops and to learn how to cultivate and live off the land. When I initiated the purchased of the land in 2007, the land was assessed at $89,000. The value of the land is now $249,000. I have made some improvements and would like to be compensated for this. I do hope the land can be returned to me.

The new lessee has plans to sell the land and profit from the department and the Hawaiian people. His family does not have enough blood quantum and is only looking at the money he could gain with the sale of the lot. The selling of the awarded land would go against the reason and purpose for Hawaiian Homelands.

We have also been in contact with attorneys and seeking legal advice, and will be prepared to pursue our case if needed.

We hope that the commission would look into the practice of DHHL and to assure that all cases are standardized and done the same way. We also ask that the policies and rules set forth to be followed to avoid problems like this from occurring. We also feel that the staff at DHHL should not solicit buyers for realtors and the whole transfer process was done with many issues and new rules not stated in the DHHL handbook or the act.

Aloha,

[Signature]

Corbett Ohele and Garla Souza-Roy

11/19/12

Date