

HAWAIIAN HOMES COMMISSION
Minutes of July 22 and 23, 2013
Meeting Held in Lihue, Kauai

Pursuant to proper call, the 641st Regular Meeting of the Hawaiian Homes Commission was held on July 22, 2013, at the Lihue State Building, 3060 Eiwa Street, Lihue, Kauai, Rooms A-C, beginning at 10:00 a.m.

PRESENT Jobie M. K. Masagatani, Chairman
 Perry O. Artates, Commissioner, Maui
 Leimana DaMate, Commissioner, West Hawaii
 Gene Ross K. Davis, Commissioner, Molokai
 J. Kama Hopkins, Commissioner, Oahu
 Renwick V. I. Tassill, Commissioner, Oahu

EXCUSED Michael P. Kahikina, Commissioner, Oahu

COUNSEL Craig Y. Iha, Deputy Attorney General

STAFF Darrell Young, Deputy to the Chairman
 Niniau Simmons, NAHASDA Manager, Office of the Chair
 Linda Chinn, Administrator, Land Management Division
 Dre Kalili, Policy and Program Analyst, Office of the Chair
 Francis Apoliona, Compliance Officer
 Sandy Pfund, Administrator, Land Development Division
 Darrell Yagodich, Administrator, Planning Office
 Dean Oshiro, Acting Administrator, Homestead Services Administrator
 Rodney Lau, Administrative Services Officer
 Norman Sakamoto, Land Development Specialist
 Kaleo Manuel, Planner, Planning Office
 Nancy McPherson, Planner, Planning Office
 John Peiper, Enforcement Officer
 Elaine Searle Secretary to the Commission

AGENDA Commissioner Hopkins moved, seconded by Commissioner Artates, to amend the agenda and commence with Item F-7 prior to the "F" agenda items. Motion carried unanimously.

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
Lihue State Building, 3060 Eiwa Street, Lihue, Kauai, Rooms A - C
July 22, 2013, 10:00 a.m. and July 23, 2013, 12:00 p.m.

ORDER OF BUSINESS

Roll Call
Approval of Agenda
Approval of Minutes for November 2012 and December 2012

A - WORKSHOP PRESENTATIONS

- A-1 Native Hawaiian Housing Block Grant Home Assistance Program Policy and Procedures
- A-2 Oahu Island Plan - Water Policy Status
- A-3 DHHL Loan Refinancing Product
- A-4 Rulemaking to Implement Hawaiian Homes Commission Act, Section 228

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

C - OFFICE OF THE CHAIRMAN

- C-1 To Approve the Native Hawaiian Housing Block Grant Home Assistance Program Policy and Procedures
- C-2 Rulemaking to Implement Hawaiian Homes Commission Act, Section 228

D - HOMESTEAD SERVICES DIVISION

- D-1 HSD Status Reports
 - Exhibits:
 - A - Homestead Lease and Application Totals and Monthly Activity Reports
 - B - Delinquency Report
- D-2 Ratification of Loan Approvals (see exhibit)
- D-3 Approval of Consent to Mortgage (see exhibit)
- D-4 Refinance of Loans
- D-5 Schedule of Loan Delinquency Contested Case Hearings (see exhibit)
- D-6 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-7 Ratification of Designations of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)
- D-8 Approval of Assignment of Leasehold Interest (see exhibit)

- D-9 Approval of Amendment of Leasehold Interest (see exhibit)
D-10 Approval for Payment of Net Proceeds - 1) Salvatore K. Jordano, Sr., 2) Gary M. Kanekoa, 3) James K. Kaihana, 4) Corwin D. K. Pedro, 5) Alvin F. Jardine, Jr.

E – LAND DEVELOPMENT DIVISION

- E-1 Approval of Various Lease Award - **Anthony K. Kahalekulu**

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. Honokaia Ohana et al., v. Masagatani et al., Civil No. 09-1-1615-07
2. Kalima v. SOH, DHHL, Civil No. 99-0-4771-12 (EHH) (Class Action)
3. Interim Process to Address Transition Period for the Revocable Permit Program
4. In the Matter of Alexander Winchester, Lease No. 39498

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION AGENDA
Lihue State Building, 3060 Eiwa Street, Lihue, Kauai, Rooms A - C
July 23, 2013, 12:00 p.m.**

RECONVENE

PUBLIC TESTIMONY ON AGENDIZED ITEMS

F – LAND MANAGEMENT DIVISION

- F-1 Approval of Assignment of Lease, General Lease No. 286, Laiopua 2020, Laiopua, Hawaii
F-2 Finding of No Significant Impact, (FONSI) Kiowea Park, Kalamaula, Molokai
F-3 Approval to Issue Right-of-Entry (ROE) Permit to County of Kauai, Aliomanu Road Improvement Project, Anahola, Kauai
F-4 Approval to Issue Right-of-Entry (ROE) Permit to Kauai Habitat for Humanity, Piilani Mai Ke Kai, Anahola, Kauai

- F-5 Approval to Issue License Agreement to State of Hawaii, Department of Budget and Finance, Telecommunications Division, Humuula, Hawaii
- F-6 Approval to Issue License to Kalaeloa Home Lands Solar, LLC, Kalaeloa, Oahu
- F-7 Approval of Interim Process to Address Transition Period for the Revocable Permit Program
- F-8 Ratification of Actions Taken by Chairman, Hawaiian Homes Commission, Statewide
- F-9 Haiku Valley, Oahu, For Information Only

J - GENERAL AGENDA

- J-1 Request to Address Commission - **Harold Vidinha, Kekaha, Kauai**

ANNOUNCEMENTS AND ADJOURNMENT

- 1. Next Meeting – August 19, 2013, Wailuku, Maui, Hawaii
- 2. Other Announcements
- 3. Adjournment



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

COMMISSION MEMBERS

**Vacant, Kauai
Perry O. Artates, Maui
Leimana DaMate, West Hawaii
Gene Ross K. Davis, Molokai**

**J. Kama Hopkins, Oahu
Michael P. Kahikina, Oahu
Vacant, East Hawaii
Renwick V. I. Tassill, Oahu**

**Community meeting to be held August 19, 2013, Paukukalo Community Center,
657 Kaumualii Street, Paukukalo, Maui, at 6:30 p.m.**

Special Accommodations (such as Sign Language Interpreter, large print, taped material) can be provided, if requested, at least five (5) working days before the scheduled meeting on the respective island by calling the Information & Community Relations Office on Oahu, (808) 620-9520.

A – WORKSHOP PRESENTATIONS

ITEM NO: A-1

SUBJECT: Native Hawaiian Housing Block Grant Home Assistance Program Policy and Procedures

NAHASDA Manager Niniau Simmons thanked her staff for providing comments on Policy and Procedures for the Native Hawaiian Housing Block Grant Home Assistance Program (NHHBG). N. Simmons conveyed that one of the major changes to the home repair program is the elevation of the threshold amount to \$100,000 per instance, and to address kupuna first, in the selection of the homes.

Commissioner Hopkins thanked N. Simmons on the extensive work that was involved in gathering the information. N. Simmons provided a checklist of steps for staff to follow, while assisting potential applicants. Currently, 25 loans were transferred from the City and County of Honolulu which will be serviced along with 15 families currently being serviced by the County of Hawaii. The underwriting criteria for a NAHASDA loan uses a different criteria from the department's direct loan and may need to be reviewed when it comes before the commission for approval. The Chair noted that the loans are administered by the department, and NAHASDA, in turn, provides the resources.

ITEM NO: A-2

SUBJECT: Oahu Island Plan – Water Policy Status

Planner Nancy McPherson updated the Commission on the Draft Oahu Island Plan. N. McPherson provided information on the attendance statistics, preliminary land use designations, and outreach efforts by staff. Although the turnout was not substantial, there was adequate feedback from lessees. Commissioner DaMate requested that legislators be informed on the progress made in their communities, and that an invite be extended to commission members on these meetings. A link on the DHHL website may be downloaded, which can provide information regarding the Oahu Island Plan. Emails will be sent to all interested parties. The Chair requested to have an update on land use designations when it comes before the commission in August.

Because of the complexities of water, and the multitude of issues, Planning Office will conduct a three-series, beneficiary meetings, and focus on educational workshops, the history of water and its rights, and how it relates to the Hawaiian Homes Commission Act (HHCA) of 1920, as amended. The goal is to provide support for a policy plan and encourage beneficiary participation in drafting its policy. Dates and venues are being addressed, said Planner Kaleo Manuel, and finalization should be completed by next February.

The Chair agreed with informing stakeholders and legislators about the department's plans but recommended holding up on invites to non-beneficiary individuals and legislators, to defuse any contentious situations that may arise. She recommended waiting until beneficiaries are close to

formulating a policy plan through beneficiary consultations. Once this occurs, The Chair said she would welcome legislators and stakeholders for their input.

K. Manuel spoke on water issues from prior workshops, and the groundwork accomplished with one-on-one interviews with those heavily involved with water communities throughout the State, which included water resource management staff of all Counties. Native Hawaiian organizations were informed that a water policy plan was being developed and that a copy would be provided to beneficiaries once a draft was developed. Planning Office suggested a stakeholders' meeting, separate and distinct from beneficiary meetings, to engage them to participate in the department's planning process.

Transparency counts with an open meeting, as this may be the arena where the legislators and non-beneficiaries observe how beneficiaries truly feel about certain issues, said Commissioner DaMate, and holding separate stakeholders' meetings may benefit the department in one way and harm it in another. Commissioner Davis likes the direction the Planning Office is moving and sees the benefits of including beneficiaries in discussions on the Water Policy Plan. Commissioner Artates applauded the work on developing a Water Policy Plan. His concern lies with the private developers who drill and encroach on the Hawaiian home land water resources. Na Wai Eha (restoration of stream flow of water to native Hawaiian and local community), on Maui, came across a similar situation which forced water to be redirected. K. Manuel recommended that further investigation be directed in this area.

ITEM NO: A-3

SUBJECT: DHHL Loan Refinancing Product

Administrator Dean Oshiro presented a powerpoint workshop on streamline refinancing and loan reduction product. He presented an overview of the DHHL loan portfolio and articulated that there are 5,100 loans totaling \$608 million, as of June 30, 2013.

Direct Portfolio – There are 1,018 loans for \$63.6 million and 803 loans for \$49.8 million that are current, leaving 215 delinquent loans of \$13.8 million, for 30 days or more. HUD buyback loans, of those returned to the department from the FHA loans, are serviced by the department's Loans Division, and are part of the contested case hearings that come before the Commission on a monthly basis. Those loans total 125, at \$16.5 million, and of which 18 are current at \$1.2 million, leaving 107 of the 125 loans of \$15.3 million delinquent, 30 days or more.

The department's current loan rate is 4.5%, which was approved by the Hawaiian Homes Commission, in November 2012. Some older loans have an existing rate of 9.5%, partly due to when rates were substantially higher.

Streamline Refinance Product – The department does not arbitrarily reduce a loan interest rate as this is required to appear before the commission for approval. Loans, outside of the department, can establish new lower rates and tag it as streamline financing.

FHA 247 Loan - fees are assessed and closing costs and mortgage insurance premium is at 3.8%.

HUD 184A Loan - assessed fees and closing costs, with a guarantee fee of 1% of loan amount. Conventional mortgage insurance companies are currently not offering any refinancing.

Benefits and restrictions (of DHHL Direct Loan Streamline Refinancing)

1. No requirement for income verification
2. No credit qualification
3. No appraisal
4. Loan may be amortized up to 30 years, at the discretion of the lessee
5. No fees charged, average rate of 184A, 2% of loan amount
6. No cash advancement for refinancing
7. No lease transfers
8. No lease violations
9. Limited to loan amount - not to exceed 50% of FHA maximum set by HHCA

A checklist of items is needed to be considered for streamline refinancing which requires an application and supporting documents. Loans recommended for a lower interest rate will be submitted to the commission for approval. Once approved, documents will be drawn and recorded, which is similar to other contracts and leases. A credit report is retained by the department and becomes part of the lessee's file. Twelve consecutive payments is required prior to any consideration for a reduction in interest, and all payments for water, county taxes, home insurance, and association dues need to be current.

With regard to work-out plans in a contested case hearing, the lessee is required to make 12 consecutive payments, for the department to consider any rate adjustment at the time the loan is refinanced, noted D. Oshiro. These lessees will have the same opportunity to refinance, as long as they comply with their Decision and Order (D&O).

D. Oshiro explained that this is a benefit for lessees who would, otherwise, be required to produce pay stubs and credit reports, on outside loans. One bright feature is having an interest rate lowered from 6% to 4%, while maintaining the same monthly payments, and reducing mortgage payments from 15 years to 7 years of payment.

ITEM NO: A-4

SUBJECT: Rulemaking to Implement Hawaiian Homes Commission Act, Section 228

Dre Kalili, Policy Program Analyst presented a workshop on Submittal Item C-2, which is related to implementing draft rules in Section 228 of the Hawaiian Homes Commission Act (HHCA). Section 228 was presented during the 2010 Legislature and amended in 2012. The key part of Section 228 is that it allows extensions to the current cap for a general lease of 65 years, by adding an additional 20 years, for a maximum term of 85 years. The criterion is specific for an extension to be granted. The only time extensions will be permitted is when the general lessee is making improvements to the property or needs to refinance on multi-purpose

projects for commercial use. The key language is in the rulemaking in HHCA, Section 228 Paragraph D, Item 3. For the most part, legislation is specific about what must be done in order for the extension to be granted. Commission will be asked to take action, to allow for beneficiary consultation on the draft ruling, and return with a full consultation report, including amendments. Proposed rules will be published and a formal review will be completed by the Department of Attorney General (AG) before obtaining the Governor's approval. A public hearing process will be conducted and the draft of the final rule will be reviewed by the commission, before requesting the approval of the AG, with the Governor to adopt the final rule. Formulating this current process will eliminate the "white paper" process, which was previously done.

Act 187 allows the department to extend the terms of the general lease for 20 years, noted Deputy AG Iha, and the Act has specific requirements. The only purpose that rules are required, in this case, is that Act 187 says that the department shall promulgate rules. The department has taken the provisions of Act 187 and placed them in an administrative rule. He added that decision-making is one and the same for the department and the commission, as the department acts pursuant to the direction of the commission.

Commissioner Hopkins thanked Deputy AG Iha and staff for clarifying HAR Sections 10-2-16 and 10-2-17 which state that the Chair may approve general leases, either by administrative rules or by commission action, subject to ratification by the commission. The Chair articulated that if specific authority is not granted in some capacity, documents are not signed.

MOTION/ACTION

Moved by Commissioner Tassill, seconded by Commissioner DaMate, to recess the regular meeting. Motion carried unanimously.

RECESS 12:07 p.m.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Tassill to reconvene to the regular meeting. Motion carried unanimously.

RECONVENE 12:20 p.m.

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

Item No. B-1, Richard Taffee, West Hawaii Community Health Center, Kailua-Kona,
Re: Item F-1, R. Taffee supports the assignment of a portion of General Lease (GL) 286 to Pono Resource Management, and consent to mortgage for New Market Tax Credit. West Hawaii Community Health Center is a partner with Lai Opua 2020 to provide health services to native Hawaiians. Testimony submitted as part of these minutes, Exhibit A for Item B-1.

Item No. B-2, Bo Kahui, Lai Opua 2020, Re: Item F-1, B. Kahui requested that the commission extend its authority to the Chair, to expedite the funding process that will allow Lai Opua 2020 to trigger its project. Currently, they service over 150 homesteaders from Villages of Lai Opua 3. Clay Morris, a representative, noted that \$5,000,000 was secured for construction of the health center. He noted that new market tax credits will be necessary to complete the civil work. He favors supporting the assignment of lease and approval of the mortgage for tax credits. A \$5,000,000 grant will allow them to bridge a loan, so that the project can go vertical, noted Tamar DeFries. The building could be visible in less than 24 months, with commission's approval.

Item No. B-3, Robert Lindsey, OHA Trustee and Lai Opua 2020 Board Member, Re: Item F-1, Trustee Lindsay conveyed through Commissioner Hopkins, his appreciation, and consideration of Item No. F-1 and recommended approval of this item.

Item No. B-4, Blossom Feiteira, Association of Hawaiians for Homestead Lands, Re: Items A-1 & C-1, B. Feiteira is supporting, wholeheartedly, the policies and procedures of the Native Hawaiian Housing Block Grant (NHHBG) Home Assistance Program. She plans to assist kupuna in understanding the benefits of this project. **Re: Item A-3,** B. Feiteira supports the policy of rewarding those that do well in the community an incentive for families to lower their interest rates. **Re: Items A-4 and C-2,** B. Feiteira supports this rulemaking. She reminded the commission, to clarify an amendment made in 2011, to contribute 15% or 20% revenue into the Native Hawaiian Rehabilitation Fund (NHRF). She deems it preferable to consolidate beneficiary consultation meetings.

Item No. B-5, Debra Kekaulua, Puna District Watershed Council, Re: Item C-2, D. Kekaulua wants streams and waterways rejuvenated. She wants a Kauai Island Plan brochure initiated. The Chair noted that a Kauai Island Plan was completed in 2004. She inquired about the replacement of a new commissioner for Kauai, and was told that the department is awaiting the Governor's appointment.

Item No. B-6, Shane Cobb-Adams, Re: Items C-2 & A-2, S. Cobb-Adams noted that rulemaking is a double-edged sword. He asked about prime lands that once were in the department's inventory and were later transferred out. He recommended going back in history to determine the land assets that were once there, and how the lands were being dispossessed. He said that the waiwai kulana paa, standardization of water for the people, was a main tenet of the chiefs in the ancient era, and Hawaii laws, regarding water, are different from the laws in America, in that it allows every single person access to water. Developing an island plan involves water which is at the forefront. As a developer for the state, the department should begin with managing water. He supports the Oahu Island Plan and its consultative process.

Item No. B-7, Ken Taylor, Re: A-2, K. Taylor requested that the Planning Office make available to interested parties documentation of water control in Hawaii. Due to a 20% decrease of rainfall, and a projected 20% decrease within the next 20 years, he deems these issues to be vital, as the department moves forward with a water plan. With the leadership of DHHL and

OHA (Office of Hawaiian Affairs), K. Taylor deems discussions with other Counties will address the seriousness of the water matter. K. Taylor submitted material to be made a part of these minutes as Exhibit "A" for Item B-7.

ITEM NO: C-1

SUBJECT: To Approve the Native Hawaiian Housing Block Grant Home Assistance Program Policy and Procedures

RECOMMENDATION

NAHASDA Manager Niniau Simmons recommended approval of the Native Hawaiian Housing Block Grant Home Assistance Program Policy and Procedures, and revisions to include referrals for the program will come from homestead leaders, district supervisors, Enforcement Team members, Hawaiian Homes Commission members and beneficiary-serving non-profits.

MOTION/ACTION

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

ITEM NO: C-2

SUBJECT: Rulemaking to Implement Hawaiian Homes Commission Act, Section 228

RECOMMENDATION

Policy and Program Analyst Dre Kalili recommended that the commission approve draft rules to implement Section 228 of the Hawaiian Homes Commission Act (HCCA) and authorize staff to conduct beneficiary consultation on these draft rules.

MOTION/ACTION

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

AMENDED AGENDA

Moved by Commissioner Hopkins, seconded by Commissioner Tassill, to include Item J-1 on today's agenda. Motion carried unanimously.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner DaMate, to recess the meeting. Motion carried unanimously.

RECESS 12:55 p.m.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner DaMate, to reconvene the regular meeting. Motion carried unanimously.

RECONVENE 1:30 p.m.

ITEM NO: D-1

SUBJECT: HSD Status Reports

Exhibits:

A – Homestead Lease and Application Totals and Monthly Activity Reports

B – Delinquency Report

MOTION/ACTION

None, for information only.

ITEM NO: D-2

SUBJECT: Ratification of Loan Approvals (see exhibit)

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Artates.

DISCUSSION

Financial assessments are based on cash flow in determining whether or not a lessee may qualify for a loan, said Acting Homestead Administrator Dean Oshiro. Deputy AG Iha recommended adjourning to executive session, to address legal points regarding these loans.

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner Artates, to adjourn to executive session. Motion carried unanimously.

RECESS 1:37 p.m.

EXECUTIVE SESSION

The Commission convened in executive meeting pursuant to Section 92-5 (a)(4), HRS, to consult with its legal counsel on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities on the above-subject matter.

MOTION/ACTION

Moved by Commissioner DaMate, seconded by Commissioner Artates, to reconvene to regular meeting. Motion carried unanimously.

RECONVENE 1:43 p.m.

ITEM NO: D-2 (cont.)

SUBJECT: Ratification of Loan Approvals (see exhibit)

ACTION

Motion carried unanimously.

ITEM NO: D-3

SUBJECT: Approval of Consent to Mortgage (see exhibit)

MOTION/ACTION

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

ITEM NO: D-4

SUBJECT: Refinance of Loans

MOTION

Moved by Commissioner Tassill, seconded by Commissioner Hopkins.

DISCUSSION

No fees are charged if families wish to take advantage of the new program, said Acting Administrator D. Oshiro. The only requirement is that the lessee continues to pay the lease over a period of 12 months, in order to qualify for refinancing.

ACTION

Motion carried unanimously.

ITEM NO: D-5

SUBJECT: Schedule of Loan Delinquency Contested Case Hearings (see exhibit)

MOTION/ACTION

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

ITEM NO: D-6

SUBJECT: Approval of Homestead Application Transfers / Cancellations (see exhibit)

MOTION/ACTION

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

ITEM NO: D-7

SUBJECT: Ratification of Designations of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)

MOTION/ACTION

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

ITEM NO: D-8

SUBJECT: Approval of Assignment of Leasehold Interest (see exhibit)

MOTION/ACTION

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

ITEM NO: D-9

SUBJECT: Approval of Amendment of Leasehold Interest (see exhibit)

MOTION/ACTION

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

ITEM NO: D-10

**SUBJECT: Approval for Payment of Net Proceeds - 1) Salvatore K. Jordano, Sr.,
2) Gary M. Kanekoa, 3) James K. Kaihana, 4) Corwin D. K. Pedro,
5) Alvin F. Jardine, Jr.**

MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Artates.

DISCUSSION

The Chair asked why it took four years to acquire net proceeds for the lessees Kaihana and Pedro.

D. Oshiro explained that both of these lessees were processed through lengthy contested case hearings and refused to voluntarily surrender their leases.

ACTION

Motion carried unanimously.

ITEM NO: E-1

SUBJECT: Approval of Various Lease Award – Anthony K. Kahalekulu

MOTION/ACTION

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

ITEM NO: J-1

SUBJECT: Request to Address the Commission – Harold Vidinha

MOTION/ACTION

None, for information only.

DISCUSSION

Harold Vidinha appeared before the commission and submitted material to be made a part of these minutes as Exhibits A through D for Item J-1, pertaining to the discharge of black tar from his lot in Kekaha, Kauai. Department of Health (DOH) representative Fenix Grange investigated a complaint and notified Department of Hawaiian Home Lands (DHHL) that no serious chemicals were located on Vidinha's property, except for visible tar remaining from a previous rubbish dump site. H. Vidinha is requesting immediate remediation to have DHHL build a

retaining wall, filled with topsoil. H. Vidinha recommended using 400 concrete barrier blocks, costing \$30 a piece, to complete the project. Administrator Sandra Pfund noted that both Vidinha and another neighbor, Kawai Warren, share the same problem. K. Warren's approach is to complete a comprehensive review of the subdivision, to determine if other areas are affected. Complaints were limited near a down slope area, next to a cane haul road where a former sugarcane mill operated.

The commission approved a CIP (Capital Improvement Project) funding of \$250,000 in November 2012. An initial study could cost nearly \$40,000, and any additional issues could boost expenses even higher, said Administrator Sandra Pfund. In the meantime, the department may decide to remedy both lots or wait until the entire subdivision is canvassed. Pinpointing other possible contamination may require further soil testing. A survey was sent to homesteaders to address toxicity of underground contaminations. It may take up to three months for test results to determine if the situation is isolated to the rear of the property, said S. Pfund.

Kawai Warren said he is concerned that contaminants may affect neighbors who excavate deeper into the soil. He proposed immediate remediation for the current situation. He noted that there was a lot of rubbish burning in the 40's and 50's and health issues affected people then. S. Pfund said that old records indicated that the area was used as a dumping site until the late 1980's but no other concerns were reported. H. Vidinha added, "if you find the problem, fix the problem." A Phase 1 environmental analysis is contracted to review historical uses of the property and to determine if a Phase 2 sampling process is necessary, noted S. Pfund. Deputy AG Iha recommended adjourning to executive session, to discuss some of the liability concerns.

MOTION/ACTION

Moved by Commissioner Hopkins and seconded by Commissioner Artates, to adjourn to executive session, to consult with counsel on this matter, and to include executive items listed below.

RECESS 2:35 p.m.

EXECUTIVE SESSION

The Commission convened in executive meeting pursuant to Section 92-5 (a)(4), HRS, to consult with its legal counsel on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in the matters as stated.

1. Honokaia Ohana, et al., v Masagatani, et al., Civil No. 09-1-1615-07
2. Kalima v SOH, DHHL, Civil No. 99-0-4771-12 (EHH) (Class Action)
3. In the Matter of Alexander Winchester, Lease No. 39498

RECESS 4:25 p.m.

Meeting to reconvene at 12:00 p.m. tomorrow.

HAWAIIAN HOMES COMMISSION
Minutes of July 23, 2013
Lihue State Building, 3060 Eiwa Street
Lihue, Kauai, Hawaii

RECONVENE 12:19 p.m.

PRESENT Jobie M. K. Masagatani, Chairman
Perry O. Artates, Commissioner, Maui
Leimana DaMate, Commissioner, West Hawaii
Gene Ross K. Davis, Commissioner, Molokai
J. Kama Hopkins, Commissioner, Oahu
Renwick V. I. Tassill, Commissioner, Oahu
Michael P. Kahikina, Commissioner, Oahu

COUNSEL Craig Y. Iha, Deputy Attorney General

STAFF Darrell Young, Deputy to the Chairman
Linda Chinn, Administrator, Land Management Division
Niniau Simmons, NAHASDA Manager, Office of the Chair
Francis Apoliona, Compliance Officer
Sandy Pfund, Administrator, Land Development Division
Kaleo Manuel, Planner, Planning Office
John Peiper, Enforcement Officer
Elaine Searle, Secretary to the Commission

PUBLIC TESTIMONY ON AGENDIZED ITEMS

Item No. B-8 – Blossom Feiteira, President, Association of Hawaiian Homestead Lands,
Re: Item F-1, B. Feiteira supported Lai Opua 2020 in its effort to have all beneficiaries in West Hawaii benefit from the construction of a community center and medical facility
Re: Item F-4, B. Feiteira supported the Right-Of-Entry for Habitat for Humanity in their efforts to build homes for lessees. **Re: Item F-7,** B. Feiteira said that benefits of the 178 Revocable Permits (RP) should service the interest of the beneficiaries and not the department. The RP program has been misused, misrepresented, and abused and she applauds the department for taking the steps to correct it. Approving the submittal will penalize the beneficiaries because it demonstrates that the program will not change. She cited that the lack of enforcement and lack of staff, in monitoring the program, have been key in not following that this program was set up to do. She suggested that the RP program be reinstated and move forward with staff, to follow through with other commitments and recommendations to be brought forward after 160 days (4 months) with corrective measures and cancellations.

MOTION/ACTON

Moved by Commissioner Hopkins, seconded by Commissioner DaMate, to adjourn to executive session to address the remaining executive session item from yesterday.

RECESS 12:25 p.m.

EXECUTIVE SESSION

The Commission convened in executive meeting pursuant to Section 92-5 (a)(4), HRS, to consult with its legal counsel on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities.

4. Interim Process to Address Transition Period for the Revocable Permit Program

MOTION/ACTION

Moved by Commissioner Hopkins, seconded by Commissioner DaMate to reconvene to the regular meeting. Motion carried unanimously.

RECONVENE 1:10 p.m.

ITEM NO: F-7

SUBJECT: Approval of Interim Process to Address Transition Period for the Revocable Permit Program

RECOMMENDATION

Administrator Linda Chinn recommended that the Hawaiian Homes Commission grant approval of an Interim Process to address a transitional period pertaining to all Revocable Permits (RP) statewide:

1. to allow Land Management Division to issue a notification letter to all Revocable Permittees that agreements expired on June 30, 2013, with no renewable approval;
2. to offer a Right-of-Entry (ROE) permit to those in full compliance, subject to the conditions listed in A through G;
3. to offer a 30-day period to the RP's not in compliance, to allow for corrective action with the follow-up inspection, to ensure compliance prior to issuance of an ROE;
4. to authorize the termination action against those that fail to correct the cited violation after the 30-day compliance period;
5. to authorize DHHL to request assistance from the Department of the Attorney General and DHHL Enforcement Team for any legal actions for termination and eviction process.

MOTION

Moved by Commissioner Hopkins and seconded by Commissioner DaMate.

DISCUSSION

Commissioner Hopkins deemed this action would create an interim solution and create rules for the program and preferred removing Item No. 4, if amenable with other commission members.

AMENDED MOTION

Moved by Commissioner Hopkins, seconded by Commissioner Kahikina, to remove the recommended Item No. 4 from this submittal.

DISCUSSION

The Chair noted that for those (RP's) not brought back into compliance they will need to come before the commission and ask for reconsideration and approval. Commissioner Kahikina requested for a list of those leases that had issues. The Chair noted that the information will be made available at the next commission meeting.

ACTION ON AMENDED MOTION

Motion approved unanimously.

DISCUSSION

Commissioner Hopkins thanked those RP holders that have offered resolution to the RP issue and thanked the department for taking on a huge task. Monitoring the RP's is a tremendous task for six (6) team members to manage over 200,000 acres of land. He thanked the beneficiaries for having faith that the commission and department can resolve the issues. L. Chinn said the department will introduce a new revocable permit program within the next few months and bring it before the commission for initial approval before consultation with the beneficiaries on all islands before final approval by the commission. A roll call vote was taken.

AE (7)

ARTATES
DAMATE
DAVIS
HOPKINS

KAHIKINA
TASSILL (*)
MASAGATANI
(*) with reservations

AOLE (0)

ACTION ON ORIGINAL MOTION

Motion carried unanimously, as amended.

Note: Commissioners Davis and Hopkins were excused from this meeting.

ITEM NO: F-1

SUBJECT: Approval of Assignment of Lease, General Lease No. 286, Lai Opua 2020, Island of Hawaii

RECOMMENDATION

Land Management Administrator Linda Chinn recommended that the commission a) grant consent to assign GL No. 286 between State of Hawaii (SOH) and Lai Opua 2020 to Pono Resource Management, Inc. (PRM) to continue to plan, design, and implement to construct a multi-purpose community center, recreation and health referral service within the Kealakehe ahupuaa; and, to b) grant consent to the proposed mortgage of the assigned leasehold interest for the new tax market credit financing and authorize the Chairman the of Hawaiian Homes Commission to review and approve the final terms of the mortgage.

MOTION

Moved by Commissioner DaMate and seconded by Commissioner Kahikina.

DISCUSSION

Administrator L. Chinn noted that the community's medical facility has always been a priority project in the Lai Opua 2020 Phase 1 Development Plan. The alternative financing, with new market tax credits, will allow them to begin construction. West Hawaii Community Health has a \$5 million grant from the Department of Health (DOH) for the construction portion, and Lai Opua 2020 is responsible for infrastructure site-work costs. One of the requirements is for the lease to be assigned to a separate entity, which is PRM, a subsidiary of Lai Opua 2020. This is an opportunity for homesteaders to have a step-up in life, noted Commissioner DaMate. Tamara DeFries articulated that \$22 million has been raised. She noted that the transaction was structured to pay for itself; pay for any compliance over 7 years, pay the Lai Opua 2020 developers' operation fee, pay for the entire site work, and allow the vertical to go up. Because of the utilization of federal funding that can not be restrictive in terms of who is serviced, the Chair wanted assurance that beneficiaries will receive the necessary services. The terms to the lease have been agreed to, in concept, according to T. DeFries, and there is a stipulation in the lease terms that benefit the native Hawaiians. The native Hawaiians are specifically spelled out as a targeted population in legislation, identified with Alaskan natives and Native Americans, to which this money can serve.

ACTION

Motion carried unanimously.

COMMENT

Waimanalo Homestead Association President, Paul Richards, who supports the Lai Opua 2020 project, presented an update of its own Waimanalo CTEEC (Community Technology, Employment and Education Center) project. The vertical structure is completed and meetings have been arranged with recording artists to assist them with setting up a recording studio. They plan to hire two employees for the business center, and have two classrooms. Everything should be finalized by October 2013, added P. Richards.

ITEM NO: F-2

SUBJECT: Finding No Significant Impact (FONSI) Kiowea Park, Kalamaula, Molokai

RECOMMENDATION

Administrator L. Chinn recommended approval for the determination of a FONSI based on the Final EA (Environmental Assessment) of the Kiowea Park Phase II Improvements, for the Kalamaula Homesteaders Association. A portion needs to be updated and an errata sheet is part of the EA.

MOTION/ACTION

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

ITEM NO: F-3

SUBJECT: Approval to Issue Right-of-Entry (ROE) Permit to County of Kauai, Aliomanu Road Improvement Project, Anahola, Kauai

RECOMMENDATION

Administrator L. Chinn recommended approval, by the commission, to issue a Right-of-Entry to County of Kauai, to enter a portion of Anahola, for the construction of an emergency by-pass road.

MOTION

Moved by Commissioner Artates and seconded by Commissioner Kahikina.

DISCUSSION

Administrator L. Chinn noted that the purpose of the ROE is to realign Aliomanu Road, which includes a 1,300 sq. ft. portion of Hawaiian home lands, expanding the road to a two-lane

roadway, for safe passage for residents in the subdivision, abutting Hawaiian home lands. She stated that Kauai County would provide in-kind services such as assisting with maintenance of the Anahola Stream and other areas prone to flooding. Kauai County Deputy Maunakea Trask pointed out that the Kauai County Roads Division is working with DHHL staff, to establish what in-kind services may be afforded to DHHL for the land taken while maintaining a good working relationship with DHHL and other government agencies. Deputy Trask identified the problem as road erosion, caused by a property owner's erection of a seawall, years ago. The Chair recommended that this be memorialized in a memorandum, as the department's primary focus is on fair compensation to beneficiaries and the Trust, as a whole.

ACTION

Motion carried unanimously.

ITEM NO: F-4

SUBJECT: Approval to Issue Right-of-Entry (ROE) Permit to Kauai Habitat for Humanity, Piilani Mai Ke Kai, Anahola, Kauai

RECOMMENDATION

Administrator L. Chinn recommended approval, to issue a Right-of-Entry (ROE) permit to Kauai Habitat for Humanity, to use a portion of a lot as a construction base yard for the building of eight self-help homes in Anahola.

MOTION

Moved by Commissioner Tassill and seconded by Commissioner Artates.

DISCUSSION

Executive Director Stephen Spears, Kauai Habitat for Humanity, appeared before the commission and expressed his satisfaction in moving forward, to provide homes for those homesteaders who qualify for self-help. L. Chinn noted there are four homes in Piilani Mai Kekai, three in the Anahola Subdivision, and one in the Anahola Residence Lot. S. Spears noted that the median income for these families is 80% and below the median income, for a family of four, qualifying at \$65,000 annually; and some who qualified were below the 50% median income. The Chair expressed gratitude to S. Spears for assisting these homestead families.

ACTION

Motion carried unanimously.

ITEM NO: F-5

SUBJECT: Approval to Issue License Agreement to State of Hawaii, Department of Budget and Finance, Telecommunications Division, Humuula, Hawaii

AMENDED RECOMMENDATION

Administrator L. Chinn amended a recommendation for approval, by the Commission, to issue a non-benefit, non-exclusive license “to the State of Hawaii, Department of Land and Natural Resources on behalf of DAGS” – Public Works Division, Humuula, Island of Hawaii, to operate a radio relay telecommunications facility as part of the statewide microwave telecom system, in Humuula, for 4,532 sq ft. of land, with easement, subject to the conditions, as specified in this submittal.

MOTION

Moved by Commissioner DaMate and seconded by Commissioner Artates.

DISCUSSION

L. Chinn introduced DAGS (Department of Accounting and General Services) staff members Bob Leavitt and Chris Kinonaka. The Chair requested consideration to removing the last sentence on Page 4, Item b., due to the fact that the original language lacks it. Having it there limits the authority of the department.

AMENDED MOTION/ACTION

Moved by Commissioner Kahikina, seconded by Commissioner DaMate, to remove the last sentence on Page 4, Item b. “~~Licensor’s approval shall not be unreasonably withheld.~~” Motion carried unanimously.

ACTION ON ORIGINAL MOTION

Motion carried unanimously, as amended.

ITEM NO: F-6

SUBJECT: Approval to Issue License to Kalaeloa Home Lands Solar, LLC, Kalaeloa, Oahu

RECOMMENDATION

Administrator L. Chinn requested approval by the Commission of a non-exclusive license as easement to Kalaeloa Home Lands Solar, LLC (Kalaeloa Solar), to construct, use, maintain, and

repair a 13,825 sq. ft. Right-of-Way (ROW) for utility purposes, subject to a term of 20 years, 2 months, for the license, and a one-time fee of \$42,377.54, subject to other conditions, as listed.

MOTION

Moved by Commissioner Artates and seconded by Commissioner Kahikina.

DISCUSSION

Kalaeloa Solar needs to interconnect to Hawaiian Electric (HECO) at the interconnection point, conveyed L. Chinn. Kalaeloa Solar, II, the sun-powered project, has a sub-station further up the road and Kalaeloa Solar is required to connect at the same interconnect point for the connection to enter the Hawaiian Electric grid. L. Chinn demonstrated how the lines will interconnect. L. Chinn noted that Kalaeloa Solar is in the last stages of a PPA (Power Purchase Agreement), and once approved by the PUC (Public Utilities Commission) for a PPA, construction will commence.

ACTION

Motion carried unanimously.

ITEM NO: F-8

SUBJECT: Ratification of Actions Taken by Chairman, Hawaiian Homes Commission, Statewide

RECOMMENDATION

Administrator Linda Chinn recommended ratification of consents to the following:

Consent to Improvement Plans

General Lease No. 135 - Hawaiian Telcom

License No. 649 – Makuu Farmers Association

License No. 751 – Kailapa Community Association

License No. 704 - Ke Ana Laahana Public Charter School

Consent to Sublease

General Lease No. 140 – A & A Hawaii, Inc.

General Lease No. 202 – Prince Kuhio Plaza LLC

Consent to Assignment of Lease

General Lease No. 121 – Shafter Flats

Consent to Mortgage

General Lease No. 202 – Prince Kuhio Plaza LLC

MOTION/ACTION

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

ITEM NO: F-9

SUBJECT: Haiku Valley, Oahu, for Information Only

MOTION/ACTION

This item was deferred to August.

MOTION/ACTION

Moved by Commissioner Artates, seconded by Commissioner Kahikina to adjourn the regular meeting. Motion carried.

ADJOURNMENT 2:05 p.m.

Moved by Commissioner Artates, seconded by Commissioner DaMate, to adjourn the meeting. Motion carried unanimously.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING August 19, 2013, Wailuku, Maui, Hawaii

ANNOUNCEMENTS


ADJOURNMENT 2:05 p.m.

Respectfully submitted,



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

Prepared by:



Elaine G. Searle, Secretary
Hawaiian Homes Commission

APPROVED BY:
The Hawaiian Homes Commission
At Its Regular Monthly Meeting Of
September 23, 2014



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

HAWAIIAN HOMES COMMISSION

SIGN IN SHEET

TESTIMONY

Date & Time: JUL 22 2013
 Re: HHC Regular Mtg
 Location: 3060 Ewa St. Lihue, HI

FULL NAME (PLEASE SIGN)	ADDRESS (STREET, CITY, ZIP)	Reference ITEM NO.	TELEPHONE
1. Richard Triff	75-5751 Kuakini Hwy Kona	F-1	808-326-3878
2. Bo Kahui	74-5899 Lohia St - Kona	F-1	808-827-1221
3. Tamara Dettling		F-1	
4. Wm Brosseau Feiteng	Akaka	A-3, A-4 Various - C-1, C-2	446-5572
5. Shane Kapanalua?	Anahulu - Leasee	C-2	
6. Shane Cobb Adams		C-2 Rule making	
7. Ken TAYLOR	1720-A MaKaaleha Pl. Kapaa 96746	A-2 (WRKshop)	808-823-8527
8.			
9.			
10.			
11.			
12.			

HAWAIIAN HOMES COMMISSION

SIGN IN SHEET
TESTIMONY

Date & Time: JUL 23 2013 12:00 p.m.
Re: HHC Regular Mtg
Location: 3060 Eiuwa St., Lihue, HI

FULL NAME (PLEASE SIGN)	ADDRESS (STREET, CITY, ZIP)	Reference ITEM NO.	TELEPHONE
1. Martene and Randall Kauai			
2. Laverne Apina Barwick			
3. Linda Kraemer-Hartman			
4. Blossom Fiteiroa	AHHZ		
5. Paul Richards	WHAHA	F-1, F-4, F-7	446-5572
6. Tamar deFries	PGA		
7.			
8.			
9.			
10.			
11.			
12.			

Testimony before Hawaiian Homes Commission

July 22-23, 2013

in

Support of Agenda Item # F-1

Relating to

- A: Assignment of General Lease No. 286 to Pono Resource Management, Inc.
- B: Consent to proposed mortgage of the assigned leasehold interest for New Market Tax Credit financing

Submitted by Richard Taaffe, Executive Director
West Hawaii Community Health Center, Inc.
Kailua Kona, HI

The West Hawai'i Community Health Center stands in support of the Hawaiian Homes Commission approval of the following:

- A: Grant consent to assign General Lease No. 286 to Pono Resource Management, Inc; and
- B. Grant consent to the proposed mortgage of the assigned leasehold interest for the New Market Tax Credit (NMTC) financing.

The support of the Hawaiian Homes Commission is vital to realizing a long held dream of building a vibrant and healthy community in the Villages of La'i'Opua. The Commission's approval of the assignment of General Lease No 286 and consent to the mortgage of the assigned leasehold interest will secure financing through New Market Tax Credits (NMTC), and allow construction to begin on Phase I of the La'i'Opua Community Complex.

Background

La'i'Opua 2020 (L2020) is a nonprofit 501(c)(3) founded by the homesteaders of the Kaniohale Community Association (KCA), a native Hawaiian homeowners association in the Villages of La'i'Opua, to ensure the existence of adequate health care, social service and recreational infrastructure to complement and support the native Hawaiian homesteaders and surrounding communities residing in the greater Kealakehe community.

The mission of La'i'Opua 2020 is to identify community needs, foster the creation of community facilities, and coordinate planning with service providers and partners for a variety of programs for residents of the Villages of La'i'Opua and the broader Kealakehe area.

To fulfill this mission, L2020 has undertaken the development of the La'i'Opua Community Complex in Kealakehe, North Kona. The proposed Community Complex is designed as a *pu'uhonua* (area of safety and peace) and a regional resource center where the native Hawaiian people living in the Villages of La'i'Opua and the community at-large can meet their vital needs while redefining how they live, work, play and learn.

The La'i'Opua Community Complex is being developed on a 26.5-acre parcel immediately south and adjacent to Kealakehe High School. La'i'Opua 2020 has obtained a 65-year General Lease for commercial use on 26.5 acres from the Department of Hawaiian Home Lands. The transaction being considered represents Phase I of three phases and involves the land

acquisition, preconstruction work for the community center and health center, and the construction of the health center.

In 2007, La'i'Ōpua 2020 invited West Hawaii Community Health Center to participate in this Community Complex and ask WHCHC to operate the proposed health center.

West Hawaii Community Health Center (WHCHC), a federally qualified health center, serves the medical, dental and behavioral health care needs of West Hawaii. It serves approximately 17% of the 60,000+ residents of North Kona, South Kona, and South Kohala Districts of the Big Island. WHCHC's mission is to offer "quality, comprehensive and integrated health services accessible to all regardless of income. Services are culturally sensitive and promote community well being through the practice of mālama pono."

WHCHC's origins began in 2002 from planning efforts initiated by a Salvation Army task force, an organization, which by necessity, had been providing limited health care services in Kailua-Kona and that was anxious to return to their social service focus. They were, however, concerned with the lack of medical and mental health services to the area and a growing Kona population. In 2003, a 30+ member Steering Committee was formed to garner interest in the development of a community health center and take the steps necessary to make it a reality. Application for charitable, tax-exempt 501(c)(3) status was submitted to the IRS in 2004 and a permanent 15-member Board of Directors was selected.

West Hawai'i Community Health Center opened its doors to the community in January of 2005, when the Salvation Army Clinic closed and WHCHC opened. A year later in 2006, the West Hawai'i Community Health Center received its FQHC (federally qualified health center) status, paving the way for a cost-effective way to deliver health care to the underserved and uninsured in the community.

Today, the West Hawai'i Community Health Center is an integral part of the community and it strives to provide quality, affordable healthcare to all residents. WHCHC serves approximately 17% (11,000+ people) of the population of West Hawaii and offers medical, dental and behavioral health care at four locations. In 2012, WHCHC had over 40,000 patient visits, a 25% increase over 2011. Approximately 15% of WHCHC patients are uninsured and 60% are insured through Medicaid and only a step away from being uninsured. Currently, 9% (980) of WHCHC patients self-identify themselves as Native Hawaiian; plus there are 24% (2,540) patients who identify as of "more than one race" and it is reasonable to assume a portion of these individuals are also part Hawaiian. Further, over 50% of the 225 families residing in the Kaniohale Village III, are patients of the West Hawai'i Community Health Center.

Project Impact

The goal of creating a modern day *pu'uhonua*, a place of security and safety, where one can readily get a wide spectrum of health, education, recreation, and social services that are affordable and easily accessible, is fully supported by WHCHC, its Board of Directors, staff and patients. WHCHC is excited and honored to be a partner with La'i'Ōpua 2020 in developing the La'i'Ōpua Community Complex and believes it will serve as a regional resource, hosting and providing an array of programs and services to meet the health, social, educational and recreational needs of both the Hawaiian Homesteaders in the Villages of La'i'Ōpua and residents of the greater Kailua-Kona community

Phase I, of which the WHCHC health care facility is a key component, will result in the construction of a 11,500 sf health care facility that will directly impact 620 La'i'Ōpua Hawaiian

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Phase I, of which the WHCHC health care facility is a key component, will result in the construction of a 11,500 sf health care facility that will directly impact 620 La'i'Ōpua Hawaiian

homestead households and the residents of the surrounding Kealakehe region that includes approximately 2,500 residents living in the 336 public housing units adjacent to La'i'Opua. The Hawaii Public Housing Authority confirms at least 44% of these households have incomes under 50% of the AMI for the county. Further, the County of Hawai'i estimates the population of North Kona will increase by 28% to 42,275 by the year 2020 (assuming a moderate rate of growth.) This growth will include a significant number of native Hawaiians living in Department of Hawaiian Home Lands planned developments and low and moderate-income families living in Hawaii Housing Finance and Development Corporation's (HHFDC) affordable housing development that is immediate adjacent to the La'i'Opua Community Complex. When fully built out, the Villages of La'i'Opua and the HHFDC Forest City development will include 4,100 homes and approximately 20,000 residents.

The proposed 11,500 sf health care facility, to be operated by WHCHC, is ideally situated to serve these growing communities. Similar to all of its other facilities, the La'i'Opua Health Center will offer primary medical, dental, and behavior health care, as well as health education and preventative services that promote health and fitness. West Hawai'i Community Health Center will also seek to develop a health academy in partnership with Kealakehe High School for students interested in health careers.

The West Hawai'i Community Health Center has secured a \$5 million HRSA grant for the vertical construction of the health care facility, however funds for the infra-structure/civil construction is still required. The New Market Tax Credit (NMTC) subsidy will fund this site work, which in turn will allow the vertical construction of the health center to take place. Without the NMTC subsidy and bridge financing, the project may lose the \$5 million from HRSA.

The NMTC total qualified equity investment is \$22 million. La'i'Opua 2020 and West Hawai'i Community Health Center will act as the leverage lenders for the project, using grant funds and land value totaling \$15,565,000. A one-day loan in the amount of \$10,565,000 will be required, along with bridge financing in the amount of \$5,000,000.

The HRSA funds, NMTC subsidy and bridge financing will all have a direct impact on job creation and increased medical and dental services to the community. A total of 25 FTE (full-time and part-time) medical, dental, and support positions will be created when the health center is fully operational; along with 130 construction jobs as determined by the Hawai'i Department of Business, Economic Development, and Tourism multiplier of 14 construction related jobs per \$1 million for estimating job creation related to the Federal Recovery Act. The employment opportunities at the health center are estimated to be worth \$1.5 million in salaries per year.

The new health center will enable the West Hawai'i Community Health Center to serve approximate 5,000 new patients within the first year of operation. The medical center is also the catalyst of a three-phase project and larger area redevelopment plan that includes low- to moderate- income housing, a grocery store and pharmacy, elementary schools, transit orientated development, and Regional Park.

Interesting thoughts for 2013 and beyond

When will Kauai and Hawaii start working on a real sustainability PLAN?

THE GREAT CHALLENGE

Can you think of any problem, in any area of human endeavor, on any scale, from microscopic to global, whose long-term solution is in any demonstrable way aided, assisted, or advanced by further increases in population, locally, nationally, or globally?

A SELF-EVIDENT TRUTH

If any fraction of the observed global warming can be attributed to the activities of humans, then this constitutes positive proof that the human population, living as we do, has exceeded the carrying capacity of the Earth.

THIS SITUATION IS NOT SUSTAINABLE!

AS A CONSEQUENCE,
IT IS AN INCONVENIENT TRUTH
**THAT ALL PROPOSALS OR EFFORTS TO SLOW GLOBAL WARMING
OR TO MOVE TOWARD SUSTAINABILITY
ARE SERIOUS INTELLECTUAL FRAUDS
IF THEY DO NOT ADVOCATE
REDUCING POPULATIONS TO SUSTAINABLE LEVELS
AT THE LOCAL, NATIONAL AND GLOBAL SCALES.**

Comments to:
Ken Taylor
taylork021@hawaii.rr.com

Public Testimony
1-22-13

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

JULY 22, 2013

To: Chairman and Members, Hawaiian Homes Commission

Through: Darrell Yagodich, Planning Program Administrator *SY*

From: Nancy McPherson, Planner *nm*
Kaleo Manuel, Planner *g*

Subject: O'ahu Island Plan - Water Policy Status

DISCUSSION

The Hawaiian Homes Commission was given an initial orientation workshop on the O'ahu Island Plan at its meeting on February 20, 2013 (Item A-2) and an update on the progress of the O'ahu Island Plan at its meetings on March 19, 2013 (Item G-2) and April 22, 2013 (Item G-2). This report resumes the series of progress reports requested by the Commission at its February meeting.

Island Plan Schedule

The O'ahu Island Plan tasks continue to be on schedule, as summarized in Table 1.

Table 1: O'ahu Island Plan Schedule

TASK	STATUS	PERTINENT DATES
Baseline Studies	completed	End of 2012
Preliminary Site Visits	completed	Follow up visits in April and May
Applicant Survey	Finalized	Survey mailed out March 12 Survey return deadline extended to May 12 Draft Final Report submitted, undergoing review by PO
Community Outreach Campaign	In progress	Webpage content posted
O'ahu Homestead Community Briefings	Ongoing	March 18 Kapolei April 22 Waimānalo June 17 Papakōlea

TASK	STATUS	PERTINENT DATES
Informational Open Houses (Saturdays from 10:30 a.m. to 3:00 p.m., in the school cafeteria)	Completed, results compiled	April 20th (Waipahu High School), April 27th (Farrington High School) and May 4th (Kalaheo High School)
Baseline Data Analysis and Land Use Alternatives	Completed	July 2013
Agency & in-house consultations	In progress	May through July 2013
Identify Preferred Land Use Designations	drafted	Proposed land use designations presented July 2013 at Beneficiary Consultation meetings
Beneficiary Consultation (evenings, 6-8 p.m., in school cafeterias)	Completed, processing comments	July 16th (Waipahu High School), 17th (Farrington High School) and 18th (Kalaheo High School)
Establish Priority Areas for Homestead development	Analyzing beneficiary feedback	Through early August 2013
Identify Community Rehabilitation & Revitalization Opportunities	Analyzing beneficiary feedback	Through early August 2013
Identify Community Use, Environmentally & Culturally sensitive areas	Analyzing beneficiary feedback	Through early August 2013
Develop "Order of Magnitude" cost estimates for infrastructure	In progress	Through early August 2013
Meet w/large landowners & developers re: partnerships	In progress	Through early August 2013
Prepare Implementation Plan	In progress	Through early August 2013
Prepare Draft Plan for Commission	In progress	Through early August 2013
Commission Island Plan Workshop	In progress	August 19, Wailuku, Maui
Commission Action Item	In progress	September 23, Kona, Hawaii

Engagement with beneficiaries has produced the following statistics:

Table 2: O'ahu Island Plan Beneficiary Engagement

EVENT / ACTIVITY	DATE	ATTENDANCE/PARTICIPATION
O'ahu Island Plan Newsletter #1	April 16, 2013 April 23, 2013	Mailed out to beneficiaries: 12,585 "Save the Date" cards 12,585 newsletters
Open House #1 (Waipahu)	April 20, 2013	60 attendees: 39 Applicants, 16 Lessees, 5 Other

EVENT / ACTIVITY	DATE	ATTENDANCE/PARTICIPATION
Open House #2 (Kalihi)	Apr. 27, 2013	99 attendees: 67 Applicants, 17 Lessees, 15 Other
Open House #3 (Kailua)	May 4, 2013	79 attendees: 39 Applicants, 19 Lessees, 21 Other
Applicant Preference Survey	Mar. 12 to Apr. 30, 2013	10,395 surveys mailed out 2,234 responses 23% return rate
O'ahu Island Plan Newsletter #2	July 2, 2013	Mailed out to beneficiaries: 12,688 newsletters
Beneficiary Consultation Meeting #1 (Waipahu)	July 16, 2013	34 attendees: 18 Applicants, 9 Lessees, 3 Both, 4 Other
Beneficiary Consultation Meeting #1 (Kalihi)	July 17, 2013	34 attendees: 16 Applicants, 4 Lessees, 5 Both, 9 Other
Beneficiary Consultation Meeting #1 (Kailua)	July 18, 2013	16 attendees: 7 Applicants, 4 Lessees, 1 Both, 4 Other

More information is provided in the two project newsletters that were mailed to beneficiaries in April and July. In addition, the following documents, handouts and maps have been posted to the O'ahu Island Plan Beneficiary Consultation website

(<http://dhl.hawaii.gov/po/beneficiary-consultation/2013-beneficiary-consultations/oip/>):

- Invitation Letter, July 2, 2013
- OIP Newsletter No. 1, April 2013
- Summary 4-20-13 - Waipahu High School Cafeteria
- Summary 4-27-13 - Farrington High School Cafeteria
- Summary 5-04-13 - Kalaheo High School Cafeteria
- Comments recorded, 4-20, 4-27, 5-4 Open Houses
- OIP Powerpoint Presentation Handout
- Draft Designations Presentation
- OIP Land Use Designations Table
- Land Use Handouts
 - o Waianae-Waianae Kai-Lualualei Land Use
 - o Nanakuli-Princess Kahanu Land Use
 - o Kapolei Land Use
 - o Kalaeloa Land Use
 - o Pearl City Land Use
 - o Honolulu Makai Land Use
 - o Papakolea-Kalawahine-Kewalo Land Use
 - o Waimanalo Land Use
 - o Haiku Land Use
 - o Waiahole Land Use

Deadline for Beneficiary Consultation comments is August 19, 2013.

NMM

Water Policy Plan Update

Because of the significance and complexity of water issues, the Planning Office will be conducting three (3) rounds of beneficiary meetings in the next 6-9 months for the Water Policy Plan preparation and adoption

September 2013

Because water issues touch nearly all aspects of DHHL operations and concerns vary by area, the first round of beneficiary meetings will focus on education and outreach. Held on weekday evenings throughout the state, the primary purposes of these workshops will be to:

1. Provide information to beneficiaries about the history of water control in Hawaii and especially unique and senior rights and authorities to water granted to DHHL and its beneficiaries (from the Hawaiian Homes Commission Act, the State Constitution, the State Water Code, and Court Rulings),
2. Outreach and connect with beneficiaries that are interested in water and to ensure optimal beneficiary participation in the planning and policy process.
3. To dialogue and begin discussion with beneficiaries on critical water issues in their community and the values that they have related to water.

October - November 2013

Using research, interviews, and feedback from these workshops, the Planning Office will develop a draft Water Policy Plan. Once completed, we will conduct our second round of "working" beneficiary meetings. These working meetings will engage beneficiaries more intimately with the Policy in order to:

- Reaffirm what was heard from the previous beneficiary meetings;
- Review the proposed draft Water Policy Plan; and
- Receive and record comments and edits to the draft Water Policy Plan.

February 2014 - March 2014

Based on the comments and edits received through the working beneficiary meetings and internal staff and departmental review, the Planning Office will finalize the Water Policy Plan and conduct the last round of formal Beneficiary Consultation on the Water Policy Plan. This will ensure that all beneficiaries have the opportunity to participate and provide comments on the final Water Policy Plan before its approval by the Hawaiian Homes Commission.

April 2014 - May 2014

Depending on the Beneficiary Consultation process, the Planning Office is proposing approval of the Water Policy Plan in April 2014 or May 2014.

KM



O'AHU ISLAND PLAN

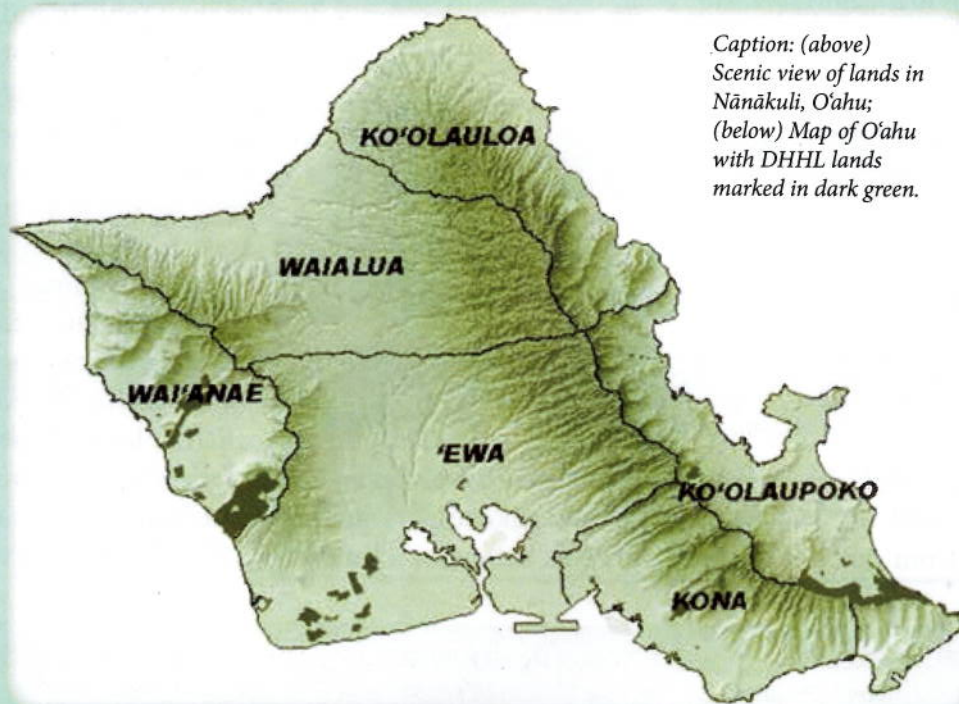
Beneficiary Participation Newsletter

Prepared by the Department of Hawaiian Home Lands Planning Office

April 2013

The O'ahu Island Plan is being developed to provide recommendations for future uses of Hawaiian Home Lands (HHL) on the island of O'ahu. This planning effort is being undertaken to provide a sound basis for land use designations and appropriate land management strategies. Once completed and approved by the Hawaiian Homes Commission, the O'ahu Island Plan will be utilized as a guide to meet beneficiary and HHL needs over the next 20 years.

The Department of Hawaiian Home Lands (DHHL) has a limited land base on O'ahu, which is why consultation with beneficiaries is a critical component of Island Plan development. We invite you to take part in planning the future of Hawaiian Home Lands here on O'ahu.



*Caption: (above)
Scenic view of lands in
Nānākuli, O'ahu;
(below) Map of O'ahu
with DHHL lands
marked in dark green.*

O'AHU BY THE NUMBERS

TRUST LANDS ON O'AHU

6,726 Acres
(As of January 2012)

O'AHU BENEFICIARIES

4,288 Lessees
4,228 Residential
60 Agricultural

13,368 Applicants
9,949 Residential
3,419 Agricultural
(As of June 30, 2012)

For more information contact:
Nancy McPherson
Senior Planner, Planning Office
Department of Hawaiian Home Lands

Phone: (808)620-9519
Fax: (808)620-9559
E-mail: nancy.m.mcpherson@hawaii.gov

HHC Item No. A-2
Exhibit B
Date 7-22-13

Online at www.dhhl.hawaii.gov
or Facebook, Twitter, Flickr, & YouTube



THE HAWAIIAN HOMESTEAD ACT OF 1920

Enacted by U.S. Congress in 1921



As we begin to layout the future of Hawaiian Home Lands on Oʻahu, let us remember the foundation upon which our work must be built, and the vision and spirit of the Hawaiian Homes Commission Act and our founder Prince Jonah Kūhiō Kalanianaʻole.

In 1919, Prince Kūhiō encouraged the U.S. government to adopt a policy of ʻāina hoʻopulapula or “restoration [of Native Hawaiians] through the land.” Prince Kūhiō and Ter-

ritorial Senators John Wise and Robert Shingle persuaded the U.S. Congress to pass the Hawaiian Homes Commission Act two years later in 1921:

“The Congress of the United States and the State of Hawaiʻi declare that the policy of this Act is to enable native Hawaiians to return to their lands in order to fully support self-sufficiency for native Hawaiians and the self-determination of native Hawaiians in the administration of this Act, and the preservation of the values, traditions, and culture of native Hawaiians.”

Specific legislation and amendments have refined the Act into the form it is in today. Our mission at the Department of Hawaiian Home Lands is to manage the Hawaiian Home Lands trust effectively to develop and deliver lands to native Hawaiians beneficiaries.

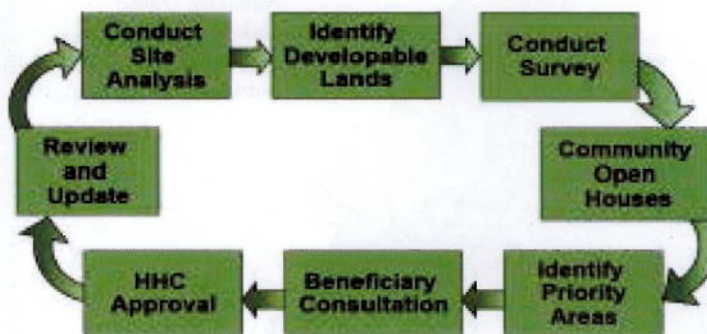
ISLAND PLAN PROCESS

The Island Planning process can seem daunting at first glance, but once you familiarize yourself with the various steps in the process you will be better able to participate. We are currently in the initial stages of gathering information from stakeholders through our Applicant Preference Survey as well as our Open House meetings. Stakeholders include our beneficiaries, both applicants and lessees, as well beneficiary organizations, DHHL staff, Honolulu City & County, state agencies, and other native Hawaiian organizations. We will use stakeholder feedback as well as the findings from our site analysis

to identify developable lands on Oʻahu to identify priority areas and develop a draft of the Oʻahu Island Plan. This draft OIP will then go out to beneficiaries for more

feedback. The feedback from Beneficiary Consultation meetings will be used to develop an OIP draft to be taken to the Hawaiian Homes Commission (HHC) for approval. Once approved by the HHC, DHHL staff will implement the vari-

ous plans, developments, and priority projects called for by stakeholders in the Oʻahu Island Plan. See the graphic below for a timeline of the Island Plan Process.



BASELINE STUDIES & SITE VISITS
(Apr '12 - Dec '12)

AGENCY CONSULTATION & IN-HOUSE REVIEW
(Apr '12 - July '13)

FIRST HHC WORKSHOP &
(Jan. '13)

APR '12 MAY '12 JUNE '12 JULY '12 AUG '12 SEP '12 OCT '12 NOV '12 DEC '12
BASELINE DATA ANALYSIS
(Apr '12 - May '13)

LAND USE & PRIORITY AREA ANALYSIS
(June '12 - July '13)

APPLICANT PREFERENCE SURVEY
(Jan. '13)



BENEFICIARY PARTICIPATION OPPORTUNITIES

Applicant Survey

A survey of O'ahu Applicants is currently underway. Survey responses will help DHHL better understand current applicant needs and preferences as to what types of products should be offered for future awards. Surveys were mailed to O'ahu residential and agricultural applicants on March 12, 2013. If you did not receive a survey, please contact the DHHL Planning Office at (808)620-9519 to ensure your applicant records are up to date. Surveys can also be completed online. If you prefer the online survey, please contact SMS Research at (808)440-0702 for a link and password. Individual survey responses are strictly confidential. Surveys must be completed online or postmarked and returned by **Tuesday, April 30, 2013.**

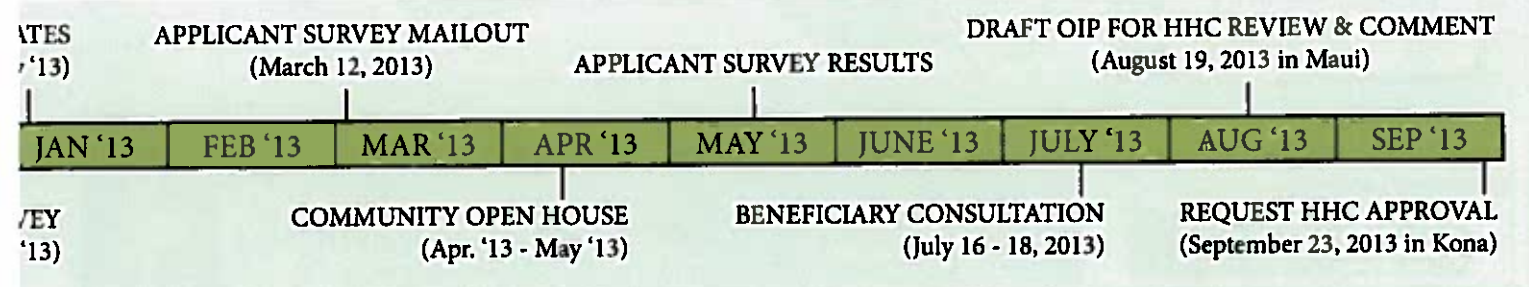
Open House Meetings

These meetings will provide information regarding the planning process and provide opportunities to discuss issues and opportunities as they relate to the develop-

ment of the O'ahu Island Plan. Please join us for one of the three meetings scheduled at various O'ahu venues (*See back page for schedule and locations*). Drop in at your own convenience between 10:30 a.m. and 3:00 p.m. View information, ask questions, and share comments at your leisure with DHHL staff and consultants as you stop by the various stations. Short presentations will be given at 11:30 a.m. and 2:30 p.m., with a question and answer period to follow.

Beneficiary Consultation Meetings

The information gathered from surveys and Open House meetings will be used to develop draft land use designations for DHHL's land holding on O'ahu, as well as a draft of the entire O'ahu Island Plan. These meetings will provide beneficiaries an opportunity to review, comment and provide feedback on both drafts before they are sent to Commission for review. Drafts will also be based on an analysis of land constraints, existing and proposed land uses in regional plans, and meetings with DHHL divisions, city and state agencies.



O'AHU ISLAND PLAN

Applicant Preference Survey

Surveys are due **April 30, 2013**. Surveys may be completed online or by mail.
If you are completing the survey by mail, please be sure to **post-mark by April 30, 2013**.

Open House Meetings

April 20, 2013

10:30 a.m. - 3:00 p.m.

Waipahu High School Cafeteria

April 27, 2013

10:30 a.m. - 3:00 p.m.

Farrington High School Cafeteria

May 4, 2013

10:30 a.m. - 3:00 p.m.

Kalaheo High School Cafeteria

**Location subject to change with notice*

Beneficiary Consultation Meetings

July 16, 2013

6:00 p.m. - 8:00 p.m.

Waipahu High School Cafeteria

July 17, 2013

6:00 p.m. - 8:00 p.m.

Farrington High School Cafeteria*

July 18, 2013

6:00 p.m. - 8:00 p.m.

Kalaheo High School Cafeteria

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HONOLULU, HI
PERMIT NO. 574

HAWAIIAN HOME LANDS



P.O. Box 1879
Honolulu, Hawaii 96805



O'AHU ISLAND PLAN

Beneficiary Participation Newsletter

Prepared by the Department of Hawaiian Home Lands Planning Office

July 2013

MAHALO NUI to everyone who has participated in the Oahu Island Plan process so far, by completing a survey and/or attending one (or more!) of the Open Houses that were held this Spring.

Applicant Preference Survey

The deadline for submitting surveys by mail or online was April 30, 2013. Mahalo to all of our applicants who completed and returned a survey by the deadline – we were able to achieve close to a 23 percent response rate!

Survey Responses	Mailed Out	By Mail	Online	Total
Number of Surveys	10,395	2,300	214	2,234
Response Rate		20.5 %	2.1 %	22.6 %

The information and mana'o you provided is important to the Island Plan process. A special "Maika'i!" to those who completed the online survey – DHHL will continue to work on providing new ways that we can use technology to make it easier and more convenient for our beneficiaries to participate in the process.



For more information contact:

Nancy McPherson
Senior Planner, Planning Office
Department of Hawaiian Home Lands

Phone: (808)620-9519
Fax: (808)620-9559
E-mail: nancy.m.mcpherson@hawaii.gov



Open House Meetings

Our first Open House was held in West O'ahu on April 20, our second in town on April 27 at Farrington High School, and our last on May 4 on the Windward side. Based on attendee comments and evaluations (more info inside), the Open Houses

Open House Attendance				
Open House	Applicants	Lessees	Other	Total
Waipahu April 20	39	16	5	60
Farrington April 27	67	17	15	99
Kalaheo May 3	39	19	21	79

were a big hit! Mahalo to everyone who took the time out of their Saturdays to join us for communication, education and island planning for Hawaiian Home Lands and give us their mana'o. We appreciate your participation and hope you learned a lot and had a good time. DHHL staff really enjoyed the face-to-face time with all the beneficiaries!

HHC Item No. A-2
Exhibit C

Date 7-22-13

Visit us online at www.dhhl.hawaii.gov or Facebook, Twitter, Flickr, & YouTube





HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION - DEPARTMENT OF HAWAIIAN HOME LANDS

THE HAWAIIAN HOMESTEAD ACT OF 1920

was enacted by Congress in 1921 to "...enable native Hawaiians to return to their land in order to fully support self-sufficiency..."

The Department of Hawaiian Home Lands (DHHL) was created in 1960 as a condition of Statehood to administer the Act and is overseen by the Hawaiian Homes Commission. DHHL is unique as both a federally authorized trust for native lands, and a state agency.

DHHL'S MISSION

(from DHHL General Plan, 2002)

Our mission is to manage the Hawaiian Home Lands trust effectively and to develop and deliver lands to native Hawaiians. We will partner with others towards developing self-sufficient and healthy communities.

CONGRATULATIONS!

Our gift card winners are:

Loretta Spencer, Kapolei
Waipahu Open House
Highway Inn Gift Card

Kimberley Kahikina, Waimānalo
Farrington Open House
Longs Drugs Gift Card

Bernadette Chu, Kāne'ohe
Kalaheo Open House
Safeway Gift Card

WHAT WE HEARD

Mana'o from each Open House has been summarized, and will be reported in detail during the Beneficiary Consultation meetings in July. Here are some of the highlights:

On workshops: "Have more workshops - print answers to questions brought up at this workshop"

On face-to-face time: "It was nice to talk face-to-face and get answers to our immediate concerns. I appreciate being involved in the planning process because when I do obtain my own home someday, I will certain[ly] be thankful for having it, in a community that I helped plan."

On involving applicants: "Thank you for making time to consider the thoughts and ideas of the applicants. I feel a sense that the department is really trying to move forward and really 'make a difference.' Mahalo."

On including keiki: "Mahalo for the keiki corner!"

On leases: "I have one thing to say - hurry up with the leases!"

On foreclosed/vacant homes: "Consider rehabilitating foreclosed homes for those with less income."

On financial preparedness: "So many people I know in my generation turn down homestead loans because they were underequipped knowledge-wise and not financially there to buy or lease. It's wonderful you are striving to acquire more land, but I would like to see more classes to help those like me be better prepared to get our own."



On generating revenue: "General Lease rents too low. The contract amounts should be re-evaluated."

On kūpuna housing: "Please develop more Kūpuna Housing if we elders cannot afford Homestead Lots. Kūpuna Housing is our only outlet for housing."

On food sustainability: "Find other ways for revenue, for example, more farming or sustainability options or teaching Hawaiians how to sustain."

On land acquisitions: "Keep Beaches - access is important for community users"

On preservation uses: "Use lands for alternative energy, like wind and solar"

We are considering all comments and are working to respond to the concerns and issues within the Draft O'ahu Island Plan. We will also use comments to improve future open houses and the quality of our engagement with beneficiaries.
Mahalo piha!

BASELINE STUDIES & SITE VISITS
(Apr '12 - Dec '12)

AGENCY CONSULTATION & IN-HOUSE REVIEW
(Apr '12 - Dec '12)

FIRST HHC WORKSHOP & UPD
(Jan. '13 - Ju

APR '12	MAY '12	JUNE '12	JULY '12	AUG '12	SEP '12	OCT '12	NOV '12	DEC '12
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BASELINE DATA ANALYSIS
(Apr '12 - July '13)

LAND USE & PRIORITY AREA ANALYSIS
(June '12 - July '13)

APPLICANT PREFERENCE SURV
(Jan. '13 - May '13)



O'AHU ISLAND PLAN

Open House Results - A Sampling

The results from all three Open Houses include a sampling of comments gathered at each station. This data, along with the Applicant Preference Survey results, the land use constraints analysis, additional consultation with other agencies, and the formal Beneficiary Consultations in July, will guide DHHL in developing land use designations and policies for the Draft O'ahu Island Plan.

STATION 1 - HAWAIIAN HOME LANDS TRUST & DHHL

Information on the Hawaiian Homes Commission Act, DHHL's mission, DHHL Trust; breakdown of landholdings, applicants, and lessees in the State versus O'ahu; location of existing lessees.

On sale of leases:

"Sale of leases with no money to the department is wrong."

"Sales should not be allowed"

"Establish time limit before house can be sold (e.g. 10 years)"

On foreclosed/vacant homes:

"Consider rehabilitating foreclosed homes for those with less income."

"Offer vacant as rent to own"



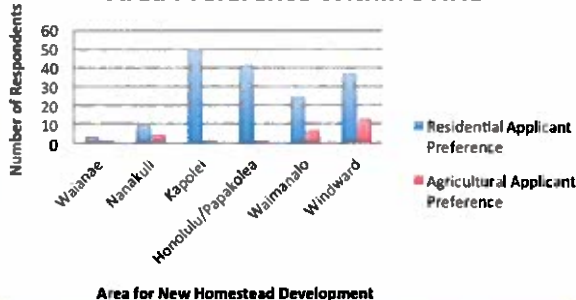
STATION 2 - DHHL PLANNING SYSTEM

Overview of the planning system; steps taken to get from the General Plan through award of leases.

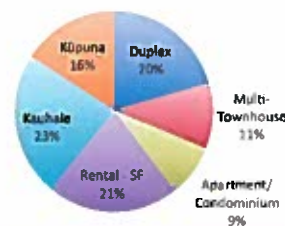
STATION 3 - HOMESTEAD USES

Overview of the location of DHHL Trust lands on O'ahu, and areas where conditions warrant further evaluation for homesteading. Attendees noted their preferences for new homestead developments, lot size, housing options and agricultural uses.

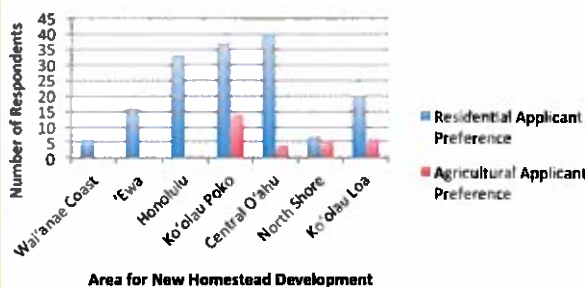
Area Preference Within DHHL



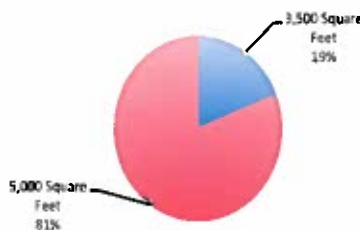
Alternative Housing Preferences



Area Preference Outside DHHL



Homestead Lot Size Preference



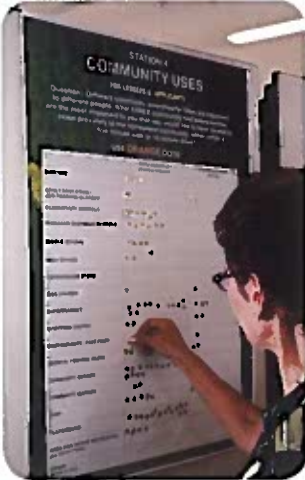
Agriculture Uses





O'AHU ISLAND PLAN

Open House Results - A Sampling

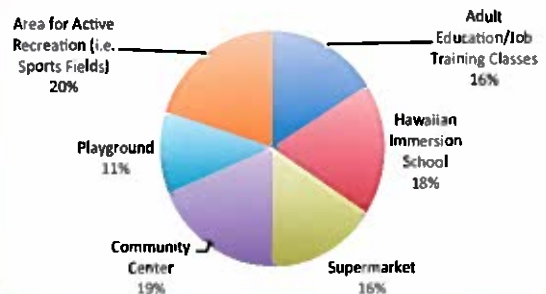


STATION 4 - COMMUNITY USES

At this station, attendees discussed and evaluated features of a community important to them, if and how they were willing to support those amenities, as well as amenities and facilities that their existing communities are lacking.

Write-in ideas: Police Station, Hospital, Library, Adult Day Care/Daycare, Fishing Halau, Imu, Spiritual Centers/Churches, Multi-Use Community Recreation Center, Health & Wellness Center, Community-Owned Supermarkets, Medicinal Gardens, Sustainable Gardens, Pig Farming, Pohaku Quarry, Hawaiian Home Lands Resource Office, Hawaiian Credit Union.

Top 5 Community Amenities



STATION 5 - REVENUE

At this station, attendees learned the amount of revenue needed to cover the average cost of developing a new residential homestead lot. A portion of DHHL Trust's lands are utilized for generating money in support of activities such as developing new homesteads, managing land, providing loans and other services to beneficiaries.

On generating revenue:

*"DHHL focus should be income based.
Revenue is needed to support the mission"*

"Focus should be homes and dorms for the future, not revenue"

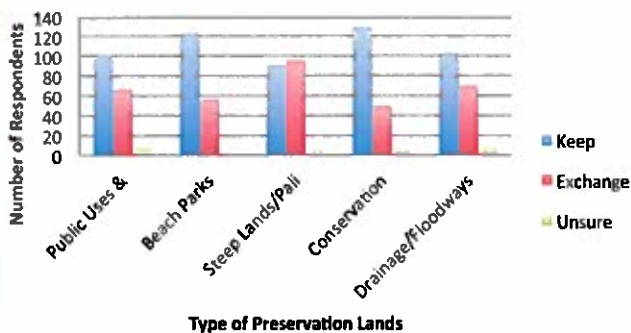
"Toll booth as a way to generate income"

"Was not aware that DHHL paid for infrastructure cost"



STATION 6 - PRESERVATION USES

Keep vs. Exchange Preservation Land



DHHL's land inventory on O'ahu includes lands not suited for homesteading, including lands that support the general public, steep lands and pali, conservation lands, drainage/wetlands, etc. Attendees provided their views on keeping or exchanging these lands for lands more suitable for homestead use.

On land exchanges:

"If there's ridge land that we can trade I think we should, so Hawaiian people can afford a house on this property."

"It doesn't make any sense to have lands that is in no use for the people."

"Keep lands with water resources"

"Exchange wetlands for higher drier lands"



LAND USE DESIGNATIONS

Proposed Land Use Designations are being developed based on the Act, the General Plan, and the Hawaii Administrative Rules as well as opportunities and constraints to development (slopes, wetlands and floodways, adjacent infrastructure such as roads and utilities) for each particular piece of land. To arrive at

these proposed land uses, the consultants have used Geographic Information Systems (GIS) technology, information from site visits and beneficiary feedback, and discussions with various stakeholders such as DHHL divisions, other state and county agencies, adjacent landowners and Native Hawaiian organizations.



APPLICANT SURVEY MAILOUT
(March 12, 2013)

APPLICANT SURVEY RESULTS

DRAFT OIP FOR HHC REVIEW & COMMENT
(August 19, 2013 @ Maui)

JAN '13	FEB '13	MAR '13	APR '13	MAY '13	JUNE '13	JULY '13	AUG '13	SEP '13
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COMMUNITY OPEN HOUSE
(Apr. '13 - May '13)

BENEFICIARY CONSULTATION
(July 16 - 18, 2013)

REQUEST HHC APPROVAL
(September 23, 2013 @ Kona)



HAWAIIAN HOME LANDS

P.O. Box 1879

Honolulu, Hawai'i 96805

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O'AHU ISLAND PLAN

Beneficiary Consultation Meetings

These meetings provide beneficiaries an opportunity to review and comment on land use designations and development priorities for Hawaiian Home Lands on O'ahu before they are sent to the Commission for review as the draft O'ahu Island Plan.

Beneficiary Consultation Meetings Other Important Dates

Hawaiian Homes Commission

O'ahu Island Plan Workshop

(For Information Only)

August 19 & 20, 2013

9:30 a.m.

Wailuku, Maui

Final Approval

September 23 & 24, 2013

Kona, Hawai'i

Beneficiary Consultation Meetings

July 16, 2013

6:00 p.m. - 8:00 p.m.

Waipahu High School Cafeteria

July 17, 2013

6:00 p.m. - 8:00 p.m.

Farrington High School Cafeteria

July 18, 2013

6:00 p.m. - 8:00 p.m.

Kalahoe High School Cafeteria



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

Errata Sheet

For the document titled:

Kiowea Park Phase II Improvements – Final Environmental Assessment,
TMK: (2)5-2-009:018, Kaunakakai, Molokai, Hawaii. July 12, 2013

Errata issued July 19, 2013

The Department of Hawaiian Home Lands Planning Office notes the following errors and omissions in the draft document Kiowea Park Phase II Final Environmental Assessment dated July 12, 2013:

Ref.	Page No.	
III.D.1	57	Add at end of "Existing Conditions": <u>Using the County of Maui standard water usage estimate for schools and parks of 1,700 gallons per acre per day, based on the total park area of four (4) acres, the total water demand of the park is estimated to be 6,800 gallons per day (gpd).</u>
	57	Add at end of "Potential Impacts and Mitigation Measures": <u>The applicant will install water efficient fixtures and implement water efficient practices throughout the development, including landscape irrigation conservation best management practices (BMP's).</u>

Item F-2
7-23-13

State of Hawaii - Department of Hawaiian Home Lands
P. O. Box 1879
Honolulu, Oahu, HI 96805
Attn: Jobie Masagatani

Harold D K Vidinha
7723 Iwipolena Road
P. O. Box 1121
Kekaha, Kauai, HI 96752

July 1, 2013

Dear Madam Chairman,

Thank you taking time from the Special Hearing at the Kapaa Elementary School this past weekend to hear my concerns. I was told to write this letter in hopes of getting on the July agenda for the upcoming Commissioners meeting that is scheduled for July 22-23, 2013.

Joseph Hookipa Kanahele and I are lessees to Lot 2 and Lot 3 respectfully, of the Kekaha Residential Project Unit 4. Black tar oozes from the soil on hot days and we would like to know what DHHL can do to help us. The Department of Health has sent their recommendations to DHHL (Sandra Pfund with a CC to William South) in a letter dated February 19, 2013. I have call several times since receiving their letter to follow-up with DHHL but no one has called me back. So getting on the agenda seems to be the ONLY way to get some kind of answers from the department.

The purpose for our request is to see if we can reach a solution pertaining to our homestead lots. We have been working with your staff and have done what was asked of us for almost three years. To date, we have not heard of any ideas or solutions and have been getting impatient with each passing day.

It is time for the Commissioners and us to receive firsthand information to come to some kind of decision so that this situation can move forward. Your consideration and response to our request will be greatly appreciated.

Yours truly,



Harold D. K. Vidinha
Lessee #11333 Lot 3

Attachments: Dept. of Health letter dtd February 19, 2013
with two maps - 4 pages

HHC Item No. J-1
Exhibit A
Date 7-22-13

NEIL ABERCROMBIE
GOVERNOR
STATE OF HAWAII



JOHIE M. K. MASAGATANI
CHAIRMAN DESIGNATE
HAWAIIAN HOMES COMMISSION

MICHELLE K. KAUIANE
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

July 9, 2012

Mr. Harold Vidinha
P.O. Box 1121
Kekaha, HI 96752

Dear Mr. Vidinha:

Subject: Lot 3, Kekaha Residence Lots, Unit 4

On March 13, 2012, staff from the Department of Hawaiian Home Lands (DHHL), Land Development Division, William South and Stewart Matsunaga conducted an inspection of your lot, as a follow-up to your concerns of physical debris within the soil. Also, during the inspection, you also commented about alleged asphalt waste being dumped on the Kekaha site prior to the land transfer of the subject site from the Department of Land and Natural Resources to DHHL.

In response to your concerns, DHHL plans to procure a consultant to conduct a Phase 1 Environmental Assessment (PEA). Based on the findings of the PEA we will ask the consultant to prepare a recommended sampling and testing plan. Please keep in mind that each step will require Hawaiian Homes Commission approval of the budget to proceed. We will update you when we have a consultant selected to conduct the PEA.

Should you have any questions, call William South, Homestead Development Coordinator, Land Development Division, at 808-620-9288.

Sincerely,

Sandra Pfund, Administrator
Land Development Division

C: Imaikalani Aiu, Commissioner
Kauai District Office
Planning Office

620-9271

Sec. 620-9272

NOTE: WHEN? FOR PHASE #1

to start.

HHC Item No. J-1
Exhibit B
Date 7-22-12

3/4/13

UPDATE: PHASE 1 FINDINGS MORE
SEEMS TO HAVE FOUND CAUSE
IN R.I. DIA



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer
to:
File:
2013-109 FG

February 19, 2013

Sandra Pfund
Land Development Administrator
State of Hawaii
Dept. of Hawaiian Home Lands
91-5420 Kapolei Parkway
Kapolei, HI 96707

Facility/Site: Department of Hawaiian Homelands, Kekaha Residential Lots

Subject: Follow up to November 15, 2012, site visit to home of Mr. Harold Vidinha and recommendations for further action

Dear Ms. Pfund,

This letter follows up on our December 7, 2012 meeting with Bill South to discuss surface soil contamination concerns in the DHHL neighborhood referred to as the Kekaha Residential Lots, Unit 4. As we have discussed over the past few months, Mr. Harold Vidinha had reported to DOH the presence of a tarry, oily material in his backyard on a downslope area in the summer of 2012. Laura Young, a project manager in my office, received a sample of the suspect material sent in by Mr Vidinha and had the sample analyzed for screening purposes under our emergency response contract. This analysis identified the material as residual petroleum, akin to asphalt. While unsightly and a nuisance, the laboratory data indicate that the material does not pose a significant health hazard.

Dr. Barbara Brooks and I conducted a site visit and met with Mr and Mrs Vidinha on November 15, 2012. At that time, I collected another surface sample of the asphalt-like material that appeared to be slowly oozing from the steep slope behind the Vidinha home, about 10-15 feet below the elevation of the house. The material closely matched the description and condition of a sample Mr Vidinha had sent to Laura Young in our office, back in August, 2012.

We had the November sample analyzed by TestAmerica Laboratories, and have included the lab report as an attachment to this letter. I asked Dr Roger Brewer, in my office to review the results. The results of the laboratory tests indicate that the tarry substance is similar to common asphalt and is not significantly toxic. Benzo-a-pyrene and other polycyclic aromatic hydrocarbons (PAHs) that are known to pose potential health risks were not detected, adding credence to the conclusion that the material is common asphalt, or a similarly non-toxic material. The sample was also negative for polychlorinated biphenyls (PCBs).

Cleanup of the contamination is, however, recommended under our Technical Guidance Manual (TGM) for addressing general gross contamination and nuisance concerns. Note that "gross contamination" is a term used in our TGM to refer to contamination that does not exceed human or ecological risk standards, but presents other concerns, such as odor and nuisance issues. Because the laboratory analysis conducted

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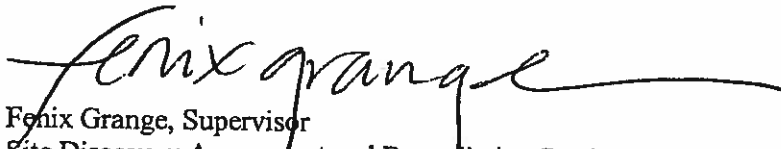
was limited to testing the single sample collected, we cannot be certain whether other hazards may be present. Based on visual observation, it appears that the tarry material is slowly migrating out of the subsurface. Visual observation of the exposed surface soils in on the Vidinha property, show evidence of metal debris and glass, suggesting that unpermitted rubbish dumping may have occurred in the area historically. Reviewing old aerial photographs of the area suggest that the neighborhood is the first development of the site. An aerial from 1950's shows a pattern of dirt roads and vehicle activity, likely associated with sand mining in that area. The resulting vehicle access and excavations may have been conducive to unpermitted dumping. Our office reviewed our available records and other historical data for the Kekaha area, and have not found any evidence of hazardous chemical disposal at the site.

To safely manage the tarry material and address gross contamination and nuisance concerns, DOH recommends surface removal of the asphaltic material, and capping with clean soil. Given the slope where the release is occurring, it may make sense to construct a retaining wall to bring up the grade of the Vidinha backyard area. This will serve the purpose of eliminating direct contact with the material, and creating simple, long term containment for any residual asphalt that may otherwise continue to ooze from the hillside.

While the HEER Office does not regulate physical hazards, such as metal debris and broken glass, we nonetheless recommend that the exposed surface soils throughout the yard be covered with clean soil and landscaping to reduce such potential hazards. Given that the Kekaha area can be very windy, these actions will also greatly reduce dust generation.

If I can help in any way as you move forward with planning and response activities at Mr Vidinha's property or pursue additional investigation in the neighborhood, please feel free to contact me at 808-586-5815 or fenix.grange@doh.hawaii.gov.

Sincerely,



Fenix Grange, Supervisor
Site Discovery Assessment and Remediation Section
Hazard Evaluation and Emergency Response Office
State of Hawaii Department of Health

Attachments: Laboratory results
Historic aerial photographs

Cc: William South, DHHL
Harold Vidinha



Aerial photo of Kekaha, Kauai taken November 22, 1950



Imagery Date: 3/26/2012 2005

2250 ft

Imagery © 2013 Google
© 2013 Google
Imagery © 2013 DigitalGlobe

Lat: 21.975299 Lon: -159.720076 Elev: 14 ft

Google earth



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

July 19, 2013

HAROLD D. K. VIDINHA
PO BOX 1121
KEKAHA, HI 96752

Subject: Environmental Study
Kekaha Residence Lots, Unit 4

Aloha. A few residents in your neighborhood have reported finding glass, metal, and asphalt in their lots. Therefore, the Department of Hawaiian Home Lands will be conducting an environmental survey of the Kekaha Residence Lots, Unit 4 subdivision. We want to determine if the problem affects a few lots or is widespread throughout the subdivision.

We have hired a consultant, AECOM Technical Services, Inc., to conduct an environmental survey and review the historic use of the property. We request that you complete the enclosed questionnaire and return it by August 5, 2013, in the self-addressed stamped envelope. The completed questionnaire will help us to better serve you and your neighbors.

Mahalo for your kokua. Should you have any questions about the questionnaire, please call Steve McKnight of AECOM Technical Services, Inc., at (808)521-3051 or Bill South, Homestead Development Coordinator, Land Development Division, at (808) 620-9288.

Aloha - Inā he mau nīnau a i 'ole inā pono ke kōkua me ka 'unuhi 'ia o kēia palapala, ke 'olu'olu e kelepona iā Ku'uwehi Hiraishi ma ke Ke'ena 'Āina Ho'opulapula ma (808) 620-9516. Mahalo.

Sincerely,

Sandra Pfund, Administrator
Land Development Division

Enclosures

c: Kauai District Office
Hawaiian Homes Commission
Van Warren, Kekaha Hawaiian Homes Association
Connie Castaneda, West Kauai Hawaiian Homestead Association

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Exhibit D
Date 7-22-13

KEKAHA RESIDENCE LOTS UNIT 4 ENVIRONMENTAL QUESTIONNAIRE

Name of Lessee: _____

Mailing Address: _____

Lot No. _____

1. General Description of Structures and Other Improvements:

Please describe the structures or other improvements on your property, for example: house, tool shed, swimming pool, etc.

2. Current Use(s) of the Property

Please identify current use(s) of your property other than as a residence. For example, does someone perform personal auto maintenance, or cultivate and maintain a garden? Make sure to identify any uses likely to involve the use, storage, disposal, or generation of hazardous substances or petroleum products, such as herbicides and pesticides, motor oil, gasoline, and metal cleaning products.

3. Current Hazardous Substance and/or Petroleum Product Use:

If you identified uses of your property that involve hazardous substances or petroleum products, please list and describe the substances below. Please be specific and estimate the quantities, but do not include household cleaning products. Please identify the last known treatment date for subterranean termites.

4. Stressed Vegetation and Odors:

Please identify any areas of stressed vegetation (from something other than insufficient or excessive water) on your property. If so, please describe where they are located. If there are strong, pungent, or noxious odors present on your property that are of unknown origin, please describe the odor (be as specific as possible) and its location.

5. Evidence of Solid Waste:

Have you encountered trash or debris in the soil on your property that is not related to current uses? If so, please describe the types of debris and its location on your property.



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Exhibit E
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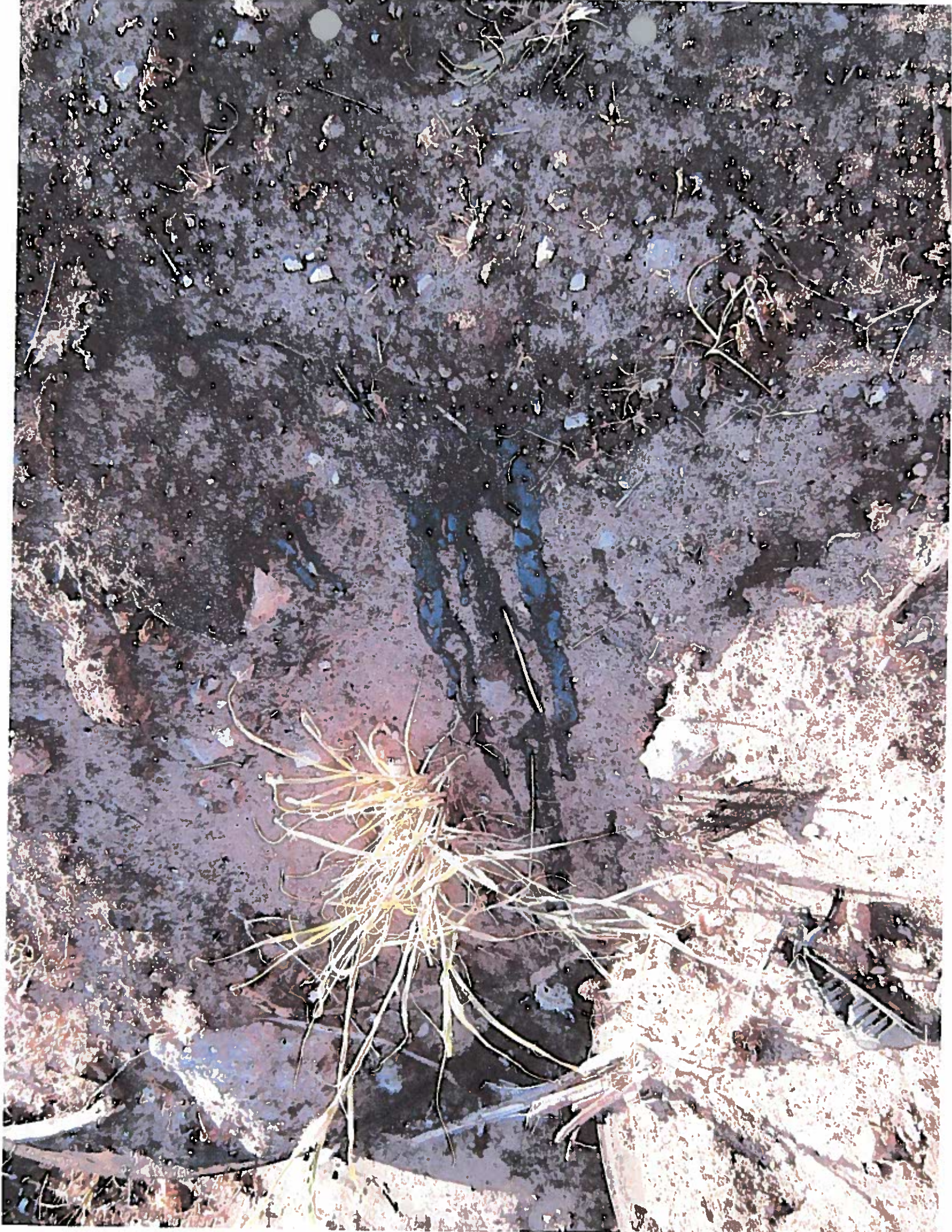




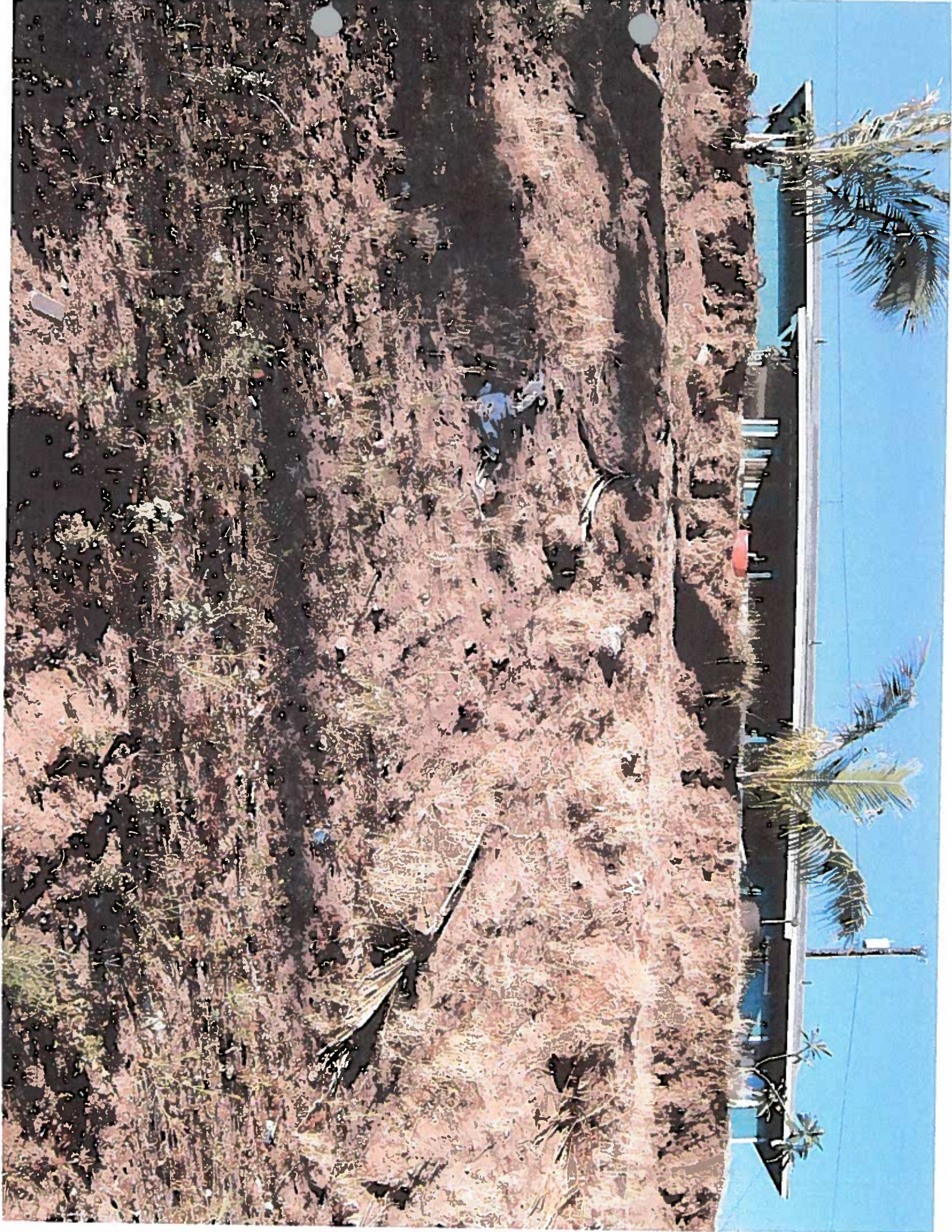




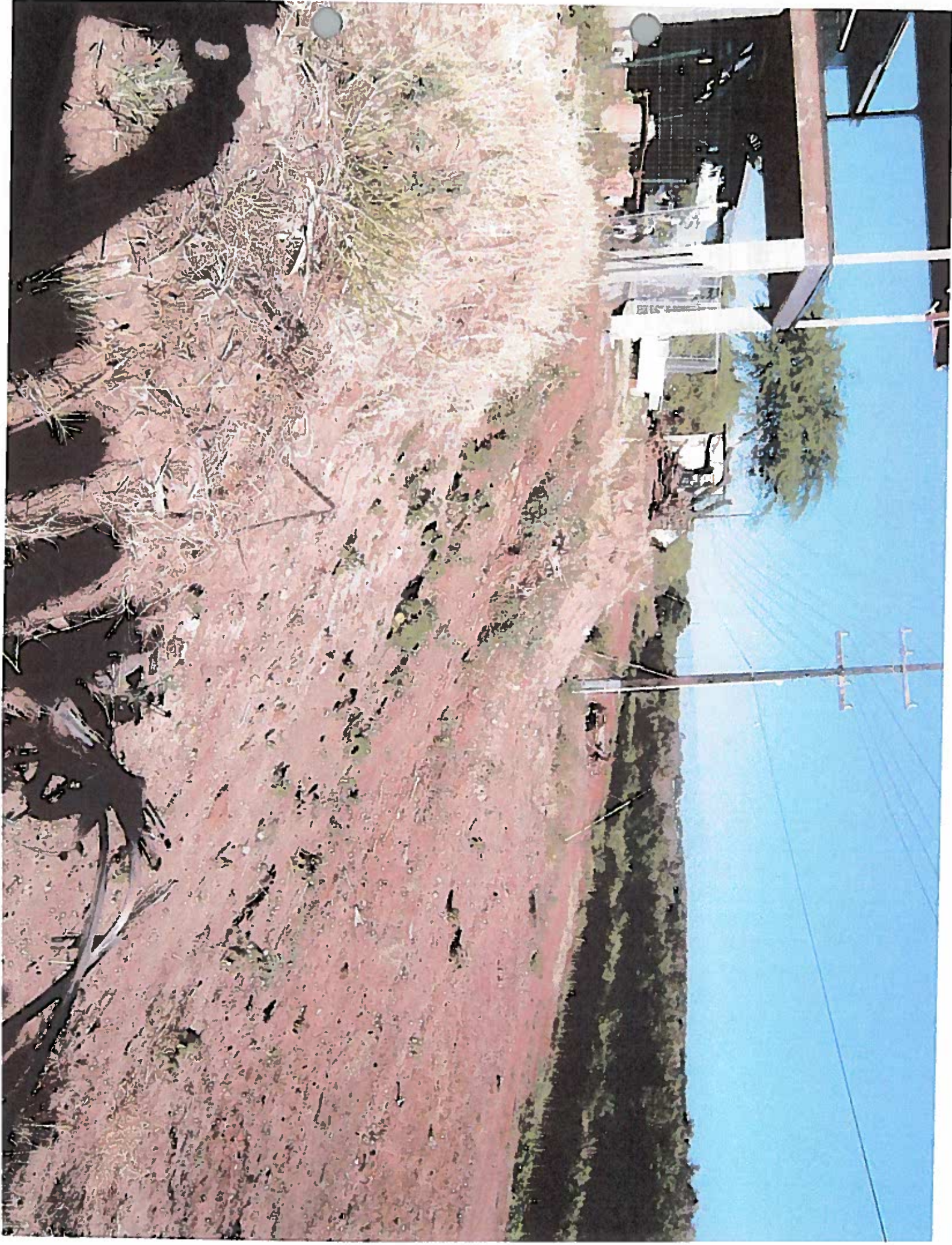
















Aerial photo of Kekaha, Kauai taken November 22, 1950