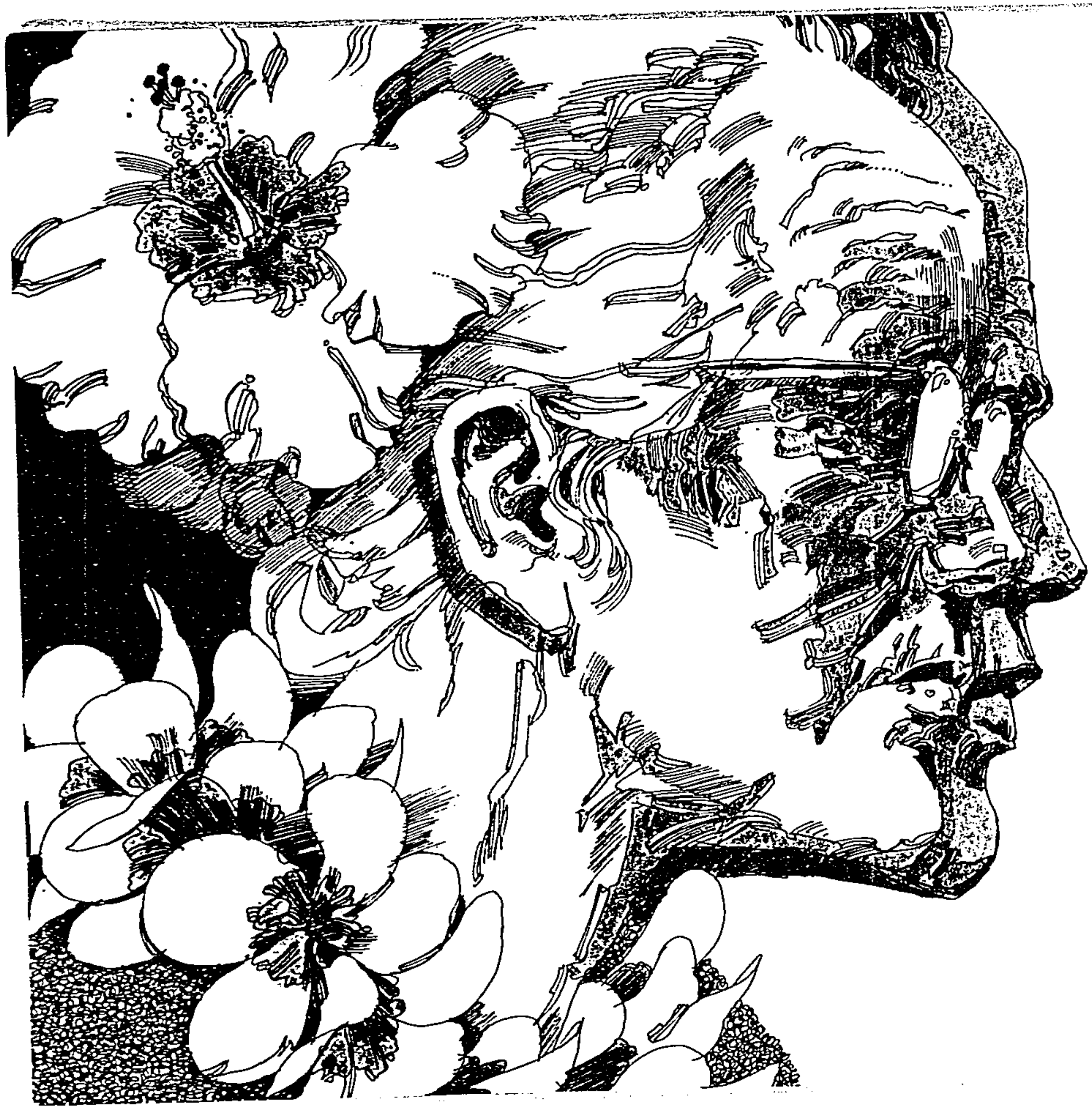


Selected Reprints from

ANNUAL REPORT DEPARTMENT OF HAWAIIAN HOME LANDS 1976-77

3

FOREWORD

The 1975 Annual Report reflected a compilation of all data available to the Department. It was the first attempt in thirty years to collect, record, and report in one source this reference information. In the process of collecting the data problems were bared. Thus, the 1975 report provided the foundation for decisions to administer and operate the Department of Hawaiian Home Lands.

As a result, four priorities were established as guidelines for this administration:

Priority I. **Audit, Inventory, Record Keeping**

A pervasive requirement to permit order, continuity and accurate accommodation of requests to protect the interest of the beneficiaries.

Priority II. **Legislation**

To modify the provisions of the Act and Rules and Regulations to reflect the requirements of today's world, to enable emancipation from obsolete legal stringencies, and to encourage productive perpetuity on the land.

Priority III. **Income Lands**

To establish a professional staff capable of managing the designated lands to generate maximum revenues, and to enable increased services to the beneficiaries.

Priority IV. **Programs—Housing**

92% of the 5,300 applicants desire home lot awards. Responding to this demand housing garnered the focus of attention, but not to the exclusion of the other programs.

In the light of these priorities, we submit in this Annual Report a bring-up of our progress in the areas chronicled in 1975: THE PEOPLE, THE LAND, THE MONEY, AND THE PROGRAMS. This status report will not include the details reported in 1975 because the data gathered are being audited, updated, corrected and verified. It is our goal to present in the 1977–78 report the 1975 report audited and certified for accurate reference.

PROLOGUE

It has been 130 years since the Great Mahele when dispossession occurred and only 28,000± acres of land were received by the Ho'oaina.

It has been 76 years since Hawaii became a territory of the United States.

It has been 56 years since the passage of the Homestead Act.

How long must a people remain classified as a third world emerging class? Have we fossilized the beneficiary?

INTRODUCTION

On July 9, 1977, the Hawaiian Homes Program celebrated its 56th anniversary. One-half of a century beleaguered with insufficient funding to implement the promises of the constitutional and statutory provisions to the intended beneficiaries. The Hawaiian Homes Commission has been the scapegoat for these obsolete and inadequate provisions.

The Act continues to emphasize farming and ranching when, in fact, the program for the past 56 years has emphasized housing. The overwhelming applicant demand is for housing, 86% of the lessees on the land received residential lots by choice. Still, the Commission is badgered because it has failed to carry out the mandate of the Act, and because the farming and ranching program is less than successful. Fifty-six years ago Hawaii's economy was primarily agricultural; is it still today? Is Hawaii the same as it was 56 years ago? While changes in Hawaii have taken place daily, the Hawaiian Homes Program has remained fixed in concept. The legislation is replete with paternalistic controls to accommodate a stereotype, the helpless Hawaiian. It is inconceivable that any people would not have developed or matured in one-half of a century. It is inconceivable that we would deign that every other people can accommodate responsibilities for self determination but the beneficiaries of this Act, whom it is assumed, must be protected from himself or from an alluded to inherent weakness, who must be maintained in perpetual custody.

Is it not time to review the provisions of the legislation? This is not only a Hawaiian problem because Hawaiians do not have the decision making power. There are 14 known part-Hawaiians in the state legislature and one part-Hawaiian in the Congress of the United States. A moral and human decision is required, not a Hawaiian decision.

HAWAIIAN HOMES COMMISSION

Commissioners

Commissioner	Term Expires
Mrs. Hazel Kinney Kauahikaua, Commissioner from Oahu	Dec. 31, 1978
Mr. Jubilee Moikeha, Commissioner from Maui and Molokai	Dec. 31, 1978
Mrs. Robert (Abbie) Napeahi, Commissioner from Hawaii reappointed	Dec. 31, 1979
To Be Appointed: Commissioner from Kauai; Commissioner from Molokai	
Mr. Jeff Tai, Commissioner from Oahu	Dec. 31, 1979
Mr. John Kaupiko, Commissioner from Oahu	Dec. 31, 1977
Mrs. Billie Beamer, Chairman, Commissioner from Oahu	Dec. 31, 1978

1978 Meeting Schedule

January 27, 1978	Oahu	July 28, 1978	Keaukaha, Hilo
February 24, 1978	Oahu	August 25, 1978	Maui
March 31, 1978	Oahu	September 29, 1978	Waimea, Hawaii
April 28, 1978	Oahu	October 27, 1978	Oahu
May 26, 1978	Molokai	November 17, 1978	Oahu
June 30, 1978	Kauai	December 15, 1978	Nanakuli, Oahu

THE STAFF

Young—Vigorous—Learning, But Knowledgeable—Committed—Self Managed, Supervised, And Motivated: While the commission is responsible for the final decisions, these decisions emanate from recommendations and research from weekly division meetings in which every division head meets with the employees in his division, and weekly division head or staff meetings with the director. There can be no accomplishment without employee cooperation and enthusiasm.

Executive Secretary	OLYMPIA CHUN
Commission Secretary	ELIZABETH LAMBERT "Employee of the Year, 1976"
Homestead Services	ROY K. AH NEE "Employee of the Year, 1975"
Planning & Development	WILLIAM BLAISDELL
Fiscal Services	ALPHONSE MOSER "Employee of the Year, 1977"
Information-Personnel Special Services	NAMLYN SNOW
Land Management	STEVE KUNA
Legal Services	GEORGE KAEO BEVERLY HIRAMATSU

LESSEES—OCTOBER 1977

ISLAND PROJECT AREAS	Residential Only	Dual Award		Farm Only	Dual Award		Ranch Only	Total Awards	Res	Farm	Ranch
		Res	Farm		Res	Ranch					
Oahu											
Nanakuli	465							465	465		
Waianae	19							19	19		
Lualualei	0	1	1					2	1	1	
Papakolea	331							331	331		
Waimanalo	512							512	512		
Subtotal Oahu	1,327	1	1					1,329	1,328	1	
Molokai											
Island of Molokai	62	221	221	12	2	2	1	521	285	233	3
Subtotal Molokai	62	221	221	12	2	2	1	521	285	233	3
Maui											
Paukukalo	89							89	89		
Kula											
Subtotal Maui	89							89	89		
Hawaii											
Keauhaha	299							299	299		
Panaewa/Waiakea	99	4	4	57				164	103	61	
Waimea	56			5	15	15	38	129	71	5	53
Kawaihae	7							7	7		
Subtotal Hawaii	461	4	4	62	15	15	38	623	504	66	53
Kauai											
Anahola	137			1				138	137	1	
Kekaha (Puu Opae)	36						2	38	36		2
Subtotal Kauai	173			1			2	176	173	1	2
STATEWIDE TOTAL	2,136	226		75	17		41	2,738	2,379	301	58
									87%	11%	2%

APPLICANT LIST–OCT. 1977

ISLAND PROJECT AREAS	Res.	Agri.	Ranch	Total	% Total
Oahu					
Nanakuli	930	0	0	930	
Waianae	749	0	0	749	
Lualualei	0	7	0	7	
Papakolea	224	0	0	224	
Waimanalo	1,846	0	0	1,846	
Subtotal Oahu	3,749	7	0	3,756	66.7
Molokai					
Island of Molokai	181	81	10	272	
Subtotal Molokai	181	81	10	272	4.8
Maui					
Paukukalo	309	0	0	309	
Kula	0	12	9	21	
Subtotal Maui	309	12	9	330	5.9
Hawaii					
Keaukaha/Waiakea	351	0	0	351	
Panaewa	0	77	0	77	
Waimea	180	43	197	420	
Kawaihae	63	0	0	63	
Subtotal Hawaii	594	120	197	911	16.2
Kauai					
Anahola	215	27	29	271	
Kekaha (Puu Opae)	76	0	13	89	
Subtotal Kauai	291	27	42	360	6.4
STATEWIDE TOTAL	5,124	247	258	5,629	100.00
% of Total	91%	4.4%	4.6%	100%	

Comments:

23.6% or 1,303 have no current address.
672 were removed from the list by personal request or awards.
1,831 additions were recorded from 1975–Oct. 1977.
1,030 net increase for Residential Lots.
100 net increase for Farm Lots.
29 net increase for Ranch Lots.
Revised rules and regulations approved. Effective November 28, 1977.
Applicant list will be computerized.

APPLICANT LIST COUNT FOR JUNE OF EACH YEAR

Date	1973	1974	1975	1976	1977
Number	3,328*	3,826*	4,583	5,120	5,498

*Figures from HHC Annual Reports of 1973 and 1974.

SUMMARY OF ACREAGE 10/30/77
190,413,713 ACRES

	KAUAI	OAHU	MOLOKAI	MAUI	HAWAII	TOTALS
Acres/% of total Haw'n Home Lands on each island.	18,052.400 9.48%	5,072.488 2.66%	26,807.865 14.08%	29,075.066 15.27%	111,405.894 58.51%	190,413.713 100.00%
Acres in Homestead use.	530.930	435.005	7,424.179	17.180	16,624.993	25,032.287

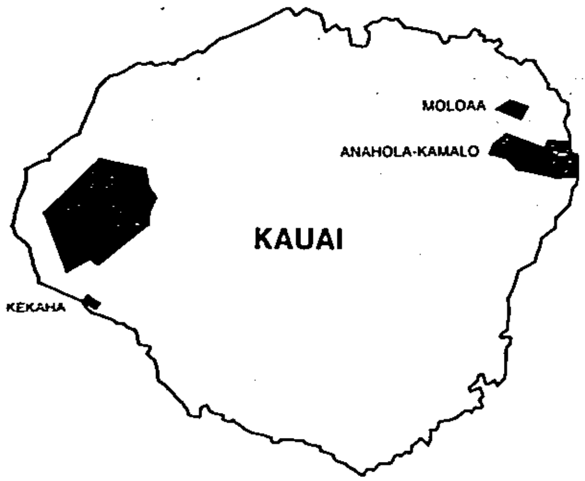
LAND USE

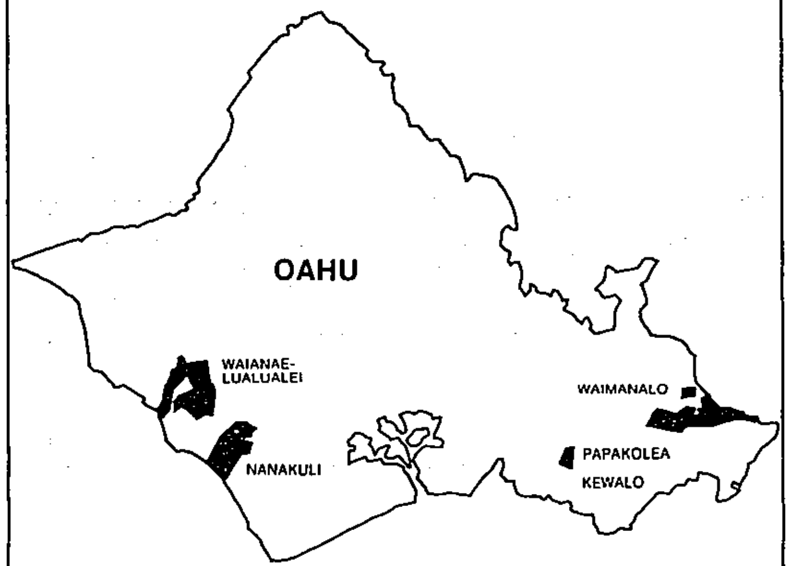
USE	HOMES	FARMS	RANCHES	COMMUNITY PASTURES	GENERAL LEASE	LICENSES	OTHERS
Acreage	1,043.939	6,998.205	16,990.143	1,110.990 Exclusive use	91,032.089	31,221.575	42,016.772
% Total Acreage	.55%	3.67%	8.92%	.58%	47.81%	16.4%	22.07%

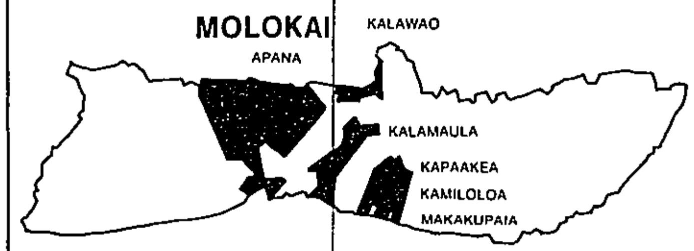
THE LAND

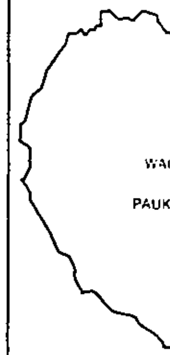
190,413.713 ACRES

25,032.287 ACRES IN HOMESTEAD LEASES





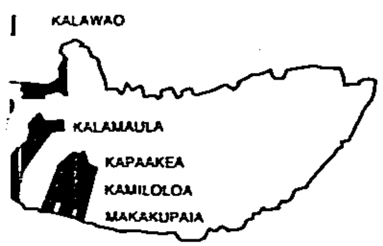


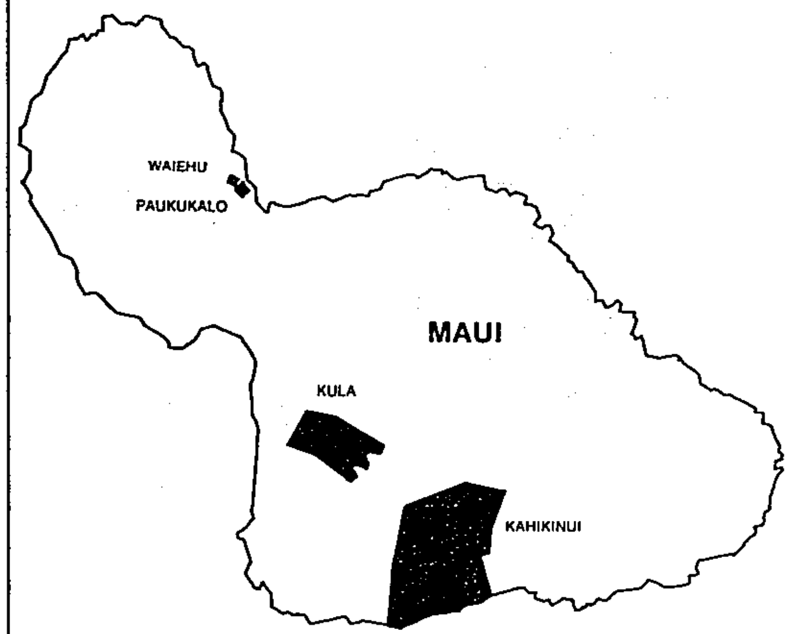


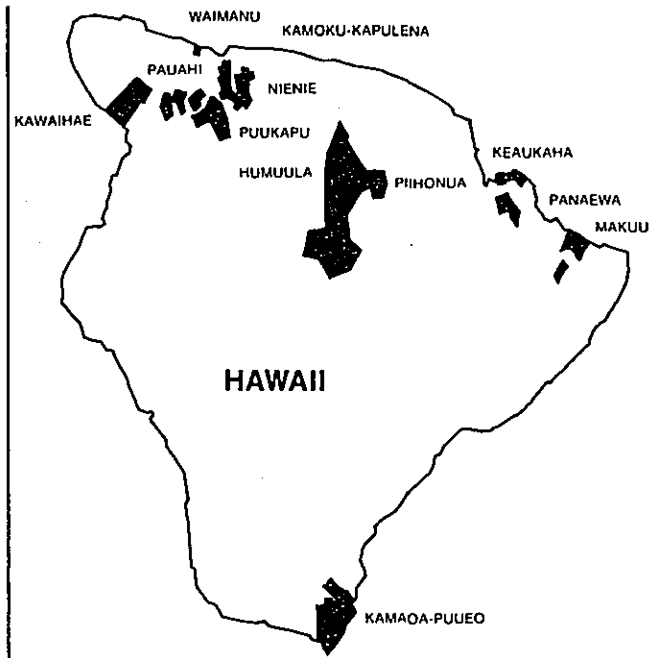
Acres/% of total Haw'n Home Lands on each island	18,052.4/9.48%	5,072.488/2.66%	26,807.865/14.08%
Acres in Homestead Use 25,032.287	**530.930 Acres**	**435.005 Acres**	**7,424.179 Acres**
	173 Awards of Resident Lots 3 Ranch 360 Applicants 98 New Awards in the current plans 16,672.997 Acres leased $68,413.96 Revenues	1,328 Awards of Resident Lots 3,756 Applicants. 304 New Awards in the current plans 220 New Replacement Homes 2,036.984 Acres leased $141,112.32 Revenues	285 Awards of Resident Lots 233 Awards of Farms 3 Awards of Ranches 272 Applicants 17 New Awards in the current plans 23 New Replacement Homes 14,435.145 Acres leased $69,487.10 Revenues

'13 ACRES

7 ACRES IN
:AD LEASES

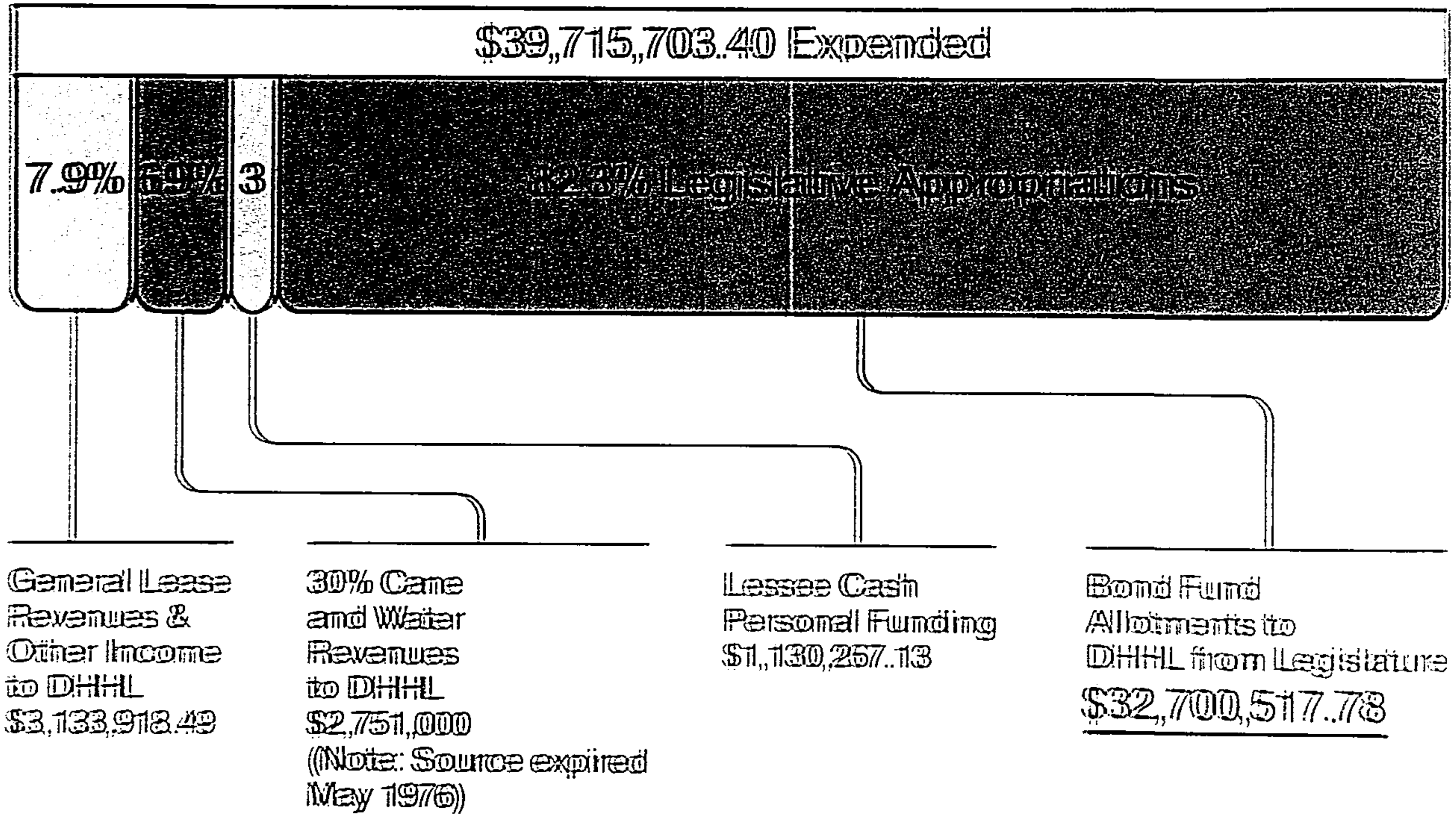






14.08%	29,075.066/15.27%	111,405.894/58.51%
:res	**17.180 Acres**	**16,624.993 Acres**
3ésident Lots Farms Ranches s in the current plans :ement Homes :s leased enues	89 Awards of Resident Lots 330 Applicants. 21,963.837 Acres leased $54,194.01 Revenues	480 Awards of Resident Lots 66 Awards of Farms 53 Awards of Ranches 911 Applicants 112 New awards in the current plans 46 New Replacement Homes 67,144.701 Acres leased $661,029.83 Revenues

SOURCE DOLLAR VOLUME OF WORK 1975–OCT '77



ADMINISTRATIVE AND OPERATING BUDGET

June 30, 1977

ALL PROGRAMS
YEAR END SUMMARY 1976–1977

	Appropriated	Total Year to Date	Less Reimbursements	Allotted Expenditures
Personal Services	$ 899,750.34	$ 800,699.29	$ 98,634.35	$ 702,064.94
Fringe		142,065.17		142,065.17
Transfer Vacation Credit		12,053.05		12,053.05
Other Personal Services	36,595.00	53,914.83	4,996.97	48,917.86
Materials and Supplies	27,720.00	39,957.26	461.21	39,496.05
Communications	25,709.00	20,031.78	21.30	20,010.48
Travel and Subsistence	32,280.00	26,896.67	558.50	26,338.17
Freight and Delivery	3,400.00	1,239.15		1,239.15
Printing, Advertising	22,365.00	21,607.16	3,821.42	17,785.74
Utilities	22,750.00	29,846.29	1,555.68	28,290.61
Rentals	60,131.00	38,640.39	138.00	38,502.39
Repair and Maintenance	13,031.00	7,148.79		7,148.79
Benefit Payments		24,121.81		24,121.81
Other Misc. Expenditures	28,943.66	53,853.31	2,776.54	51,076.77
Transfer to DOE	216,750.00	216,750.00		216,750.00
Equipment	68,050.00	35,070.16		35,070.16
Encumbrances		2,898.52		2,898.52
Total	$1,457,475.00	$1,526,793.63	$112,963.97	$1,413,829.66

Source of Funds
$337,506.14 Operating Fund
216,750.00 Act IV Educ. Fund
859,573.52 Administrative Fund

$1,197,079.66—Actual Budget for DHHL minus the transfer of 216,750 to the DOE.

Comments

Of the $1,197,079, our actual budget—$928,922, or 77.6%, was expended for personnel related costs.

$73,941.79, or 6.2%, was expended for the rental of office space, utilities, and maintenance.

A balance of $194,216 remained for operating expenses, or $16,185 per month—for materials, supplies, equipment, mailing communications, travel, and other miscellaneous expenses necessary to operate (6) six offices.

Projected collective bargaining increase for 1978—is $55,000.

We must either increase rental revenues, or decrease other expenditures already very limited.

RESIDENTIAL PROGRAM

The most sought after award has been the residential lot award. Since 1923 home lot development has been the central focus of the department. The uninformed decry that less than 1% of our land is utilized for residential awards, it might be well to note that 900 homes can be placed on one 300-acre ranch lot.

Home construction is a three-part obligation: (1) build the original home; (2) provide money for repairs and maintenance; (3) replace the home and usually accompanied by demands for district improvements (roads, water, sewers, etc.).

The funding obligation will increase proportionately unless some responsibilities are transferred to the lessee. Moneys for 300 replacement homes in the current program could have been used for 300 new awards.

HOUSING

BREAKDOWN OF 830 UNITS IN HOUSING PACKAGE

PROJECT	TOTAL	REPLACE-MENT	NEW AWARD	STATUS
Nanakuli Rep.	82	82	—	Completed
Nanakuli Vac.	32	—	32	Complete Dec 30 '77
Nanakuli, Series 3 & Rep.	123	11	112	Complete Mar '78
Papakolea	82	77	5	Completed
Waimanalo	52	50	2	Completed
Waianae	153	—	153	Complete Mar '78
Keaukaha	102	46	56	Completed
Kuhio Village	56	—	56	Nov 1978
Anahola	70	—	70	Completed
Kekaha	28	—	28	Complete Jan '78
Molokai	40	23	17	Complete Dec '77
SUBTOTAL	820	289	531	
Miscellaneous	10	6	4	Completed
TOTAL	830	295	535	

$40,000 minimum cost to place one residential lessee on the Land.

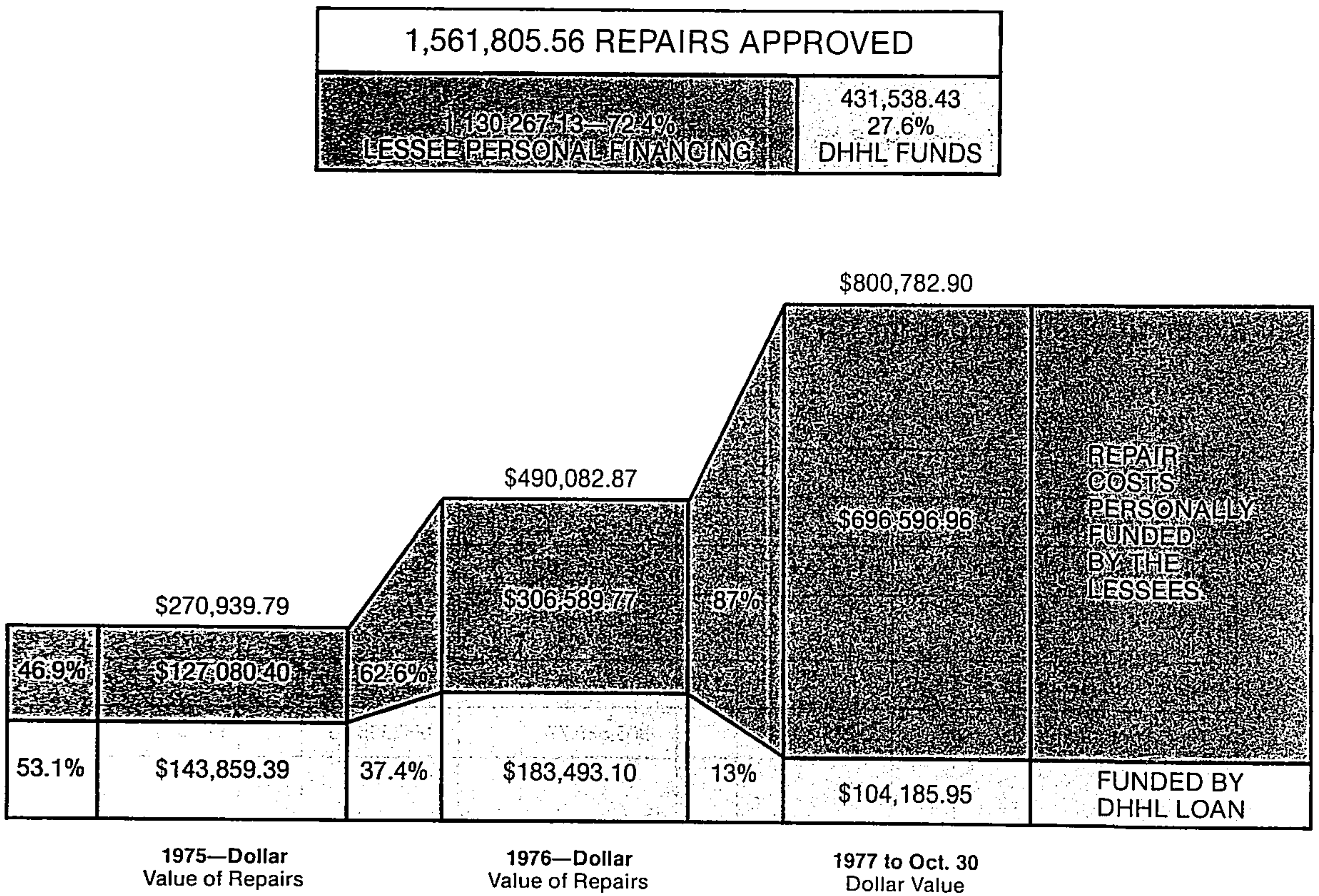
300,000,000 to satisfy the waiting list—Additional Costs must be anticipated for an ongoing replacement home program—subdivision improvements and up grading.

HOME REPAIRS

1,561,805.56 Expended from 1975 to Oct. 1977
1,130,267.13 or **72.4%** Financed with personal funds
447 lessees made home repairs

Certainly the impact of the 830 unit home building program has stimulated interest to repair existing dwellings. More than one third of all homes are newly constructed. Home repair expenditures tripled from 1975 to Oct. 1977.

Calendar Year	1975		1976		1977 to date		Total	
Number of Requests	46		38		21		105	
DHHL Loans Approved		143,859.39		183,493.10		104,185.95		$ 431,538.43
Number of Requests	56		117		169		342	
Amt. Personal Funds		127,080.40		306,589.77		696,596.96		$1,130,267.13
Total—Requests	102		155		190		447	
Total Dollars	270,939.79		490,082.87		800,782.90		$1,561,805.56	


1,561,805.56 REPAIRS APPROVED
1,130,267.13—72.4%
LESSEE PERSONAL FINANCING
431,538.43
27.6%
DHHL FUNDS
$270,939.79
46.9%
$127,080.40
53.1%
$143,859.39
62.6%
37.4%
$490,082.87
$306,589.77
$183,493.10
87%
13%
$800,782.90
$696,596.96
$104,185.95
REPAIR COSTS PERSONALLY FUNDED BY THE LESSEES.
FUNDED BY DHHL LOAN
1975—Dollar
Value of Repairs
1976—Dollar
Value of Repairs
1977 to Oct. 30
Dollar Value

PROFILE OF FARM LEASEHOLDS

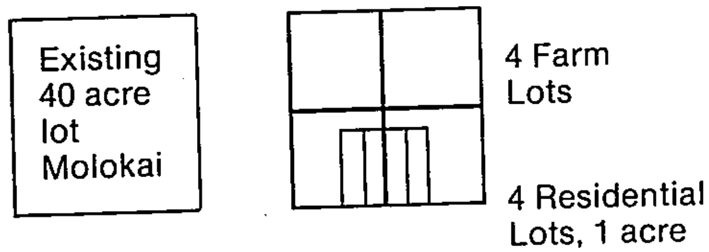
6,998.205 Acres Awarded to 301 Lessees
23.25 Average Acreage per Award
734,769.68 Farm Loan Capitalization
454,979.35 71 Outstanding Loans
Includes 23 loans approved in 1976 for $214,378.92 yearly pay back to revolving fund $76,342.90.

NUMBER OF FARM LESSEES IN HISTORY OF THE PROGRAM

1935 Annual Report listed	154 Farm lessees
1957 Annual Report listed	289 Farm lessees
1974 Annual Report listed	244 Farm lessees
1977 Annual Report lists	301 Farm lessees
1978 Projects	363 Farm lessees 62 Additional awards

PLANS FOR FUTURE FARMING AWARDS

- Ask current lessees of farm awards not in cultivation to transfer lot to a qualified interested farmer or surrender lot for a new award
- Stop development of more farm lots in areas where existing lots are not cultivated and make old lots available for award
- Subdivide large lots in existing areas into smaller lots



- Create available lots for homes near farm lots
- 22 lots will be available in Waimea—March 1978
- 40 farm lots will be available in Molokai—March 1978
  Only subdivision costs are involved in this project as they are existing 40 acre farm lots

Survey results of 74 applicants for farms on Molokai

Waiting list:		
19 Interested—	2 wanted 1–3 acre lots	10.5%
	6 wanted 5–10 acre lots	31.6%
	3 wanted 10–15 acre lots	15.8%
	7 wanted 30–40 acre lots	36.8%
	1 wanted 40 acre lot	5.3%
	19	100.0%

RANCH PROGRAM

1935 Annual Report—3 Ranch Awards listed

1957 Annual Report—55 Ranch Awards listed—48 awarded in Waimea, 5 awarded in Kauai

1974 Annual Report—57 Ranch Awards listed

The Applicant demand for Ranch lots is *258 or* 4.4%

Previous to decision making all Applicants were contacted for their preference.

The HHCA—precludes the awarding of parcels smaller than 100 acres of class A land.

DHHL is reviewing 1,900 acres for possible pastoral award.

Result of Ranch Applicant Survey

208	100%	Surveys mailed to those with current addresses
115	55%	Responded
5	3%	Returned Address not current
88	42%	No response

PREFERENCE OF RESPONDEES

2	2%	No longer interested
13	11%	Wanted small parcel for 10-head
54	47%	Wanted small parcel for 20 to 30-head
46	40%	Wanted full parcel for sole income from ranching
115	100%	Of respondees or 55% of all surveys mailed.

SUMMARY

The committment of the territorial and state legislatures to this program has been substantial. Were only the Department of Hawaiian Home Lands funds available for the program, the average for the 56 years would have been five awards per year. Instead, the average to 1975 was 30 awards per year; the difference funded by our local legislators. In this administration, 730 awards plus 300 replacement homes will be either financed or guaranteed by the state. 53 million CIP dollars have been appropriated for the Department of Hawaiian Home Lands. $29 million has been released by Governor George R. Ariyoshi upon request by The Department. Certainly, without this infusion of funding, there would be no program escalation.

The lessees and applicants must be made fully aware of this major legislative participation. The demands and costs are increasing. Should we not then look for alternative solutions?

I. The compact with the United States government and the state mandates that these lands be set aside for the beneficiaries.
II. The state Admissions Act further protects these lands for the use of the native Hawaiians.
III. Article XI of the state constitution guarantees the rights to these lands to the beneficiaries.
IV. Since statehood, no legislation has been effected that would require Congressional approval, although necessary, perhaps due to the underlying fear that the program would be declared unconstitutional because it serves a special class.
V. In not one of these protective provisions for the Hawaiian Homes Commission Act, in not one testimony ever delivered and recorded, was it ever suggested that the ceding of these lands was a temporary accommodation. In fact, homesteading connotes the opposite, perpetual awards.
VI. When will support and responsibility for self be transferred to the lessees to truly achieve the purposes of the act? Can we not now allow the beneficiaries to determine their own future once an award is received?
VII. If Congress declares the act unconstitutional, as some may fear, Congress still has the power to establish a trust for the beneficiaries with these same lands.

The state largess accommodated 82.3% of the cost of this administration's efforts. Can we as a state afford continued funding of this program? The continued obligation seems unnecessary.

AWARDS PROFILE & REPLACEMENT HOMES

Year	1975	1976	Oct 30 1977	To June 1978	To Dec. 1978	Total
Type Residential	12	8	191	351	120	682
Farm	5	16	3	62		86
Ranch	1	0			9	10
Total Awards	18	24	194	413	129	778
Replacement Homes	10	101	198	30	30	369

LEGISLATIVE CONCERNS: 1048 RESPOND TO SURVEY

	% Yes	% No	Comments/Analysis
1. Should amendments be made to the Hawaiian Homes Commission Act of 1920 to permit a child of a lessee to inherit his parents' lease if he is less than 50% Hawaiian?	80%Yes		4 to one vote to permit inheritance by a child less than 50% Hawaiian.
2. Should the lessee be permitted to name *any relative* to inherit his homestead lease, even if the relative is less than 50% Hawaiian?	57%Yes		The majority favored the naming of any relative (the HHC Act has a stipulated list) also that relative need not be 50% Hawaiian to inherit the lease.
3. Should a lessee be permitted to name anyone to inherit his homestead lease regardless of relationship? If your answer is "yes," can this person be less than 50% Hawaiian?		70%No	The respondents voted overwhelmingly "no" to this question. They believe the inheritors should be a member of the family. This is consistent with the homesteading concept.
4. Should a lessee be permitted to transfer his lease at any time? If "Yes" please answer the following: a. Should the person be a relative? b. Should the person be 50% Hawaiian? c. Should the person be at least 25% Hawaiian?	78%Yes a.89%Yes c.76%Yes	b. 51%No	A lessee may transfer his lease at any time; the transferee should be a relative who need not be 50% Hawaiian but should be at least 25% Hawaiian.
5. Should a lessee be given the leasehold interest in his residential homestead to enable him to do what he wants with the land and to go to the banks for his own financing?	58%Yes		Lessees should be given leasehold interest in the land.
6. Should a lessee be permitted to sublease his land to others for the purpose of making money? If yes, answer the following: a. Should those with houselots be able to rent? b. Should farmers be permitted to lease out their farm lot awards? c. Should ranchers be permitted to lease out their ranch lands? d. Should subleasing be permissible to anyone, regardless of percentage of Hawaiian blood?		85%No	Under present statutes, lessees are not permitted to sublease. For the 15% who voted "yes", the majority approved of subleasing for a, b, and c and would approve subleasing to anyone regardless of Hawaiian qualification.
7. Should applicants who have adequate money to buy and build their own house or own property receive an Hawaiian Home Lands award?		63%No	The vote indicates preference for awards for non-property owners and those with insufficient assets to purchase a home.

In 1975, the department sent a plea to all on the mailing list for recommendations and input. We received thirteen responses. In 1976 we received 26.

In 1977, the format was changed and we received 1048. These are 1048 different households responding or a 16.1% return of our mailout. 45.6% respondees are lessees, 49.1% are applicants and 5.3% are classified as "others". The average number in a household is 6. . . .