


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

AUGUST 15, 2022

TO: Chairman and Members, Hawaiian Homes Commission
FROM:  Rodney K. M. Lau, Administrative Services Officer
SUBJECT: Approval of Act 279 (SLH 2022) Implementation Budget
for Fiscal Year 2022-2023

RECOMMENDED MOTION/ACTION

That the Commission approve the Act 279 (SLH 2022) Implementation Budget for Fiscal Year 2022-2023 for the Department of Hawaiian Home Lands and authorize the Chairman to shift funding of expenditures between cost elements and funds as warranted but not to exceed the total budget.

DISCUSSION

On July 11, 2022, Governor David Ige signed into law Act 279, SLH 2022 (formerly HB 2511 HB2 SD2 CD1). Act 279, SLH 2022 appropriates \$600 million in general funds to provide a multi-pronged approach to reduce the Department of Hawaiian Home Lands (DHHL) waitlist. The \$600 million will address the needs of beneficiaries on the DHHL waitlist and those that are still waiting to get on the land.

On May 16, 2022 Chairman William Aila, Jr. established the Act 279 Permitted Interaction Group (f.k.a. the HB2511 HD2 SD2 CD1 "Waitlist Reduction Act" Permitted Interaction Group) ("Act 279 Committee") Recommendations from the Act 279 Committee were presented to the Commission at its July 2022 meeting with action on these recommendations identified as item C-4 on this month's agenda. If the Commission approves the "Preliminary Strategic Approach to Implement Act 279 of 2022" and authorizes the Chair to begin implementation, this Budget provides the needed funds for the current fiscal year, FY2022-2023.

The analysis and justification for the funding priorities for Act 279 are laid out in the "Preliminary Strategic Approach" document and are not discussed here. Instead, this submittal focuses on the allocation of funds.

A two-year CAPITAL PROJECTS ENCUMBRANCE PLAN ("PLAN") is included as Exhibit A. In addition to lot development and offsite infrastructure, the PLAN includes funding set aside for potential Land/Project Acquisition and Innovative Project Financing/Partnerships.

The ACT 279 IMPLEMENTATION BUDGET for FY 2022-2023 is included below in TABLE 1. Like the PLAN the Capital Projects Budget includes funding for potential Land/Project Acquisition and Innovative Project Financing/Partnerships.

TABLE 1
ACT 279 IMPLEMENTATION BUDGET FY 2022-2023

ACT 279 Capital Projects (SEE EXHIBIT B)	\$172,761,000
Individual Assistance Programs to Address Barriers to Homeownership and/or Address Housing Insecurity (ideas from beneficiary or housing stakeholder organizations)	\$ 60,000,000
TOTAL	\$232,761,000

Because the ACT 279 IMPLEMENTATION BUDGET for FY 2022-2023 is based on estimated costs, the department, with Chairman's approval, may need to shift funding of expenditures between cost elements and funds as warranted but in no event will any expenditure be funded if the total budget is exceeded.

The Commission's approval of the recommended motion is respectfully requested.

DEPARTMENT OF HAWAIIAN HOME LANDS
ACT 279, SLH 2022: CAPITAL PROJECTS - PROPOSED ENCUMBRANCE PLAN
FISCAL YEAR 2023 and 2024

Island	Subdivision/Project	Lots	General Fund			Phase
			FY 2023-2024 Act 279, SLH 2022	FY 2023 Encumbrances	FY 2024 Encumbrances	
HAWAII COUNTY						
Hawaii	Honomu Subsistence Ag Lots, Phase 2	40	\$ 6,000,000		\$ 6,000,000	C
	Laiopua Village 2 (includes N Kona Water Development)	200	\$ 44,000,000	\$ 4,000,000	\$ 40,000,000	DA
	Laiopua Village 1	200	\$ 23,000,000		\$ 23,000,000	DA
MAUI COUNTY						
Lanai	Lanai Residence Lots Offsite Infrastructure	75*	\$ 2,000,000	\$ 2,000,000		D
Molokai	Hoolehua Scattered Lots	20	\$ 3,500,000		\$ 3,500,000	C
	Naiwa Ag Subdivision	16	\$ 6,000,000		\$ 6,000,000	C
Maui	Pu'unani Homestead Subdivision, Phase 1	161	\$ 17,500,000	\$ 17,500,000		DA
	Honokowai Subistence Ag, Phase 1	50	\$ 5,000,000		\$ 5,000,000	C
	Leialii 1B Offsite Water		\$ 15,000,000	\$ 15,000,000		C
	Leialii 1B Subdivision	250	\$ 68,000,000		\$ 68,000,000	DA
CITY AND COUNTY OF HONOLULU						
Oahu	Kaupea, Phase 2	60	\$ 23,000,000	\$ 8,250,000	\$ 14,750,000	DA
	East Kapolei II Backbone Infrastructure		\$ 50,000,000	\$ 3,000,000	\$ 47,000,000	D/C
	East Kapolei IIA	300	\$ 14,000,000	\$ 14,000,000		DA
	East Kapolei IID	124	\$ 18,000,000		\$ 18,000,000	DA
	East Kapolei IIE	142	\$ 21,000,000	\$ 21,000,000		DA
	East Kapolei IIF	155	\$ 23,000,000		\$ 23,000,000	DA
	Maili Development	280	\$ 60,000,000		\$ 60,000,000	DA
	Ewa Beach (former NOAA site)	600	\$ 48,000,000		\$ 48,000,000	DA
KAUAI COUNTY						
Kauai	Hanapepe Residence Lots, Phase 2	75	\$ 23,000,000	\$ 23,000,000		C
	Anahola Kuleana Homestead Lease Agricultural and Pastoral	115	\$ 5,000,000		\$ 5,000,000	C
Statewide	Land/Project Acquisition	300**	\$ 35,000,000	\$ 35,000,000		L/DA
	Project Financing/Partnerships (Public/Public; Public/Private)		\$ 30,000,000	\$ 30,000,000		DA
TOTAL		3,163**	\$ 540,000,000	\$ 172,750,000	\$ 367,250,000	
Phase: D=Design; C=Construction; L=Land Acquisition; DA=Development Agreement						
*Assumes construction funding is available after 2025						
**Estimate						

DEPARTMENT OF HAWAIIAN HOME LANDS
ACT 279, SLH 2022: CAPITAL PROJECTS
FISCAL YEAR 2023 BUDGET

Island	Subdivision/Project	Lots	General Fund		
			FY 2023 Encumbrances	Phase	
HAWAII COUNTY					
Hawaii	Honomu Subsistence Ag Lots, Phase 2	40	\$	1,000	C
	Laiopua Village 2 (includes N Kona Water Development)	200	\$	4,000,000	DA
	Laiopua Village 1	200	\$	1,000	DA
MAUI COUNTY					
Lanai	Lanai Residence Lots Offsite Infrastructure	75*	\$	2,000,000	D
Molokai	Hoolehua Scattered Lots	20	\$	1,000	C
	Naiwa Ag Subdivision	16	\$	1,000	C
Maui	Pu'unani Homestead Subdivision, Phase 1	161	\$	17,500,000	DA
	Honokowai Subistence Ag, Phase 1	50	\$	1,000	C
	Leialii 1B Offsite Water		\$	15,000,000	C
	Leialii 1B Subdivision	250	\$	1,000	DA
CITY AND COUNTY OF HONOLULU					
Oahu	Kaupea, Phase 2	60	\$	8,250,000	DA
	East Kapolei II Backbone Infrastructure		\$	3,000,000	D/C
	East Kapolei IIA	300	\$	14,000,000	DA
	East Kapolei IID	124	\$	1,000	DA
	East Kapolei IIE	142	\$	21,000,000	DA
	East Kapolei IIF	155	\$	1,000	DA
	Maili Development	280	\$	1,000	DA
	Ewa Beach (former NOAA site)	600	\$	1,000	DA
KAUAI COUNTY					
Kauai	Hanapepe Residence Lots, Phase 2	75	\$	23,000,000	C
	Anahola Kuleana Homestead Lease Agricultural and Pastoral	115	\$	1,000	C
Statewide	Land/Project Acquisition	300**	\$	35,000,000	L/DA
	Project Financing/Partnerships (Public/Public; Public/Private)		\$	30,000,000	DA
TOTAL		3,163**	\$	172,761,000	
Phase: D=Design; C=Construction; L=Land Acquisition; DA=Development Agreement					
*Assumes construction funding is available after 2025					
**Estimate					