

HAWAIIAN HOMES COMMISSION
Minutes of September 19, 2022
Waiola Church Hall, 535 Wainee Street, Lahaina, HI 96761
and Interactive Conferencing Technology (ICT)

Note: Audio difficulties at the start of the meeting rendered parts of the Public Testimony section indiscernible.

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held both in person and via Interactive conferencing technology, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Randy K. Awo, Maui Commissioner
Michael L. Kaleikini, East Hawai‘i Commissioner (via ICT)
Russell K. Ka‘upu, O‘ahu Commissioner
Pauline N. Namu‘o, O‘ahu Commissioner (via ICT)
Dennis L. Neves, Kauai Commissioner
Patricia A. Teruya, O‘ahu Commissioner (via ICT)
Vacant seat, West Hawai‘i Commissioner

EXCUSED Zachary Z. Helm, Moloka‘i Commissioner

COUNSEL Katie L. Lambert, Deputy Attorney General

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Contact and Awards Division Administrator
Jamilia Pacheco, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:30 a.m. seven (7) members were present at the roll call establishing a quorum. Four (4) were present at the meeting site, and three (3) were via ICT.

A quorum of the Commission shall be visible to members and the public. No other participants are required to be visible during the meeting. All votes shall be unanimous unless the Commission goes to roll call. Public testimony can occur at the beginning of the agenda or at the time the item is being discussed.

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Ka‘upu, to approve the agenda with the deferral. Motion carried unanimously.

APPROVAL OF MINUTES

Commissioner Teruya asked for an update on the question she posed on page six of the August HHC minutes. Commissioner Kaupu corrected the roll call vote tables of the August 25 meeting, as he was not present.

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Ka'upu, to approve August 15 & 16, 2022, and August 25, 2022, Minutes. Motion carried unanimously.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

The audio is clear from this point forward.

PT-1 Cora Schnackenberg – Various Concerns

C. Schnackenberg's stated they would like to suggest some changes in the process of the draft Ualapu'e plan and stated she has not seen the draft but has been involved in the land designation. She stated they are not asking the Department to identify who is going to get awarded but to contact the people and have them be involved in the early stages of the process. They do not need to be an organization, and they are invested. She also stated that she does not know if someone screens the lands that are in the DHHL inventory, especially if the land has been exchanged. She asked that the Department make sure the lands are suitable for homesteading.

ITEMS FOR DECISION MAKING

CONSENT AGENDA

HOMESTEAD SERVICES DIVISION

- ITEM D-2 Approval of Consent to Mortgage (see exhibit)**
- ITEM D-3 Approval of Streamline Refinance of Loans (see exhibit)**
- ITEM D-4 Ratification of Loan Approvals (see exhibit)**
- ITEM D-6 Approval to Certify Applications of Qualified Applicants for the Month of August 2022 (see exhibit)**
- ITEM D-7 Reinstatement of Deferred Application – IDA P. OLIVERA**
- ITEM D-9 Approval of Amendment of Leasehold Interest (see exhibit)**
- ITEM D-10 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)**

Commissioner Awo requested Item D-8 be addressed separately.

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:
Motion to approve the Consent Agenda items with the exclusion of Item D-8.

MOTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the Consent Agenda with the exclusion of Item D-8. Motion unanimously passed.

Commissioner Ka'upu asked to be recused from Item D-5. The makers of the Motion agreed to also remove Item D-5, from the Consent Agenda.

FRIENDLY AMENDMENT TO THE MOTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the Consent Agenda with the exclusion of Items D-5 and D-8.

DISCUSSION

Commissioner Teruya asked for an explanation of Item D-7; why there was an action to defer in 1995 and in 2022 it is being reinstated. J. Garcia stated the applicant lost contact with he Department because she did not update her current mailing address. The Department was authorized to defer any offers. Based on recent contact, the Department has reinstated her application based on her original application date of 1980.

ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the Consent Agenda with the exclusion of Items D-5 and D-8.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			1
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

ITEM D-5 Approval of Homestead Application Transfers / Cancellations (see exhibits)

Commission Ka`upu recused himself from Item D-5.

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Awo, to approve Agenda Item D-5						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo		X	X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu					X	
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			6		1	1
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Six (6) Yes votes. Kaupu recused.						

Note: Chair Aila deferred Item D-8 till after the executive session.

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-1 Approval of Lease Award Anahola Pre-Owned Residential Home-Anahola, Kaua'i. Approval of Lease Award Maku`u Farm Lot Unit 1, Agricultural Lot – Maku`u, Hawai'i. Approval of Lease Award Kaumana Subdivision Residential Lot – Hilo, Hawai'i (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Contacts and Awards Division Administrator Paula Aila presented the following: Motion that the Hawaiian Homes Commission approve the 99-year leases for two residential leases and one agricultural lease.

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Awo, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo		X	X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

Note: Chair Aila stated Item C-2 will be taken up after lunch.

ITEMS FOR INFORMATION/DISCUSSION

WORKSHOP

ADMINISTRATIVE SERVICES OFFICE

ITEM H-1 For Information Only – Workshop on DHHL Biennium Budget Requests for Fiscal Years 2024 and 2025 (Sufficient Sums Budget)

RECOMMENDED MOTION/ACTION

None. For Information Only. Administrative Services Officer Rodney Lau presented the following:

R. Lau briefed the Commissioners on the Sufficient Sums Budget for the DHHL Biennium Budget Requests for the fiscal years 2024 and 2025. The Budget will be presented to the 2023 Legislature via the Governor's Executive Budget Requests. He quoted Article 12, Section 1, stating that "the Legislature shall make sufficient funds available for 4-purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm, and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved and; (4) the administration and operating budget of the department of Hawai'i home lands..."

The Circuit Court determined in December 2020 that the \$17 million appropriated in the FY 2016 budget was acceptable based on the inflation factors of \$1.3 to \$1.6 million of the 1978 baseline, the year that the Constitutional Convention provided sufficient sums of funding. The ask is that the Department has sufficient sums for the Administrative and Operating Costs for the 2024 and 2025 budgets.

DISCUSSION

Commissioner Awo asked if the formula to determine sufficient sums would always be tied to the 1978 rate. R. Lau stated only the Administrative and Operating Costs. Chair Aila stated the Department's appeal is with the Intermediate Court of Appeals, and it is hopeful for a favorable ruling.

Commissioner Awo asked how many positions are currently vacant. R. Lau stated he does not have the number, but 14 positions were funded, and 19 positions are left unfunded. Chair Aila stated he thinks the vacant number was around 40, but since the Department has started hiring, the number is around 33. R. Lau stated even though the Department has six authorized federal funded positions, the Department is asking for another six and that they are General Funded. The Department wants to put 100% of the federal funds toward direct benefits to native Hawaiians rather than administrative-type things.

Commissioner Ka'upu asked about the Repair and Maintenance and why some get paid from the General Funds and some from the General Obligation from the GO Bonds. R. Lau stated the Circuit Court determined there is a distinction between repair and maintenance that is allowable under the Operating Budget and repair and maintenance allowable under the Capital Improvement Program.

Chair Aila stated the Sufficient Sums Budget is what staff and Commission has determined is sufficient to provide for all the repairs, all the new lots, and all the rehabilitation projects that are reflected in either the general plans, original plans, or in the Puwalu that was held. For over 2-years, the Department has been asking for over \$200 plus million, and the Department is doing it every year because the Court said that it is the Department's responsibility to ask for what it deems to be sufficient. What will likely happen is that the incoming Governor is going to allocate something less than that, then it goes to the Legislature, which will look at the projects that are listed in this Sufficient Sums Budget, and they may choose to fund independently these projects that are being put forward. It is what has happened in the past.

R. Lau stated what he learned from the Nelson II case is part of the reason the Department never got sufficient sums is that this budget goes to Budget and Finance, who will do a current funding level, saying this is what they got last year and this is the max. Then it will go to the Governor. Then it goes to the Legislature, which thinks it has provided sufficient sums, but the State Constitution law reads that the Legislature shall make sufficient sums available. It does not say

the Governor or the Budget Director shall make sufficient sums available. As part of the submittal, the Department is also sending this Sufficient Sums Budget directly to the Legislature.

Chair Aila stated the Department would go in with to the Legislature with this budget ask to the Legislature because it is the duty of the Commission to ask for sufficient sums.

Commissioner Neves asked about the rehabilitation projects for Kaua`i. Exhibit E, page 1, at the bottom, lists Anahola Irrigation System. Planning Office Manager Andrew Choy stated yes it is part of the surface water improvements related to the Anahola Kuleana Program.

Commissioner Kaleikini asked if there were any updates on filling positions on any other islands, such as Hawai`i island or Maui. R. Lau can get information on what the positions are and if they are in recruitment. For these civil service positions, they have to be on the list. Chair Aila asked R. Lau to research all the other islands as he will be checking for Hawai`i island.

Commissioner Teruya asked for Item H-1, page 1, No. 3, which states technical adjustments. Will that come back to the Commission if there are any changes made by the new Chairman on this budget submittal? R. Lau stated the Governor makes his changes, and it goes to the printers. This budget will go directly to the Legislature. Commissioner Teruya stated it is important that if any technical changes are made, it comes back to the Commission. She asked if the rehabilitation funding assists beneficiaries in repairing and rehabilitating their homes when needed or does NAHASDA step in. R. Lau stated using General Funds would be difficult to rehabilitate homes that are privately owned. Chair Aila stated that NAHASDA would be available for the Native Hawaiian Rehabilitation Fund (NHRF).

She asked about the Nanakuli sewer improvements under Repair and Maintenance. S. Matsunaga stated the longer-termed rehabilitation and reconstruction of sewer lines has not yet started, which is the FY 2025, \$20 million. That is the new repair work within the Nanakuli subdivisions.

Commissioner Teruya asked what the rehabilitation of school seawall improvements is. S. Matsunaga stated it is near the outlet, and the stream is closer to Unit 7, where there is a seawall. Many drainage facilities are in need of more than just repair and require reconstruction of the walls and drainage outlets.

Commissioner Namu`o asked about Purpose 3, a rehabilitation project for the bridge in Papakolea. She stated there is an amount for traffic safety in Papakolea, and she is wondering if the Department could include the bridge. She does not know why the bridge was dismembered. S. Matsunaga stated that the particular bridge was not on Hawaiian Home Lands. Acting Administrator Land Management Division Kahana Albinio stated he did some research, and the bridge is outside of Hawaiian Home Lands. He checked with the TMK, and it appears to be outside of Hawaiian Home Lands. She stated she would still try to see if she can get them some assistance, and maybe the Department can help in some other way. K. Albinio stated that DLNR is the landowner. Chair Aila stated the Papakolea community could turn the request to DLNR, and the Department can support that.

ITEMS FOR DECISION MAKING

REGULAR AGENDA

LAND DEVELOPMENT DIVISION

- ITEM E-1 Approval of Finding of No Significant Impact and Final Environmental Assessment, Maili Residential Development (former Voice of America site); TMK: (1) 8-7-010: 30 & 31, Maili, Waianae, O`ahu, Hawai`i**

RECOMMENDED MOTION/ACTION

Acting Land Development Division Administrator Stewart Matsunaga presented the following: Motion that the Hawaiian Homes Commission approve the Finding of No Significant Impact and Final Environmental Assessment, Maili Residential Development (former Voice of America site); TMK: (1) 8-7-010: 30 & 31, Maili, Waianae, O`ahu, Hawai`i

S. Matsunaga stated Land Development Division is recommending deferral of Item E-1 because they received information from the State Historic Preservation Division (SHPD) on archaeological mitigation actions, which could impact the lot numbers and configuration depending on what mitigation measures are taken. He requested they continue to work with SHPD and come back to the Commission for the formal approval of the FONSI and the final EA. They hope to come back in a couple of months or before the end of the year.

Chair Aila stated the issue is a historic wall, not a prehistoric wall or Hawaiian wall, and the Department's plan was to preserve it in place, and because the Department has to raise the elevation in the area, it would have meant covering up the wall to protect it in its place. SHPD has other thoughts about the wall, so the Department is having discussions with SHPD.

DISCUSSION

Commissioner Teruya asked if they did not find that in the final EA or during the EA, there was no communication with the Historic Preservation team. Chair Aila stated there was a plan to mitigate the situation with the wall, but the Department received recent communication regarding the wall.

Planning Office Manager Andrew Choy stated SHPD submitted their comment last week after the 30-day comment period was over and after staff drafted the submittal. The Department respects SHPD's comment and wants to find a solution that will work for them and the Department. She asked if the delay would jeopardize any funding for the project. S. Matsunaga stated not at this point, but if it can be resolved by the end of the year, then the Department can issue a Request for Proposal for the design-build.

- ITEM E-2 Approval of Finding of No Significant Impact and Final Environmental Assessment, Pu`unani Homestead Subdivision Water Storage Improvements, Waikapu, District of Wailuku, Maui Island, TMK: (2) 3-5-002: 003 (por.)**

RECOMMENDED MOTION/ACTION

Acting Land Development Division Administrator Stewart Matsunaga presented the following:

Motion that the Hawaiian Homes Commission approve the Finding of No Significant Impact and Final Environmental Assessment, Pu'unani Homestead Subdivision Water Storage Improvements, Waikapu, District of Wailuku, Maui Island, TMK: (2) 3-5-002: 003 (por.)

S. Matsunaga introduced Dowling Company's Senior Project Manager, Darren Okimoto, who offered a slide presentation.

Note: Slide presentation attached

MOTION

Moved by Commissioner Neves, seconded by Commissioner Awo, to approve the Consent Agenda Item D-10 as submitted.

DISCUSSION

Commissioner Ka'upu asked if the existing tank serves the neighboring community and if the project is basically to expand the existing facility for the neighboring subdivisions. D. Okimoto stated this is the only project proposed to take water from that tank. The existing tank serves the entire area. Commissioner Ka'upu asked if the Department has to do public projects for the County to get water service. Chair Aila stated the Department has to contribute to the County Water System by providing either transportation or developing a water source. Commissioner Ka'upu stated it is after the fact, so did the engineer just say there is not enough water? S. Matsunaga stated he could not say how that happens with the County's Department of Water Supply, but it was a late comment after the EA was approved for the subdivision. The issue of storage is being mitigated, and if there is existing capacity available, the Department goes to the County to negotiate credits or pro rata share of the tank, but in this case, the Department is looking for additional credits because of its value.

ACTION

Moved by Commissioner Neves, seconded by Commissioner Awo, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo		X	X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka'upu			X			
Commissioner Namu'o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			1
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

LAND MANAGEMENT DIVISION

ITEM F-1 Approval of Annual Renewal of Right of Entry Permits, Maui and Lanai

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following:
Motion to approve the Annual Renewal of Right of Entry Permits for Maui and Lanai Islands.

MOTION/ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			1
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

ITEM F-2 Approval to First Amendment to Right of Entry No. 689, Ka Ohana O Kahikinui, Kahikinui Maui, TMK: (2) 1-9-001: 003 (por.)

RECOMMENDED MOTION/ACTION

Acting LMD Administrator K. Albinio presented the following:
Motion to approve to First Amendment to Right of Entry No. 689, Ka Ohana O Kahikinui, Kahikinui Maui, TMK: (2) 1-9-001: 003 (por.)

MOTION/ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo		X	X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

PLANNING OFFICE

ITEM G-1 Approve Proposed Processes for the Allocation of Water Credits and Water Meters on Potable Water Systems

RECOMMENDED MOTION/ACTION

Acting Planning Manager Andrew Choy presented the following:
 Motion that the Hawaiian Homes Commission approve to the Proposed Processes for the Allocation of Water Credits and Water Meters on Potable Water Systems

Dr. Jonathan L. Scheuer presented the PowerPoint on the Proposed Processes for the Allocation of Water Credits and Water Meters on Potable Water Systems which was presented to the Commission last month. Chair Aila stated the purpose of this presentation is for water systems managed by the Department. A. Choy stated the presentation is also for water credits the Department receives from the County.

Note: Slide presentation attached.

DISCUSSION

Commissioner Neves asked how many credits each island has. A. Choy stated the Department has a better idea how many meters can be allocated on the systems that the Department owns and operate, but the Department does not have as good an idea of the water credits that are available on County systems unless the Department has an agreement with that County. Commissioner Neves asked if the value of a water credit is a meter. A. Choy stated yes, one credit equals one meter and one meter is 600 gpd.

MOTION/ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm						X
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

Chair Aila stated the Commission will take a 10-minute break and go into executive session for about an hour then come back into open session.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Awo to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to Consult with its attorney on questions and issues

pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

11:50 AM

The Commission anticipates convening an 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. Motion carried unanimously.

1. Update on the status of discussions with the National Telecommunications and Information Administration on DHHL's pending application for Tribal Broadband Connectivity Program funds

EXECUTIVE SESSION OUT

1:00 PM

OFFICE OF THE CHAIRMAN

ITEM C-2 Approval of 2023 Legislative Proposals

RECOMMENDED MOTION/ACTION

NAHASDA Manager Lehua Kinilau-Cano and Government Relations Program Specialist Oriana Leao presented the following:

Motion that the Hawaiian Homes Commission approve the 2023 Legislative Proposals recommended for inclusion in the Administrations Legislative Package for the 2023 regular session. The draft Legislative proposals are being reviewed by the Department of the Attorney General (DAG), the Department of Budget & Finance (B&F), and the Governor.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Kaleikini, to approve the motion as stated in the submittal

O. Leao walked the Commission through the ten proposals as stated in the submittal.

Chair Aila stated the two bills that repeal sunset is the Affordable Housing Credit and the School Impact Fees. He stated the Department would ask the Legislature not to let these two bills sunset. The last is to ask for an extra year for the \$600 million as there is recognition that 3-years is a challenge.

DISCUSSION

Commissioner Teruya asked about Proposal 6, Relating to Compliance and Enforcement of Hawaiian Home Lands. She stated it was mentioned that DAG did not feel it appropriate to change the Hawaiian Homes Commission Act or the model in HRS and asked for an explanation. L. Kinilau-Cano stated DAG Craig Iha stated it was okay for it to be a Chapter in the HRS. DAG has to review the bill, and the Department can look at what they recommend.

Commissioner Awo thanked them for bringing back Bill No. 6 for Enforcement. He is glad that DAG decided to put it into the HRS, as it is a quicker path to getting it done. He also feels it is lengthy and to consider modifying it but not to the point it is not effective. Regarding Proposal No. 1 for Independent Counsel, he asked how many years the department has been trying to get this done. L. Kinilau-Cano stated it had been a number of years. He asked how the Department

could be more effective in the language. He feels the Commission should have independent counsel.

Public Testimony from the audience on Agenda Item C-2

Kamaile Makekai asked for clarification on Item C-2. Chair Aila stated it is the legislative changes that the Department wants to submit to the Legislature. The Department is trying to fight for the people, but they are not listening to the Commission. She stated the money that the Department is trying to get for the people, and she stated she is the true heir and the money is hers. She mentioned her lineage and stated she does not exist and that she is a sovereign being. She started speaking on the lease lands awarded, and Chair Aila stated that the agenda item is Item C-2.

ACTION

Moved by Commissioner Neves, seconded by Commissioner Kaleikini, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm						X
Commissioner Kaleikini		X	X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			7			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Seven (7) Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

REGULAR AGENDA

LAND MANAGEMENT DIVISION

ITEM F-4 For Information Only – Waiohuli Hawaiian Homesteaders Association, Inc. Waiohuli-Keokea, Maui, TMK: (2) 2-2-028:181 (por.), (2) 2-2-002:014 (por.)

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Management Division Administrator Kahana Albinio introduced Land Agent Shelly Carreira who presented the following:

S. Carreira stated the Waiohuli Hawaiian Homesteaders Association (WHHA) holds a right of entry for due diligence purposes. She introduced WHHA President Perry Artates and WHHA Project Manager Bobby Hall to speak on their Waiohuli Economic Development Opportunities known as the “WE DO” project. Personnel Assistant for the Maui County Parks and Recreation and Board Secretary for WHHA Joadie Brown introduced the participants present.

Note: Slide presentation attached.

DISCUSSION

Commissioner Awo stated he understands that the ask is for a long-term disposition with a commitment to do the environmental assessment later. B. Hall stated they understand the practice is to complete Chapter 343 prior to any land disposition. The intent is to complete that, and they are hopeful of achieving a preliminary general lease award, a pledge, or strong support from the Commission that they like what they see. They want a general lease disposition sooner than later. They want the opportunity that the two organizations had in 2010 to get the general lease. If this body has changed the policy, then the association is obligated to follow the policy, but if it is within the Commission's discretion to offer the general lease to the association now, the association will take it.

Commissioner Teruya asked if they were in a due diligence mode to get the preliminary disposition. B. Hall stated ever since they received the right of entry back in 2019, that put the association in a due diligence process. She stated the expiration date for the ROE is December 2022, and in January 2023, the association wants to move forward on another ROE or do a full presentation in November to obtain a preliminary general lease disposition.

K. Albinio stated finalizing the environmental assessment was one of the conditions the association had to accomplish, and they have not finished it yet but are going through it.

S. Matsunaga stated they are currently constructing Waiohuli Phase 2A and waiting for the county and state approval to break ground on the project. Phase 2B is in design and going out to bid next year. It is in a different area from the WHHA's proposal. S. Matsunaga stated he is curious about what the water program could be. He stated that LDD is looking for other water sources in the upcountry area because DHHL has 5,000 acres there. He stated the Department needs to start thinking about that and are willing to collaborate with the resources the community has and what the Department has. He thinks it is good to work with the Planning Office to look at the EMI sources and additional Well sources, including what the Waiohuli Association is looking at.

The Department has an agreement with the county with half a million gallons of the source. There are 200 lots in UI development, and he thinks that would exhaust the resource.

Public testimony by Kamaile Makekai: She stated she is one of the original landowners of Keokeo-Waiohuli. She asked if the Commission is aware that the underground pu'u that flows from the top of the mountain to Kaho'olawe is not stable. She asked why the association was asking for a lease from people who do not own the land. Chair Aila stopped her and stated that it was a jurisdictional issue and the venue for this was the land court.

ITEM F-5 For Information Only – Implementation of Act 236 SLH 2021 and request for extension of General Lease No. 202, Prince Kuhio Plaza, LLC, Waiakea, Hawai'i Island, TMK: (3) 2-2-047:006: 066: & :073

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Management Division Administrator Kahana Albinio presented the following:

- Background regarding the Department's implementation of Act 236, SLH 2021
 - July 6, 2021, became law without the Governor's signature, pursuant to Article III, §16, State Constitution (see exhibit A)

- September 6, 2022, Prince Kuhio Plaza Ground Lease Extension Application (Exhibit B)
- Lease extension for General Lease 202. (Current status)
 - TMK (3) 2-2-047:006: 066: & :073
 - 38.975 acres: (1,697,765 sq. ft.)
 - Sixty-five (65) years: 10/1/1977 to 9/30/2042
 - Annual Rent: \$713,660.47 = \$292,792.50 (base rent) + \$420,867.97 (additional ground rent)
 - Zoning Designation: Industrial-Commercial Mixed Use (MCX)
 - The character of Use: Shopping Mall

The General Manager of the Prince Kuhio Plaza, Daniel Kea, offered a slide presentation.

When the larger retailers want to make several millions of dollars of investment to build, they want to amortize that across multiple years, but with the limited lease term, PKP is not able to do that, and that is why they are asking for a 40-year extension.

Note: Slide presentation attached.

DISCUSSION

Commissioner Neves asked what their plans for improvement are and what kind of development they are looking at. D. Kea stated there is a development plan, \$9 million for construction buildout and tenant spaces, and most of them are inline. Chair Aila asked what is inline versus the opposite. D. Kea stated inline means anything where you are walking inside the mall, and you see those spaces inside. Out parcels would be like the Hilo Hattie building, which is a separate building. A second development plan is a parcel restaurant.

Commissioner Kaleikini asked if there would be more discussion on the implementation of Act 236. K. Albinio stated he understands that the Attorney General's office is of the opinion that the Department does not need concurrence from the Department of Interior (DOI) because it is an amendment to the revised statute 171.

Commissioner Ka`upu stated he is in favor of the extension that is sought on the lease. K. Albinio stated it would be the first one we would be venturing into. Chair Aila stated it is also the first one that the Department anticipates getting an application for if we do not have one.

Commissioner Ka`upu stated there is a risk that the user/tenant is taking because the Commission is asserting to grant an extension which, in theory, could be challenged, but the user is willing to put money down to reserve and assert this benefit. Chair Aila stated he would agree in terms of the briefing received.

DAG Lambert stated there is a different section, not the one created by this law. Section 171-3.6, which was amended 2-years ago, specifically limits general leases to 65-year terms. The Legislature amended it to allow for an aggregate of 75 years, allowing for ten more years on general leases. The Department of Interior took a look at this bill and stated for DHHL to use it, regardless of the fact that it was an amendment to Chapter 171 and not the Hawaiian Homes Commission Act; DOI stated it is subject to their concurrence. For DHHL to use Chapter 171-3.6 as amended, it needed to go to Congress for concurrence. The Attorney General's office disagreed with that. That is what the reference to DOI means.

As far as Act 236 goes, it may have passed without DOI realizing that it actually allows for a much longer term than 75 years. There are different conditions in the way that it is drafted, so it is not just a real extension. There must be approval of a development agreement proposed by the lessee or developer for substantial improvements to the existing improvements. It is not just a general lessee asking for an extension to do what they have been doing all the time. There must be much more to it, according to what was passed in this particular Act. There was no action by the local DOI.

Chair Aila stated the Department is not in agreement with the DOI, but it is in agreement with the Attorney General's advice that the consent of Congress is not required in this case because the land disposition law will change and not the Hawaiian Homes Commission Act.

DAG Lambert stated this is for informational purposes only, but she advised going into executive session because the Commission is going into things that probably should not be discussed in open session.

Commissioner Awo asked about internet shopping and its impact on retail and how it affects WHHA to stay viable. D. Kea stated they had done cross-development with more green space and more lifestyle stuff like entertainment and fitness. He stated they have also looked at brick-and-mortar stores so people can return items bought online at the brick-and-mortar store instead of shipping them. He stated they are actually up sales-wise.

LAND DEVELOPMENT DIVISION

ITEM E-3 For Information Only – Progress Report on Honokowai Water System Improvements and Draft Environmental Assessment, District of Lahaina, Maui Island, Hawai'i; TMK Nos. (2) 4-4-002:008 (por.), 009 (por.), 010 (por.), 012 (por.), 016 (por.), 018 (por.), (2) 4-4-003:013 (por.), and (2) 4-4-004:002 (por.)

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Stewart Matsunaga presented the following:

S. Matsunaga stated the intent is to come back to the Commission with the draft environmental assessment in early 2023, which is subject to the archaeological survey which is going on now. Since the Commission meeting is on Maui, he felt it appropriate to share this with the Commission and the community. He stated Item E-5 touches on the location of the Water System. After Items E-4 and E-5, the PowerPoint can be shown.

DISCUSSION

Public testimony by Kamaile Makekau. She stated assuming DHHL owned the land in 1986, and there was a Circuit Court decision with Meyer Urioka and her family, the Paki family. She stated, according to that meeting it states that "any and all conflict that is opposed on this property, (indiscernible)" she stated there is a promissory note that is a public record stating, "the Makekau/Paki family owns this land, and it cannot be resolute." K. Makekau read from the documents she held.

Chair Aila relayed to K. Makekau that the item being discussed is the water system improvement. She stated she was getting to that. With regards to what she was reading, Chair Aila stated it is a piece of property, that is, kuleana, which is in the middle of the Department's property, so this

water development has nothing to do with that piece of land. Regarding TMK (2) 4-4-008, Chair Aila stated the Department would share its finding with her. He stated when the due diligence is done, and she will get a copy of the survey.

ITEM E-4 For Information Only – Progress Report on Villages of Leialii, Village 1B, Leialii Parkway and Honoapiilani Highway Improvements and Draft Environmental Assessment; Wahikuli, District of Lahaina, Maui Island; TMK Nos. (2) 4-5-021:010 (por.), 014 (por.), 020, 021 (por.), (2) 4-5-036:019, 110, 112 (por.), and Honoapiilani Highway Right-of-Way (por.)

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Stewart Matsunaga presented the following:

S. Matsunaga stated the full draft environmental assessment is expected to be brought before the Commission at the November meeting. They are working through the County permitting process. Lands not owned by DHHL would follow County Small Management Area (SMA) process.

Public testimony by Kamaile Makekau. She stated the Department had partitioned an undivided moku into unknown tax map keys at the time that the 100% court judgment was made on all land titles 100-mile radius around this parcel and is not constituted. There has been a tampered tax map key to allow for different parcels of the portion. For the right of way, she stated she owns the easement and does not care what Daniel Ornellas or Suzanne Case says and has a document from Rushmore and Cravement and the judge and Tom Luffteneker signing that Maui Land and Pine are asking...Chair asked if that was from Honokowai above the ditch. She stated no from the highway up, and she owns easements A & B, 100% court judgment. Chair Aila stated the venue would be the land court for this dispute, and he stated that she might have some preliminary judgments against Maui Land and Pine, not DHHL. Chair Aila asked, after the environmental assessment, asked her to provide the information to the Department as she stated she can provide better water and has pohaku that are sacred.

ITEM E-5 For Information Only – West Maui Project Updates

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Land Development Division Administrator Stewart Matsunaga presented the following:

S. Matsunaga stated the slide presentation would be shared with the community at tonight's community meeting.

Note: Slide presentation attached.

DISCUSSION

Commissioner Ka`upu asked why the Department has to do its own Master Plan. S. Matsunaga stated the area was covered by Hawai'i Housing Finance & Development Corporation's (HHFDC) Master Plan. He thinks the Department's Planning staff should have its own look at the 400 acres.

Commissioner Awo asked that the 400 acres and the development of the water source for Leialii and Honokowai would be enough to supply water to the new location as well. S. Matsunaga stated he does not believe so. The Department would have to work on other water sources. The

property comes with several wells that HHFDC dug, but at that time, it was not sufficient in quantity as well as the chloride levels were elevated. He stated they would see what kind of technology is available to look at that. This is a water-short area.

DISCUSSION

Public testimony by K. Makekau. She stated why are there Hawaiian Homesteads in Kahikinui. There is no water, and there is a flood zone, there right next to the dump; why are the Hawaiian people so suppressed? Chair Aila stated most of the property is mauka of the road. The Department has to look for lands that are available so it can provide houses for the beneficiaries. She stated she has more land than anybody on earth in Hawai'i, and she will give it to the Hawaiian people. She stated the private wells that are her water and that should be for the Hawaiian people. Chair Aila stated she could provide an inventory of what she owns. She stated she was scared.

HOMESTEAD SERVICES DIVISION

ITEM D-1 HSD Status Reports

- A. Homestead Lease and Application Totals and Monthly Activity Reports
- B. Delinquency Reports

J. Garcia stated they are planning to provide a workshop on applications at the next Commission meeting in October.

DISCUSSION

None.

MOTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to Consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

2:18 PM

The Commission anticipates convening an 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. Motion carried unanimously.

Item D-8 Approval of Assignment of Leasehold Interest

EXECUTIVE SESSION OUT

3:18 PM

WORKSHOPS

PLANNING OFFICE

ITEM G-2 For Information Only – Quarterly DHHL Grants Program Update

RECOMMENDED MOTION/ACTION

For Information Only. Planning Manager Andrew Choy and Grants Specialist Gigi Cairel presented the following:

G. Cairrel stated the last update was in June, and there have not been a lot of changes. The Department is still administering over 40 grants, and 25 associations have grants with the Department that are being monitored. The biggest activity this quarter was issuing the new grants RFPs with the state funds that were allocated for the grants program. When there is a new grant cycle, all grantees must be in compliance with their grants as well as with Hawai'i Compliance Express to be eligible.

She stated they are targeting the November Commission meeting to bring forth the committee recommendations for the grant awards. The contracting process will start in December and January.

DISCUSSION

Commissioner Teruya asked when G. Cairrel works with the non-profit noncompliance agencies that are delinquent or are lacking reports and does she have a timeline for when it is due at her desk. G. Cairrel stated yes because these are state contracts.

ITEM G-3 For Information Only – Annual Update from Pulama Lanai on its Plans and Activities on the Island of Lanai

RECOMMENDED MOTION/ACTION

None. For Information Only. Acting Planning Manager Andrew Choy presented the following:

A. Choy introduced the Kaua'i Island and Lana'i Island Liaison Nancy McPherson and President of Pulama Lanai Keiki-pua Dancil, Ph.D., to present the update and answer questions.

N. McPherson stated in September 2021, the Department entered a Memorandum of Understanding with Pulama Lana'i because they initiated a district boundary request for the Hokuao development, which is going to be 51% affordable homes. The Department realized the need to coordinate with Pulama Lanai to make sure they have adequate water, supplies, and wastewater capacity. There are 35 acres on Lanai that still have to be developed for homesteads.

Hawaiian Homelands on Lanai

- 50 acres of current land holdings
- There are 44 lessees and 74 applicants on the waiting list
- Phase 1 was for 45 lots
- Opportunities to partner with Pulama Lanai, the County of Maui, and the Department of Education to provide additional infrastructure (water & sewer) for the buildout of the homestead

K. Dancil – Annual Update 2022 – Pulama Lanai

- Hokuao – 150 - 2 bedroom, two bath homes
- County's 115-acre affordable housing was deeded over for the development of housing 30 years ago. Nothing has come about with this.
- The homes will be 51% affordable, serving 80% to 140% AMI, which will be rentals into perpetuity, so they will always be available, serving 80% to 140% AMI regardless of the ownership of the project.
- Land Use Permit for the Miki Basin Interim Industrial use, next to the HECO park plant. To allow the move of their concrete crushing operation.
- Pulama lanai Miki Basin Industrial Park, 200 acres: concrete crushing, renewable energy, and other industrial use
- Lanai Farm Labor Dwellings (CUP County application) special permit expiring in 2032

- Ko`ele Project District – significant down zoning and alignment with existing uses and Maui County Code.
- Kuahiwi a Kai: Lanai Watershed Conservation project
- Educational programs, healthcare programs

DISCUSSION

Commissioner Awo supports a site visit at a future date.

Note: Slide presentation attached.

ITEM G-5 For Information Only – Maui Water Projects and Issues Update

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy and Dr. Jonathan L. Scheuer presented the following:

Update on Maui Water Issues and Projects

- East Maui Irrigation-related Water Reservations
 - What is a water reservation – a water reservation is a kapu of water for future DHHL use. The Commission on Water Resource Management (CWRM) protects it from other users
 - But a CWRM water reservation for DHHL is not had immediate access to “wet water.”
 - From reservations to “wet water,” DHHL still need to obtain CIP fund, develop source, storage, transmission, detailed engineering design, and agreement with County DWS or other water purveyors
 - Request for reservation from the East Maui Irrigation System (EMI) for 11,177,500 gallons per day for the current and foreseeable needs of Pulehunui and Keokea-Waiohuli. This was filed on December 16, 2020
 - How much water may be available after East Maui IIFS is met?
 - CWRM in 2018 – Mean flow of 103 mgd (million gallons per day)
 - CWRM in 2022 – Mean flow of 58 mgd
 - DHHL v CWRM assessment
 - DHHL request: 11.7 mgd / 9.85 mgd for Keokea and Waiohuli, 1.328 mgd for Pulehunui
 - CWRM staff assessment: 7.87 mgd for Keokea and Waiohuli, 2.943 mgd for Pulehunui
- West Maui Designation
 - Surface and groundwater management area designation of West Maui on June 14, 2022

DISCUSSION

Commissioner Awo requested to revisit this information with Dr. Scheuer at another time. Dr. Scheuer stated it is at Commissioner Awo’s pleasure.

Note: Slide presentation attached.

Chair Aila recommended deferring Item D-8 till tomorrow.

RECESS

4:55 PM

HAWAIIAN HOMES COMMISSION
Minutes of September 20, 2022
Waiola Church Hall, 535 Waianee Street, Lahaina, HI 96761
and Interactive Conferencing Technology (ICT)

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held both in person and via Interactive conferencing technology, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Randy K. Awo, Maui Commissioner
Russell K. Ka‘upu, O‘ahu Commissioner
Pauline N. Namu‘o, O‘ahu Commissioner (via ICT)
Dennis L. Neves, Kauai Commissioner
Patricia A. Teruya, O‘ahu Commissioner (via ICT)
Vacant Seat, West Hawai‘i Commissioner

EXCUSED Zachary Z. Helm, Moloka‘i Commissioner
Michael L. Kaleikini, East Hawai‘i Commissioner

COUNSEL Katie L. Lambert, Deputy Attorney General

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Contact and Awards Division Administrator
Jamilia Pacheco, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:52 a.m. six (6) members were present at the meeting location at roll call. Two (2) were via Zoom.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

Commissioner Teruya recommended having the J-Agenda items taken before the executive session as it is important to listen to the beneficiaries.

Chair Aila stated because of the new Office of Information Practices (OIP) Administrative Rules, there is an opportunity for testimony for each agenda item. The executive session is on the agenda, but there is flexibility as oftentimes the Commission has had to rely on expert witnesses to be available to address things in executive session. We will try to get to the J-Agenda as quickly as we can.

Chair Aila stated there are carry-over Items D-8 and G-5. The Commission will recess around noon for 30-minutes, and the executive session will be around 11:30 a.m.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

PT-1 Blossom Feiteira – Items H-1, H-2 and G-5

B. Feiteira testified that she is requesting the Commission support Items H-1 and H-2 as submitted. She will testify when Item G-5 comes up.

PT-2 Bo Kahui (virtual) – Various Concerns

B. Kahui testified regarding Item H-1 if the expenditures are from Act 279; although it does not say it, it does say it is for Operating for Purposes 1-4 and for Administrative Costs. Chair Aila stated the Sufficient Sums Budget being discussed today does not include the Act 279 funding. It is for future budget requests that the Legislature and the Governor will be considering. The proposed spending plan for Act 279 was passed by the Commission last month, which is a separate line item. Trying to keep the two separate so it is not confusing. Chair Aila stated he and the staff recognize the need for additional water resources in Kona, and that is reflective of the additional ask. In spite of the Act 279 monies, there are additional needs for future water developments.

B. Kahui hoped that the North Kona Well for 600-lots in the year 2025 would have an allocation in 2024. He is wondering if there is an allocation for Hema in the year 2024. He stated there should be some allocation for that, even if it is a year and a half away unless it is already encumbered. He mentioned that for the record. The monies for the North Kona exploratory well of \$2 million, he believes, will fall short.

ITEMS FOR DECISION MAKING

ADMINISTRATIVE SERVICES OFFICE

ITEM H-1 Approval of DHHL Biennium Budget Requests for the Fiscal Year 2024 and 2025 (Sufficient Sums Budget)

RECOMMENDED MOTION/ACTION

Administrative Services Officer Rodney Lau presented the following:

Motion that the Hawaiian Homes Commission approve:

1. The FB 2023-2025 Operating and Capital Improvement Program (CIP) budget request (Sufficient Sums Budget) presented below to the Governor for consideration in the Administration's Executive Budget requests to the 2023 Legislature
2. The FB 2023-2025 Operating and Capital Improvement Program (CIP) budget request (Sufficient Sums Budget) be presented to the 2023 Legislature
3. Authorize the Chairman to adjust the Operating and CIP budget request to make technical adjustments due to minor errors before it is incorporated into the Administration's Executive Budget

MOTION

Moved by Commissioner Kaupu, seconded by Commissioner Awo, to approve the motion as stated in the submittal.

Chair Aila asked R. Lau to re-phrase the amended motion.

R. Lau stated the amended motion is to; (1) correct the position count. The Department has 206 authorized positions, and the Department is asking to increase it by six more new positions, which would make the total count 212; (2) add to Purpose 4, Administrative and Operating Repair and Maintenance with means of financing from the General Funds for two projects (a) Nanakuli Community Maintenance with General Funding of \$100,000; (b) Papakolea district improvement, General Funding of \$100,000.

DISCUSSION

Commissioner Awo requested, on behalf of Paukukalo, who has been struggling with park maintenance, to consider that and to have a discussion later. Chair Aila asked if he was authorizing the Chair to move funds in the budget to provide improvement funds for the Paukukalo Community Center and related facilities. R. Lau said he would make the adjustments.

Commissioner Teruya asked about the budget request for Nanakuli, attachment E. The community is now talking about a community-certified kitchen and other things. Chair Aila stated there are placeholders, and this is an ask. If they can find a line item that is related to what their needs are, then that is the opening to lobby their respective Legislators to put money in the budget for those items. She asked what a GIA of \$100,000 is. R. Lau stated it is a Grant in Aid and an initiative by the community, not by the Department.

ACTION

Moved by Commissioner Kaupu, seconded by Commissioner Awo, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo		X	X			
Commissioner Helm						X
Commissioner Kaleikini						X
Commissioner Ka`upu	X		X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			6			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Six (6) Yes votes.						

ITEM H-2 Transfer of Hawaiian Home Receipts Fund at the End of the First Quarter, FY 2023

RECOMMENDED MOTION/ACTION

Administrative Services Officer Rodney Lau presented the following:
 Motion that the Hawaiian Homes Commission approve the transfer of the entire receipts deposited in the Hawaiian Home Receipts Fund as of September 30, 2022, to the Hawaiian Home General Loan Fund.

MOTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.

DISCUSSION

Public testimony: Bo Kahui commented that there is a sum total of \$46.8 million for 2024, and in FY 2025, there is \$35.6 million. In all his years of seeking funding, there has been limited funding in this particular category by the Legislature. Generally, it is not more than \$20 million, and the ask is aggressive. On behalf of the La`i `Opua Community Development Corporation (LCDC), he commended Rodney and the team on the budget.

Public testimony: Velma Mariano testified on Item H-1 and stated that in the Paukukalo Armory site, if there was any way to take the money out of there and it be reappropriated. She sees \$300,000 for Piihana Heiau which is a DNLR project and asked if that money could be moved to projects that they have for their plans. Chair Aila stated if and when the Legislature approves and there is actually money in the budget, then the Department can consider any legal way to address what she asked.

ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	‘AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm						X
Commissioner Kaleikini						X
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			6			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Six (6) Yes votes.						

HOMESTEAD SERVICES DIVISION

ITEM D-8 Approval of Assignment of Leasehold Interest

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:
Motion that the Hawaiian Homes Commission:

1. Approve the assignment of the leasehold interest pursuant to Section 208 of the Hawaiian Homes Commission Act as amended and subject to any applicable terms and conditions of the assignment, included but not limited to the approval of a loan.
2. Approve and accept the transferee no less than the required 25% or 50% Hawaiian ancestry as appropriate pursuant to Section 208 of the Hawaiian Homes Commission Act.

MOTION/ACTION

Moved by Commissioner Awo, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm						X
Commissioner Kaleikini						X
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			6			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Six (6) Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

WORKSHOPS

PLANNING OFFICE

ITEM G-5 For Information Only – Draft Kuleana Homestead Program Procedures and Considerations

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy and Project Lead Julie Cachola presented the following:

Purpose for Presentation

- Share draft program/procedure, highlight policy issues, get HHC input Mo`oku`auhau of the Kuleana Homestead Program
- 1983 Federal-State Task Force on the HHCA-Alternative Development Models
- 1986 The King’s Landing Initiative v. 1.0
- 1992 The Kahikinui Initiative v. 2.0
- 1998 Kuleana Homestead Program Administrative Rules
- 1999 Kahikinui Pastoral Kuleana Homestead Leases – Lessons Learned

Implementing the Kuleana Homestead Program

- Development Pipeline of Kuleana Homesteads
- Kuleana Programmatic Goals
- Proposed Implementation Phases and Activities

Outstanding Issues for Discussion

- Issues and Policy Questions for HHC discussion

The average wait time on the wait list is 23 years. The average age on the wait list is 61 years.

DISCUSSION

Commissioner Awo stated he feels the Department is setting beneficiaries up for failure because the Department will kokua the beneficiaries, but its involvement is minimal. When someone has been on the wait list for many decades, the desire to be on the land is so great, but the reality that comes with that is blinding. He does not feel the Department is creating an opportunity for the beneficiaries and feels that some of the statements in the presentation/submittal need to be redefined. Some of the lessees said they could take on this kuleana and discovered that they could not, and to also not give up the lease so someone else can take over is also on them. For education, it is the desire versus reality. Someone waiting for 30-40 years is driven by desire, and reality has not set in. Those people in Kahikinui, like Charmaine Gay or Moe Mueller, who are still trying to find their place in Kahikinui, are the voices that should be here. It frightens him that the Department is expanding kuleana awards without having a handle on Kahikinui or King's Landing.

Commissioner Namu`o asked if there was any evaluation component for this program and, if there was, what the result was back in 1983. J. Cachola stated in 2017, there was an evaluation of the Kuleana Pilot program. There was a slide with the strengths, weaknesses, and recommendations of Kahikinui. A. Choy stated an evaluation was done in 2017, and it did not look at its success but rather at the strengths of the program, where was it doing well, where could it be improved, and what were the weaknesses. The slide was to evaluate the efforts of Kahikinui and to provide recommendations for Kahikinui and for the kuleana program moving forward.

Commissioner Namu`o stated she agrees with Commissioner Awo that hearing from those doing it now is important. There are a lot of problems putting people on raw land who are not prepared and with minimal support from the Department.

Chair Aila stated the discussion is on kuleana lands now, but there was a review covering other land offerings, such as the accelerated awards and all of the types of awards that were reviewed with recommendations. He suggested Andrew find that review for the Commission because it allows for a broader review of how the Department has evolved in its awards. Commissioner Namu`o stated that would be great.

Commissioner Neves stated he did address kuleana in the beginning when he first became a Commissioner. He felt that it was the Department's policy that you got kuleana, it is yours, and that is all you get. He stated it is like getting a residential lease agreement; if there is a problem, call Homestead Services. With Kuleana, there is nobody to call. Do not leave kuleana to survive on their own.

Commissioner Ka`upu stated he agreed with Commissioner Awo, and it is hard to put Kahikinui and King's Landing in the same category. He asked if J. Cachola envisioned that the kuleana homesteads are a part of a larger Hawaiian Homes development or if it is separate. Commissioner Ka`upu asked how the King's Landing kanaka code work for a potential lessee who opts into a program for living at King's Landing not knowing the kanaka code and having no certainty in what they agree to.

He asked if a rural road like a dirt road was built, even if it is a private road, the county would come in and pave it, right? Chair Aila stated the county voluntarily maintains the private roads. In the case of Kahikinui, the county would not and has not. He stated the challenge for kuleana is under the tax map key (TMK). The counties will not likely provide subdivision approval for this

type of subdivision. Under the current regime, he does not believe the county would approve the kuleana homesteads to the point they would give an individual a TMK.

A. Choy offered an answer to the question of what could be a potential problem with having just one TMK. He gave an example of a Kahikinui lessee, and one of the issues she faced is that it is hard to get a mortgage when there is one TMK for the whole area.

Commissioner Ka`upu thinks the answer is coming up with sources of financing for kuleana lessees. The Department is going to have to develop its own lending ability rather than counting on commercial lending. It is hard for the Commission to understand it, so it will be too hard for the lenders to understand. S. Matsunaga stated the difference in Kahikinui is the level of infrastructure; it has no paved access, no water, no electricity, and it is totally off the grid. The building permit side and the county surfacing side are non-existent. Chair Aila stated the county is not going to provide fire and ambulance service except to the bottom road.

Commissioner Awo stated he is not opposed to kuleana awards. Part of the presentation is about lessons learned, and the only model the Department can pull from is Kahikinui. Speaking in terms of other areas and loan qualifications and opportunities, Kahikinui lessees do not qualify for mortgage loans, and they have to do out-of-pocket. The measure of success for Kahikinui, after 30 years, there are maybe 20 people occupying that space full-time out of 70 plus lots. As the Department expands, he is not convinced that the Department has learned sufficient lessons to come before the Commission and says it thought this through and is prepared to promote success.

Chair Aila stated he thinks what he heard is there is an opportunity to do all the things staff is recommending but come back to the Commission with a budget to implement the things recommended. That is where the Commission can help to make it more successful.

Commissioner Ka`upu asked how the Department can do anything other than just going to the wait list as far as who gets offered these kuleana leases. Chair Aila stated currently, other than specific rules that allow for the choosing of qualified applicants outside of the waitlist, it is informing the applicant how difficult this is going to be.

Commissioner Ka`upu asked about the management of resources and if it was a necessary component of this kuleana leasing or if it is unique to Kahikinui. J. Cachola stated it is the concept of building the relationship between the land and the resources. Chair Aila stated in the case of Kahikinui, and it was the proposers that came forward and said, "as part of our kuleana program, we will take responsibility for restoring the forest." That was built into the DCR and built into the lease. It does not have to be that way for each Kuleana Homestead.

Commissioner Neves stated he was just thinking out of the box. If through the Department's architect, it is possible to go through the county, once the Department does its metes and bounds, to give the Department TMKs, that architect would assign once those lots are assigned. If the county gives the architect the approval for the building and the county is willing to let the Department assign its TMKs, that may be the loop to move forward.

Commissioner Awo asked for Blossom and Dez to share their testimony.

Public testimony: Blossom Feiteira and Dez. B. Feiteira stated there has always been an issue with Kahikinui and the kuleana homestead program. For access to land, the only option the community had was improved lots at a high cost, and the community understood that Kahikinui would never be able to get on the budget map due to the high cost of development. The community came up with the idea that if the Department provided raw land, much like the

original homestead project in Kalamaula, the community would be able to move people on the land faster. She stated it was fortunate to have kupuna around at that time, which gave them foundational advice in terms of what kind of kanaka should be allowed to live in Kahikinui and the skills they would need. The community also made a commitment to ask the Department for very few financial resources. This was in 1990 when the Department was maybe getting \$1 million for CIP. The community was having difficulty getting CIP money on Maui alone. After 5-years of working with the Department and Chairman, at the time Hoaliku Drake, they developed a Master Plan and submitted it to the Commission, which was adopted by the Commission. They worked on their Rules, and under 10-3-30, there were specific criteria that had to be met as a community and as beneficiaries. The Rules passed, and lots were awarded.

Now it is 2022, and she stated the lessons they learned is that Ka Ohana O Kahikinui (KOOK), at that time, really screwed up because they did not look at the long-term impact that the project would have on them, the beneficiaries. They knew that people who lived in Kahikinui had to have a certain skill set and a certain mana'o. They worked with the Department to award right off the waitlist, and that was their second mistake. Their third mistake was that they did not follow through with their commitment to Kahikinui to make sure that everybody that was going to be living there understood their kuleana as beneficiaries. As they moved forward, they began to have questions about mortgage loans and utility conduits because Sandwich Isles came in, but they had no water and no electricity, but if someone had a generator, then they had telephone and internet.

B. Feiteira stated she used to work for Hawai'i Community Assets as a homebuyer, trainer, and educator, and one of the things she learned about mortgages is that conventional mortgages will never be available in Kahikinui because a mortgage requires specific metes and bounds in order to attach as collateral for the loan. KOOK opted not to support the Department in filing a subdivision map with the county because that would cost money. KOOK also agreed to less than a county approval. They also failed in not develop their own building codes to ensure that all of the homes that were built simply met housing safety standards. There was a lot of failing, and she thinks if they had a little more technical support from the Department in helping to address those specific things, the community would have been better armed to move forward.

She stated a recommendation based on those lessons learned is, before going to the waitlist to award the 30-lots that are available, they want to make sure that those that want the lots are physically, mentally, and emotionally capable of living in Kahikinui successfully.

She introduced Dez as a full-time resident of Kahikinui who has been there for 5-years. Dez's husband is a successor to one of the founders (indiscernible) and his wife, Lehua.

B. Feiteira stated the Department really needs to look at the lessons learned in Kahikinui and the development moving forward. Everybody is asking for mortgage loans, loan funds, and water, but when they signed the lease, they knew they were not going to get that, and they had to get that on their own. People are coming to the Department not because they think the Department should carry that kuleana, it is because they do not know how to access the resources that are available to them independent of the Department. If the Department can help the applicants on the pastoral waitlist to understand what those requirements are, where to get the resources and how to be more efficient in their living in Kahikinui, she thinks there will be a better next round of awards.

Chair Aila asked Dez to share how challenging it is to live in Kahikinui

Dez stated she was born and raised in Hana, country style, and thought she knew it, but not until she moved to Kahikinui. Kahikinui is challenging. Her father-in-law built them a big house, and

they have a 20,000-gallon water catchment. Her father-in-law built that catchment because he was told by an insurance agent that he needed a 20,000-gallon catchment to insure his house. After he built the catchment on the only flat-level land on the lot, the insurance agent told him no, that he needed 10,000 gallons more. She stated they are fortunate to have a water catchment because less than a handful have water catchments and everybody else does not. Those that do not have to go back and forth to Ulupalakua to haul water. They go through trucks often within a year because of hauling all that weight. She stated the mortgage thing is an issue. She loves that she does not have a TV. She also stated there are lots of kids that do homeschooling using the internet. Sandwich Isles is Sandwich Isles. The reception is not solid, and it is bad.

Chair Aila asked, going forward, does she feel that adequate broadband access is important. Dez stated yes.

Chair Aila stated that this is valuable information. He heard a request that maybe the staff could seek some funding for the handbook for new folks coming into Kahikinui for the 30 lots. Dez stated not everybody can acclimate to Kahikinui, so maybe they could do a three-day weekend trial test and see if they can handle that. She told Blossom 30-days, and after the 30-days, they would know for sure if they belonged in Kahikinui. B. Feiteira stated that `aina will tell you if you are ready for Kahikinui or not.

B. Feiteira stated back in the day, the orientation process for the award of lots was a letter or offer, an orientation meeting where you receive all the goodie stuff, you have time to decide, meet the paperwork criteria, and then you get to select a lot. In each stage of the process, you weed out. If you do not show up for the orientation meeting, you get deferred from that offering. If you do not meet the timeline for the paperwork, there is another deferral. The ones that do all the things they are supposed to do are the ones that get the opportunity to choose a lot. She thinks if that type of process is reinstated for Kahikinui and builds in the conditions for orientation, we will be able to get a better handle on whether or not that beneficiary will be able to successfully homestead in Kahikinui.

Chair Aila stated Paula is considering those types of things, but it sounds like there is more detail that she would benefit from to have the orientation be more effective.

Commissioner Neves asked Dez if she had to increase her water volume for insurance requirements. D. Freitas stated they did the research minimum of 20,000 gallons depending on the square footage of your house. Then you will be able to secure fire insurance.

B. Feiteira stated the problem is they have limited access because of the road. Beneficiaries are required to do brush abatement around their lots. If they do not and the fire comes, and you do not have a water tank on your property, your house will burn. That is a reality. Calling this program Kuleana is simply that you have kuleana to Kahikinui, and in order for you to live in Kahikinui successfully, you got to know what that kuleana is. If you fail to carry that kuleana, the fault is yours and nobody else. There are people on the wait list who buy into that philosophy, and they have seen the success, and they want to replicate those successes and try to address those failures and those challenges.

Commissioner Ka`upu asked Blossom if she were to put a percentage on that community, how many are successes and how many are not. B. Feiteira stated out of the 105 lots and 70 that were awarded, she stated the success rate is about 30%.

Public testimony: Keeaumoku Kapu. He stated he lives in Kauaula Valley and he is a kuleana landowner. He stated he was in litigation for 20 years and finally got a summary judgment from the Supreme Court. He stated when talking about kuleana. You need to define what kuleana is. To establish himself, he had to look at the infrastructure, looking at what the county has versus what the state requirements are. He learned a lot about what it takes for kuleana to apply for those pertinent rights, and there is a big question of whether the rights go with the land or whether the rights go with the kuleana. If it goes with the kuleana, it means having traditional customary rights. He liked the presentation that Julie did because the kanaka today are getting agitated to the point that we are trying to make sure we are not creating failures for the kanaka. He hopes that the Commission takes into consideration that when dealing with the county that your area is a public utility use area. He mentioned a fire that happened in 2018 when 21 homes burned in Lahaina. The fire department will not go into an area if it is not public utility regulated.

He stated as a kuleana he had to apply for his water permit through the Commission of Water Resources Management, and after his final summary judgment, he had to file his papers with the Bureau of Conveyance so he could get the papers together and get the information to the tax office.

He supports what Planning has proposed.

D. Freitas mentioned an incident where it took the fire department an hour and 45 minutes to find the place as they could not find the location, and it was at night. She stated the Kahikinui Fire Wise Committee is in conversation with the Fire Chief, the Police Department, and a couple of Emergency Response Teams to be in Kahikinui for a day of orientation with their vehicle that they think will make it to the top of Kahikinui and so they can see the terrain.

Chair Aila suggested somebody take a GPS point at the entrance because that information is most critical as they can input that into their computers and not get lost. D. Freitas stated the computers would not necessarily work in Kahikinui.

Commissioner Awo stated when he says his caution is not to promote the beneficiaries up for failure, and he really meant to do more to promote success. He thinks the Department can do more to bring people onto the land to thrive. He would like to hear more step-by-step solutions from the Department.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Ka`upu, to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to Consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

11:55 AM

The Commission anticipates convening an 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. Motion carried unanimously.

1. Request from Kapolei Hawaii Property Company LLC (KHPC) to restructure general lease No. 276 (Ka Makana Alii)

EXECUTIVE SESSION OUT

12:45 PM

ITEMS FOR INFORMATION/DISCUSSION

REQUEST TO ADDRESS THE COMMISSION

ITEM J-1 Roy Oliveira – Waiehu Kou III

R. Oliveira testified he was the President of Waiehu Kou III. He shared a PowerPoint.

Chronology of multiple challenging and divergent behaviors apparent on DHHL unencumbered lands in between Waiehu Kou 3 & 4

- Dirt bike activities – burning trash, started in 2019
- Increased homeless camping, dumping trash
- Possible confrontation with the lessees, the bikers, and the homeless campers
- Was referred to bring this to the Commission’s attention

Chair Aila acknowledged his bringing forth the concern and checked with staff to see what could be done. He assured R. Oliveira that it is also happening in every homestead. Chair Aila asked if there were any indications that the bikers were homesteaders. R. Oliveira stated there is a lot of them, and some of them could be homesteaders.

R. Oliveira stated the remedy to this problem is to secure the area, and that would mean gates and possibly a fence. Commissioner Ka’upu stated one of the possible solutions is to find an interested community group that wants to use the property to keep the unacceptable activities out.

Commissioner Awo stated on the homeless issue. He referred R. Oliveira back to the email sent by Daniel Ornellas regarding the coalition partnership with DOT. They will have to coordinate with DHHL’s District Management person. Regarding the bikers, it is tough to enforce. They are very mobile. The homeless will go and come back.

ITEM J-3 Donna Sterling – Water to Kahikinui and Revocable Permit Ulupalakua Parcel

D. Sterling testified of two projects dealing with water in Kahikinui. She talked on the National Weather Service forecast noting the drought conditions to continue through the wet season. This condition has occurred in Kahikinui and the state. In September 2021, they were referred to a grant that was available from the Board of Reclamation, Smart Water. KHHA applied and got approved. The initial grant amount was \$600,000, and after a year, they finally got a vendor to deliver 4,000 to 8,000 gallons of water twice a week for 25 weeks to their main gate. Although the project has not started, she initiated a request to the Board of Reclamation via CWRM to extend their time of water from 25 weeks to 52 weeks. They are working with Shelly and Kahana on the tank holders at the main gate. The designation of the water is for human consumption, animals, and fire.

The second project is a 2-acre Ulupalakua parcel owned by DHHL. She stated that Kahikinui has a meter dedicated to Kahikinui to fill up and haul water out of the 2-acres. The lot had not been tended to, and when she went to fill her water jugs, there were two bulls sitting and blocking the

spigot. She mentioned that the area needed to be surveyed and gave her report to Shelly and Kahana, who told her about the Revocable Permit Pilot Project.

ITEM J-4 Kaleo Cullen – Kahikinui Right of Entry Extension

K. Cullen testified that they put in a budget and asked for an extension for ROE 696 on the fog drip project. He stated they came up with a \$180,000 shortfall. He stated he wants to put in a written request, preferably a Letter of Intent, and a detailed proposal on how she wants to bring the water into Kahikinui.

ITEM J-5 Liliana Napoleon – Naiwa Agricultural Subdivision Alliance

L. Napoleon testified that it looked like there was progress, and they started the Naiwa Agricultural Subdivision Alliance. Through the Alliance, they are working with the 58 lots to help build competency and access to credit capital and to understand the process of homeowner/builder. The plan is to work with Hawai'i Community Lending and CTAHR at the University of Hawai'i.

ITEM J-6 Bo Kahui – La`i `Opua Development Corporation

B. Kahui testified he understands that the budget was approved, but for clarification, Attachment E, page 1, notes water resource for North Kona, \$40 million for design and construction. He believes it was part of Act 279. Chair Aila stated if it is listed in the Sufficient Sums ask budget, that it is now, that is not for Act 279. They made an ask for the Honokowai land and got denied. When they sent the proposal, the Department never acted on the proposal. B. Kahui stated that is correct. At that time, it is in now. Chair Aila stated the Department does not apply for GIAs. It is the individual homestead associations or the homestead affiliated groups. B. Kahui stated the Department failed La`i `Opua CDC several years back when they pursued this action. Chair Aila took exception to the description. It is the Commission's decision to apply trust funds at its disposal across groups across the state. Chair Aila stated he would make sure that B. Kahui's request is put back in that process.

ITEM J-7 Allen Cardines – Nanakuli Neighborhood Security Watch

A. Cardines updated the Commission on the Nanakuli Neighborhood Security Watch:

- 89-1137 Naniahiahi Place, Nanakuli - DHHL is in the process of designating a successor and hiring a contractor (rats/mice)
- 89-217 Pua Avenue, Nanakuli - DHHL is in the process of designating a successor (unsanitary conditions/fire starter)
- 91-1036 Kahalepouli St., Kanehili Homestead – Need guidance and leadership to shut down unsanitary and illegal conditions permanently.
- 89-435 Keaulana Avenue – What actions are being taken as a result of the contested case hearing? No improvement from the lessee. Could our NSW Team temporarily hanai this property to bring healing, prayer, worship, and bible studies? Darkness is not the problem; lack of light is

Chair Aila stated his request about the hanai concept would be taken into consideration, and Chair will talk with the Attorneys to see if that is legal and if it introduces liability to NSW. He will check and see if he can legally get back to A. Cardines, he will.

Commissioner Teruya stated the Keaulana residents are working on their own neighborhood security watch, and they would like to take charge of their own kuleana and Series 7. When she talked to the Keaulana residents, there were ongoing things happening, but they witnessed that the tenant was still there, and it had gotten worse. They are still drug activities going on there. The lessee who provided the documents that the Department and the Attorney General's Office requested is being threatened. They installed bulletproof windows and fenced their place.

Commissioner Awo asked that he would like to set aside some time to get an update on the contested case hearing.

ITEM J-8 Gracey Gomes and Janice Herrick – Paukukalo Hawaiian Homes Community Association

G. Gomes stated on behalf of Paukukalo HHCA and their President, Melissa Nama'u. They are here to present issues that their community is facing. They have seen the closure of their halls, neglect of their park, and a decrease in interest in their people. The park can no longer be used because of the irrigation system due to the high water bills. In 2008 arson destroyed their playground. The ceiling is falling, fixtures are broken, and the kitchen no longer works. Due to the demolition of two bus stops, the community has one existing bus stop.

Commissioner Awo stated these issues had been talked about for a long time. He asked which vision rises to the top that she would prioritize for their community. J. Herrick stated they are working on the bus stops and bus shelters, and most of the paperwork is completed. They are just waiting on bids from contractors. They want to work with the Department to make sure they are aligned. They applied for the \$100,000 grant. Commissioner Awo asked for the status of the grant.

Grants Specialist Gigi Cairel stated the Department has an open grant cycle, and grant applications are due on October 6, 2022. B. Feiteira stated they are in the process of pulling all the paperwork together. Chair Aila stated it is very important that somebody from the bus company also is included because there is the line of sight issues. B. Feiteira stated they contacted the bus company. She stated as soon as they get the rest of the information by the end of the week, then they can finalize the budget and then be able to submit it. Commissioner Awo stated the bus stop and then the hall, and then the park. Chair Aila stated the Department is going to fix the hall. J. Herrick asked if there was a timetable for the hall. Chair Aila stated as soon as the Department can get the procurement done.

ITEM J-9 Maimiti Ho – Lease Transfer Process

M. Ho testified she did submit her testimony online. She stated they are having issues with the current DHHL representative. She stated they started the process of the lease transfer in October 2021. Chair Aila asked that this is in Waimanalo. She stated yes. She stated they talked with the representative's boss, Ross, and did not get any reason for why the delays. Chair Aila stated the issue is more complex than most issues, and the Department is receiving advice from its attorneys to reconcile it to your satisfaction. That is the current situation. If that has not been communicated to you as of yet, we will follow up with future communication. She appreciated the information.

Chair Aila stated the Department would shoot as quickly as it could because it knows the timing issue that she faces.

ITEM J-2 Blossom Feiteira – Various Concerns

B. Feiteira stated we have been hearing about trying to figure out a way to help our beneficiaries be prepared and get ready. When she was at Hawai'i Community Assets, they developed a Beneficiary Readiness Program that started with a financial assessment to determine what were the needs and challenges and to develop a plan to help them be successful. Based on the income, they sought other types of innovative programs from other institutions like USDA, Enterprise, and other non-profits that were doing the same kinds of work. They launched in 1999 with the process that started with Waiehu Kou Phase 2. They identified all of the obstacles in the process and took those obstacles to help take steps on the right path. They ran through a mortgage assessment to find out where the beneficiaries were qualifying and how much they were qualifying for based on current income. With that information, they identified programs to help them save for the down payment and the closing costs. They also ran the beneficiaries through a 3-hour overview of the Hawaiian Homes Commission Act and their responsibilities. The results were they filled a room with 300 qualified beneficiaries in rank order that exceeded the number of lots available. You need to get to the beneficiaries before the notice goes out.

When an applicant is approved, she asks that the Department send the beneficiary to a non-profit organization to start that beneficiary readiness process. She stated the organizations have no way of contacting the beneficiaries. Chair Aila stated in the past. It was not able to provide a list to you. He also stated it is something reasonably achievable. Commissioner Awo asked that the Commission can explore and come up with a partnership. Chair Aila stated yes.

Commissioner Neves suggested advertising through the DHHL website that if you are on the waitlist and want to prepare yourself, then make that contact, and that contact can be through the DHHL website.

ITEM J-10 Germaine Meyers - \$600 Million Appropriation

G. Meyers testified on issues of the \$600 million. She highlighted two laws that address all Hawaiian Homes Commission meetings. The Sunshine Law and the Administrative Rules. In the Sunshine Law, she highlighted Executive Meetings, Minutes, and Penalties. In the Administrative Rules, she highlighted Sessions, Delegation of Duties to the Chairman, and the Minutes. Chair Aila stated there are efforts to bring the executive minutes up to speed.

ITEM J-11 Brandon Makaawaawa and Ian Chan Hodges – Bank of America

B. Makaawaawa is the President of Ka Koi Kokua. In 1994 Bank of America made a commitment to the federal reserve that they would loan \$100 million to the FHA 247 loans to the beneficiaries. Back then, that equated to almost 2,000 homes. He stated the commitment was by Bank of America, and they played politics and were able to get one administration to get them off the hook with a letter from Ben Henderson, which did not get any approval from the Commissioners.

They have had to take their fight to federal court. Their non-profit organization is represented by some lawyers, and they sued Bank of America earlier this year for that failed commitment under a RICO lawsuit. They are suing for the lost opportunity the beneficiaries failed to recoup almost 30 years ago. They are suing Bank of America for \$840 million. It is a RICO lawsuit, so if Bank

of America loses, they have to pay triple, which is about \$2.4 billion that can go to our community to provide homes and lands. One month later, they filed an additional lawsuit for fraudulent foreclosures that Bank of America has been doing to the people here as well as in Florida.

This issue happened in 1994 when the Bank of America was redlining the people here. The issue was brought up to the federal reserve board, and the federal reserve ordered Bank of America to fulfill its commitment.

Ian Chan Hodges presented the PowerPoint on Redlining of Hawaiian Home Lands by Hawai'i's Four Largest Banks – A Hawai'i Fair Lending Coalition Preliminary Report. He stated the lawsuit is a racketeering lawsuit for \$840 million.

He stated the Fair Housing Act prohibits redlining where banks would draw a red line around certain neighborhoods, mostly the African-American neighborhoods, and not lend.

Three out of four of the largest banks in Hawai'i do not offer any loans at all to the people in Hawaiian Homes. The four largest banks in Hawai'i together originated less than 6% of all FHA-247 loans/ Hawaiian Home Land's loans over 28 years. The four banks combined profits last year were about \$640 million.

Chair Aila asked, not counting the Bank of America, what requirements are out there for First Hawaiian Bank, Bank of Hawai'i, American Savings, and Central Pacific Bank, during that time frame, to be more than 6%. I. Hodges stated they are basically under the Fair Housing Act because they do not. The question is what the market is, and the preliminary report shows what they should have done, given their market size. In the example of the Central Pacific Bank, the expected lending was \$155,302,050, but the actual lending was \$3,221,213. He called a bank he banked with and asked if they do loans for Hawaiian Home Lands, and they said they do not.

Commissioner Ka'upu asked if the \$3.2 was actual lending they did on Hawaiian Home Lands. I. Hodges stated that is actual lending they did under the FHA-247 program. Commissioner Ka'upu stated the analysis of your claim is not related to how many requests were made that they denied. It is just the fact that that is the raw number that the bank ended up with. What if beneficiaries sought \$3.2 million of finance and American Savings Bank did all of it?

I. Hodges stated the banks should be sitting down at the table with DHHL and the beneficiaries and figuring out how to resolve this problem. Chair Aila stated two of the banks have reached out to the Department, American Savings Bank, and Central Pacific Bank.

B. Makaawaawa asked Ian to ask the Commission to support the report. Chair Aila stated they would need to get together and consider that.

Commissioner Ka'upu asked how important it is to claim on fee properties versus Hawaiian Homes properties and does it make a difference. I. Hodges stated it does make a difference. The Federal loans are not high risk because they are backed.

Chair Aila stated it is not that high a risk from the bank's perspective, but it is a high risk from where the Department is sitting because the Department is sitting somewhere between half a billion and \$600 million. There is a risk to the Trust. I. Hodges stated the banks should work on a program with DHHL and take some of that risk from the Department because that is their business. Chair Aila stated that HUD was taking a bigger portion of the risk.

Note: slide presentation attached.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING

Community Meeting Monday, September 19, 2022, 6:30 p.m. Lahaina Civic Center, Lahaina Civic Center, 1840 HI-30, Lahaina, HI 96761

The next HHC meeting will be held on October 17 & 18, 2022, in Hilo, Hawai'i

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Kaleikini, to adjourn the meeting.
Motion carried unanimously.

ADJOURNMENT

2:55 PM

Respectfully submitted:



William J. Ailā Jr., Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

Attachments:

- 1) Public Testimony
- 2) Slide Presentation
- 3) Slide Presentation

September 15, 2022

Aloha Hawaiian Homes Commissioners,

I am the owner of Peach Shells Hawaii, a beach-inspired handcrafted jewelry business located on the Island of Hawaii.

We would like to express our support for Prince Kuhio Plaza as a critical business partner. We participate in various events throughout the year at Prince Kuhio Plaza which provide us the opportunity to showcase our products to many customers and potential clients. Prince Kuhio Plaza allows us to reach a vast majority of customers that we would otherwise have missed. As a small business, we cherish every customer and client like they are ohana. And Prince Kuhio Plaza is a key venue that allows us to enjoy interacting with them and build relationships with people in our community.

It is our understanding that you are considering extending the lease for Prince Kuhio Plaza. Please grant the lease extension so that merchants like us can continue to utilize Prince Kuhio Plaza in developing our business. We need every opportunity possible to build our business after surviving the pandemic.

As a Big Island (Hilo) resident, Prince Kuhio Plaza is such a big part of everyone's lives, especially in Hilo. Whether buying a birthday gift, getting takeout for dinner or allowing our kids to "hang out" at a safe, fun gathering place, many residents and visitors alike enjoy Prince Kuhio Plaza.

Please renew the lease extension for Prince Kuhio Plaza.

Thank you for your consideration.

Warmest Mahalo,

A handwritten signature in black ink that reads "Alden Otani". The signature is written in a cursive, flowing style.

Alden Otani
Peach Shells Hawaii

Dear Hawaiian Homes Commissioners,

Mahalo in advance for your time and for the opportunity to weigh in on this important issue.

My name is Meilin Vitale-Vae, and I am the CEO of Missing Polynesia, a lifestyle brand and frequent vendor at Prince Kuhio Plaza. Our Polynesian inspired clothing, accessories and décor represent our proud heritage and our mission, which is to spread the art and culture of the South Pacific to the world. We are family-owned and operated small business and have one store in Aiea, Oahu. Inspired by the fashions of my own family, Missing Polynesia was started over 20 years to provide those who are missing the islands with products that remind them of home.

The craft fairs at Prince Kuhio Plaza mall allow us to reach customers on the Big Island and helps entrepreneurs like us interact with new customers. Our loyal customers often ask us when we are coming back and we look forward to participating year after year.

The Prince Kuhio Plaza provides a safe, comfortable and air-conditioned gathering place for local business owners like ours to offer products in-person to the residents of the Big Island. In this age of online sales, we appreciate the opportunity to meet our customers face-to-face, talk story and get to know them better.

I cannot imagine Hilo without the Prince Kuhio Plaza. Please extend its lease and allow it to continue to provide opportunities for small, local businesses like mine.

Warm regards,



9/16/2022 | 2:02 AM PDT

Meilin Vitale-Vae

CEO, Missing Polynesia

<https://missingpolynesia.com/>

To the Hawaiian Homes Commissioners,

This letter is to ask that you extend the Prince Kuhio Plaza's lease.

The Prince Kuhio Plaza has hosted craft fairs over the years for small businesses like ours ("mom and pop" – type vendors). It is at these venues that we are able to sell our locally made products to the community of residents and visitors alike who would not ordinarily go to a craft fair on other premises.

The craft fairs offered by the Prince Kuhio Plaza are usually tied to celebrations such as "Mother's Day", "Back to School", "Merrie Monarch Festival" and Christmas" therefore are offered year round and reach a diverse population. We are able to invite our own customers to come and shop at our booth and at the different stores or dine at the restaurants. It also gives us the opportunity to meet new customers.

The Prince Kuhio Plaza has also offered its kiosks to vendors to create our own "Pop-ups" during non-craft fair times and allows us to offer new creations. Our business is grateful for the opportunities that PKP offer to help grow our business and help to strengthen our Big Island economy. We know there are many vendors who would be negatively impacted should the lease not be extended.

Therefore we ask that you please extend the Prince Kuhio Plaza's lease.

Respectfully yours,

Richard Mortemore

Laupahoehoe Graphics, owner

Dear Hawaiian Homes Commissioners,

Vero Pearls is a family-owned business in Pahoa, specializing in Tahitian pearl, freshwater pearl and other jewelry pieces. We started our business in 2016 and today, our whole family, including our four daughters, work together to handcraft unique pieces of jewelry that we sell online and at pop up events.

Prince Kuhio Plaza has been an important place for us to sell our products. We are a small business and selling to local residents at these well-attended craft fairs has given us a chance to build our customer base and awareness for our company.

Please extend Prince Kuhio Plaza's lease. Many other small vendors like us rely on Prince Kuhio Plaza and if it is forced to shut down, it will really hurt our business. It also means that the community will no longer have a place to gather for events, craft fairs and other pop-up events, as well as a center for everyday shopping and dining.

Thank you,
Erhard & Yanira Autrata

“WE DO”

Waiohuli Economic Development Opportunities

Waiohuli Hawaiian Homesteaders Association, Inc

Presentation to

Hawaiian Homes Commission

Department of Hawaiian Home Lands

September 2022

Purpose of Today's Informational Presentation

- Introduce WE DO
- WHHA's Request for 65-year General Lease Disposition in accordance Sec. 204(2) and 207(c) of HHCA and DHHL's Kuli'a I Ka Nu'u Program
- Provide update on WHHA's submission of deliverables for Right of Entry #688

WE-DO Purpose

- Provide short- and long-term economic opportunities derived from the development of a master planned community
 - Community-based jobs - families can grow and nurture; remain in Hawaii
 - Core sector jobs (housing, water, wastewater, energy)
 - 21st Century career path development – stability, parity
 - Entrepreneurial and Small business support, incubation
- Secure and leverage public/private resources to support proposed land uses, and in turn, economic development
- Through Public-Private Partnership, work with contractors, professionals and service providers to foster training and mentorship in various fields of expertise.

Waiohuli Hawaiian Homesteaders Association (WHHA)

1999 Established

- Mission - to . . . “unite under the mana of all Hawaii Nei, to protect, preserve, and defend the Hawaiian Homes Land Trust as defined in the Hawaiian Homes commission Act of 1920, as amended, and combine our efforts for the rehabilitation and betterment of all Native Hawaiian Homeland beneficiaries.”

2005 Received 501(c)(3) designation

- Created a strategic plan for the Waiohuli Community to promote social interaction, education and sustainability
- Engaged in DHHL’s sponsored programs including Kulia I Ka Nu’u, Regional Planning

2007 Received initial 5 of 17 acres of land from DHHL for community use (Lic. No. 695)

2010 Participated in development of Keokea-Waiohuli Regional Plan

- Development of a community facility
- Development of water resource

WHHA... next 12 years

Secured \$4,215,000

- \$3,805,000 in GIA funding from Legislature (Non DHHL)
- \$410,000 in Regional Plan Priority Project Grants from DHHL

Developed (in response to community planning)

- Certified commercial kitchen, Comfort station, Outdoor amphitheater, Community garden, Hale Halawai, open park space

Created

- Mentoring partnerships with project contractors & professionals resulting in “3 to 1” leveraging

The Start of WE DO

- 2018 November** WHHA Board establishes WE-DO
- To create and sustain economic opportunities derived from development
- 2018 December** Request for Land Disposition
- [Sec. 204(2) and 207(c) of HHCA]
 - Kuli'a I Ka Nu'u Program
- 2019 May** Beneficiary Consultation @ Kula Community Center
- 2019 August** HHC approves ROE to 150 acres to conduct due diligence for WE DO
- 2021 July** Governor Approves \$80M Special Purpose Revenue Bond (SPRB)
- 2022 June** Initial presentation to DHHL Administration

WE DO Plan

Completion of ROE Deliverables

- ✓ Submit a Master Plan
- ✓ Submit a Project Business Plan
- Consult with and work closely with DHHL on completing HRS Chapter 343 and HRS 6E compliance documentation and studies
- ✓ Submit bi-annual progress reports to DHHL and the HHC.

Site Assessment ✓

- Land Use Context, location, surrounding uses, land use designations
- Geology/Topography, Hydrology/Drainage, Land Cover
- History/Culture, Demographics
- Infrastructure, incl. water availability study

Findings of Note

Water

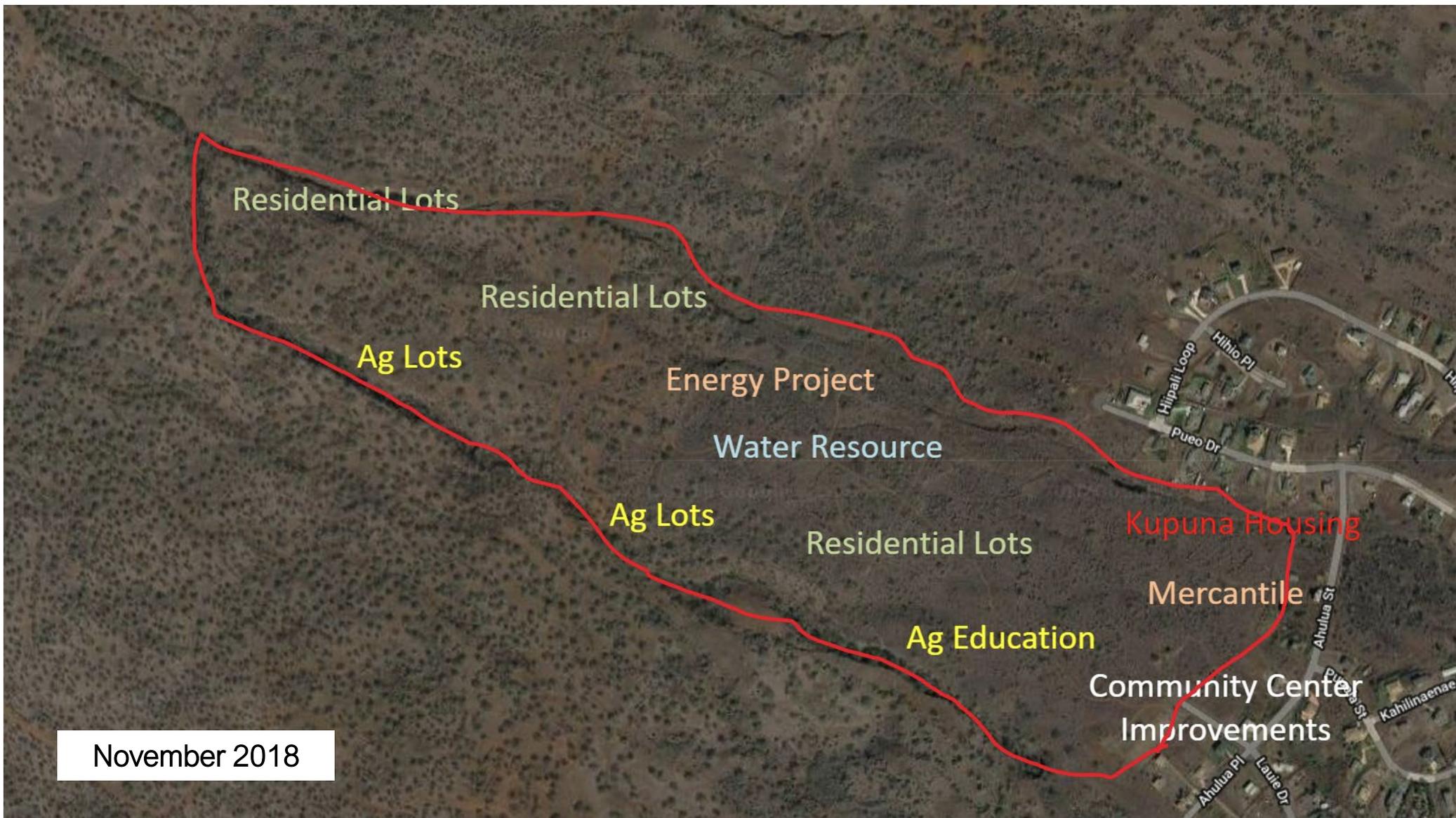
- Located on the Kama'ole Aquifer
 - Aquifer sustainable yield of 11 mgd
 - Planned water development estimated to satisfy WE DO development needs

Topography & Drainage

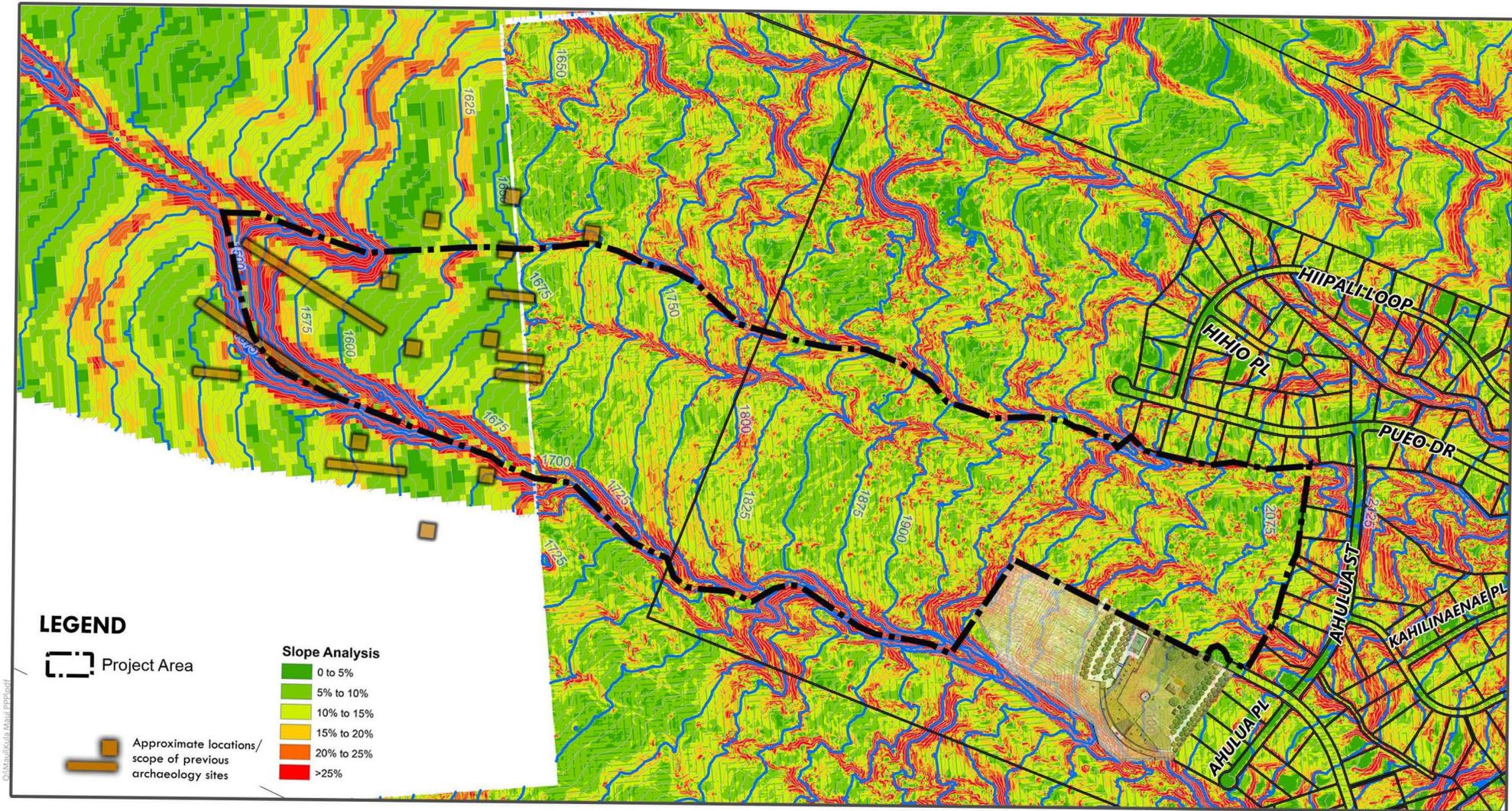
- Concept layout preserves gulches, minimizes grading, maximizes views
- Waiohuli's contours drove the WE DO concept layout

Archaeology

- Entirety of the Kēōkea-Waihouli Tract has been extensively surveyed for archaeological resources
 - WE DO site planning is designed to avoid disturbance of identified sites
 - Proper preservation steps and monitoring will be implemented as necessary



November 2018



©2014 Hawaiian Islands Water Engineering



Renewable Energy



Agricultural Technology

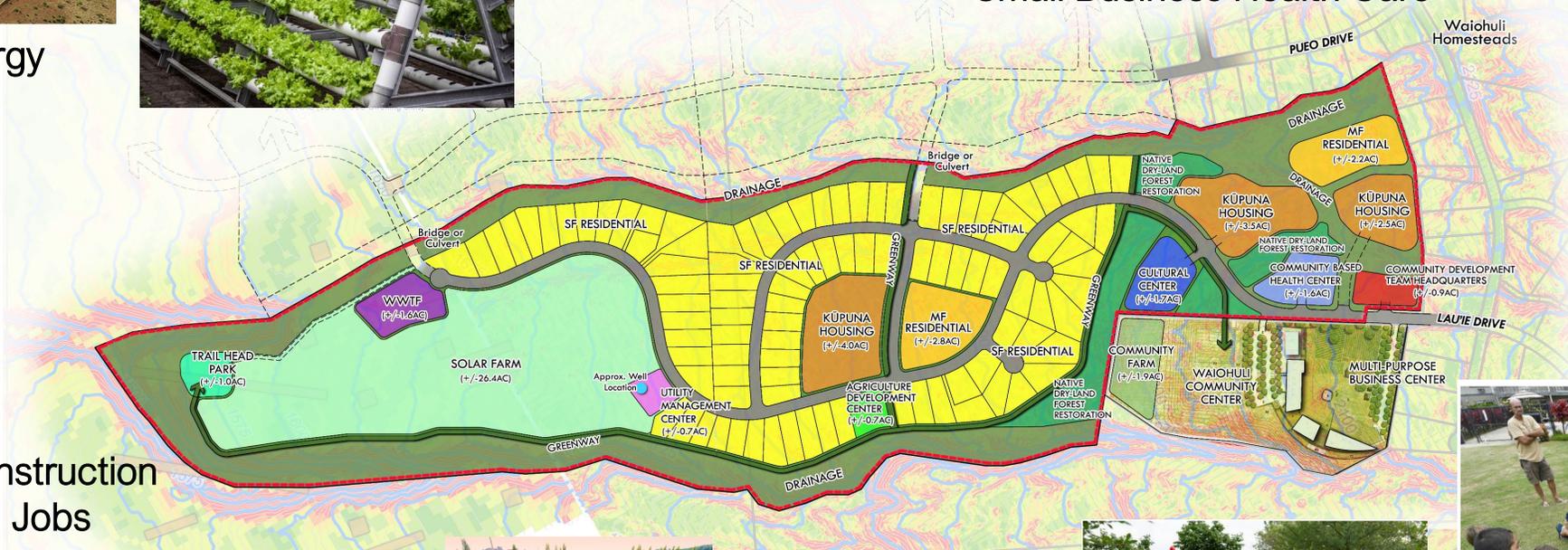


Technology, Keiki Care, Small Business Health Care



Kūpuna Care

Multi-Generational Communities



Construction Jobs



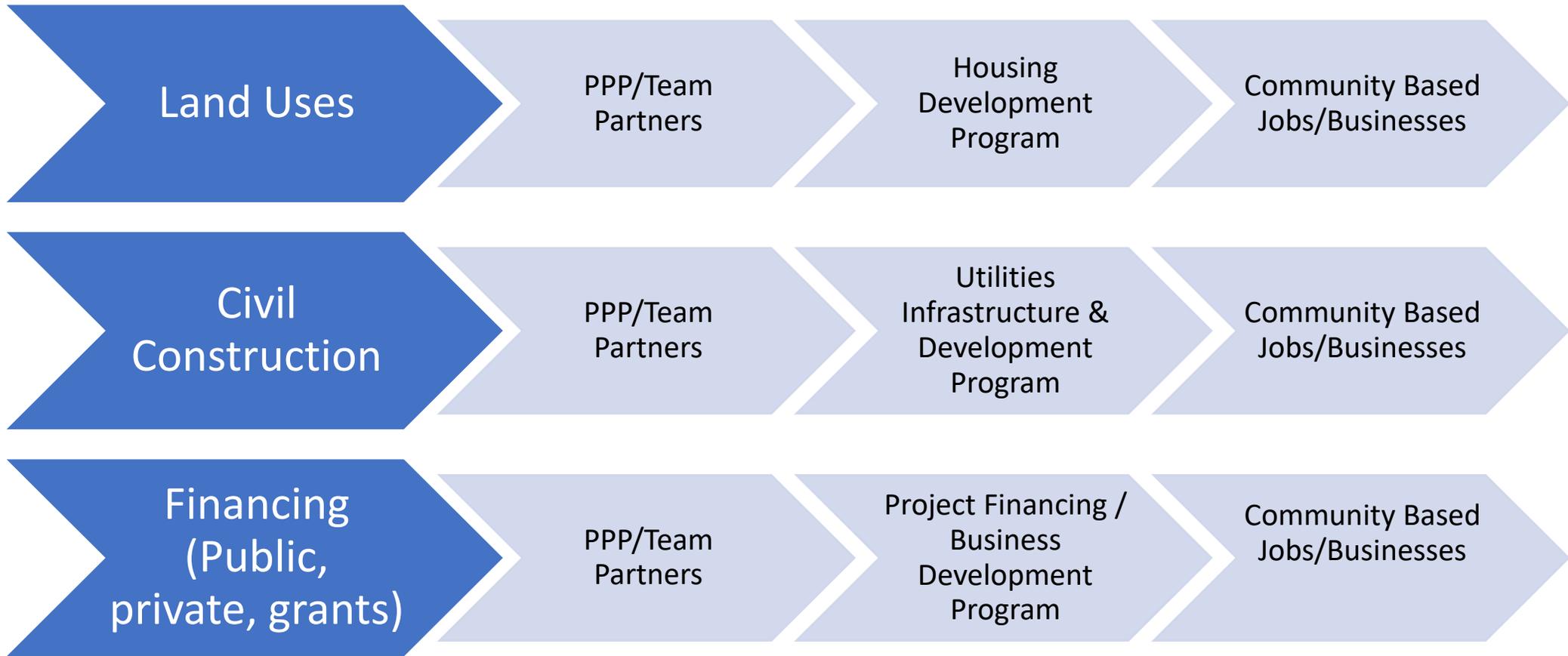
Water and Wastewater



Community Spaces



WE DO Strategy – “Community Building Communities”



Aligning Concept Plan with Vision

Housing (Infrastructure, single family, multi-family, rental, kūpuna housing)



Short Term

Planning

Design (civil, vertical)

Engineering

Survey

Environmental

Construction

Legal Services

PV & Solar

Homebuyer Counseling

Loan & Escrow Services

Long Term

Rental mgmt. & services

Elderly management & services

Common area maintenance

Security, smart home technologies

PV & Solar

Legal services

Kūpuna care center

Aligning Concept Plan with Vision

Agricultural (housing with subsistence farming, vertical farming)



Short Term

Ag Education & Technical Assistance

Long Term

Ag education and technical assistance

Ag processing

Ag co-op

Storage and transportation

Marketing

Small business support

Aligning Concept Plan with Vision

Community Spaces (learning center, cemetery, cultural preservation)



Short Term

Planning, civil

Construction

Long Term

Program development

Grant writing

Arts and culture venues

Legal services

Childcare services/center

Aligning Concept Plan with Vision

Energy, Water, Wastewater



Short Term

Planning, civil

Construction

Marketing

Distribution

Management

Technical support

Long Term

Management and maintenance jobs

Technical support

Cyber security

Legal Services

Economic Overlay

Experienced, Hawaii-Based Teaming Partner(s) – Funding by 2022 Grant In Aid

- Assessment
 - Identify community skillsets
 - Determine interests, readiness
 - Match needs with support services
- Coordination / Implementation
 - Align support services
 - Teaming partners mentorships
 - Other communities
 - Timing with development schedule
- Evaluation / Performance Measurements
 - Quantifiable results
 - Community impact

Business Plan

- Itemized description of proposed land uses, quantities and phasing plan
- ROM estimates for civil and vertical costs
- Sources of funding
 - \$80M SPRB & Biden Infrastructure Funding for initial phase
- Phasing
- Expense & Income budget
- Key partners committed to the project

Business Plan

Sources of funding

- Special Purpose Revenue Bond (\$80 Million)
- Federal, State, and Foundation Grants
- Federal and State Tax Credits
- USDA Rural Development
 - USDA Rural Utilities Service
- CoBANK Rural Community Development
- US Department of Commerce
 - Economic Development Administration
- US Department of the Interior
 - Bureau of Indian Affairs
- US Department of Energy
 - Office of Energy Efficiency and Renewable Energy
- Investment Banking and Corporate Bonds
- Private Equity and Hedge Fund Financing
- National Endowment for the Humanities
- US Department of Education
- US Department of Health and Human Services
 - Administration for Community Living
 - Administration on Aging
 - Administration for Native Americans
- Biden Infrastructure Investment and Jobs Act
- Office of Hawaiian Affairs

Bi-Annual Reporting

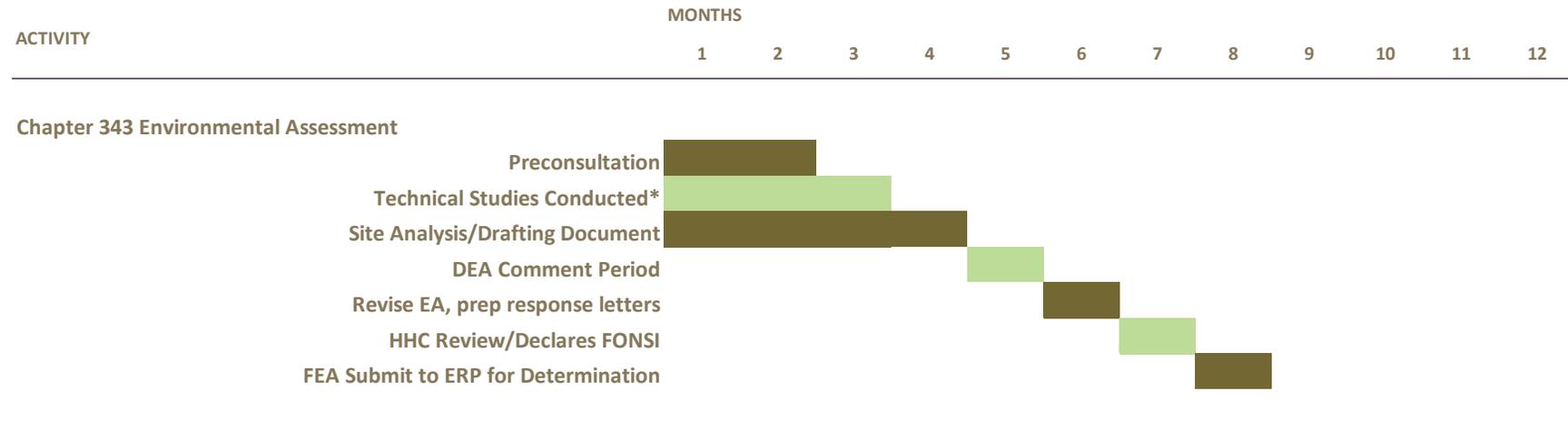
ROE issued January 2020 (36-month term ends Jan 2023)

- 1st Report Feb 2020 – Jul 2020 (submitted Aug 2020)
- 2nd Report Aug 2020 – Jan 2021 (submitted Feb 2021)
- 3rd Report Feb 2021 – Jul 2021 (submitted Aug 2021)
- 4th Report Aug 2021 – Jan 2022 (submitted Feb 2022)
- 5th Report Feb 2022 – Jul 2022 (WE DO draft plan review Jun 2022)

HRS Chapter 343 Compliance (pending)

- Literature review
- Technical Studies
- HRS Chapter 343 FONSI is anticipated

Environmental Clearances Task Timeline



*Technical studies needed: Archaeological Assessment or Survey; Cultural Impact Assessment; TIAR; PER (or equivalent)

Next Steps

- Complete due diligence review with DHHL
- Exercise extension clause to ROE term
- Seek Preliminary GL approval from HHC
- Complete Chapter 343 Compliance / Secure GL disposition

A landscape of rolling hills at sunset or sunrise. The sky is a gradient of light blue and orange. The hills are silhouetted against the bright sky, with a warm glow on the left side. The word "MAHALO" is overlaid in white, sans-serif capital letters in the center of the image.

MAHALO

Brookfield
Properties

Prince Kuhio Plaza

Hilo, Hawaii



Prince Kuhio Plaza Overview

Prince Kuhio Plaza is a long standing pillar of the Hilo community and a major economic driver on the Big Island. As the largest indoor shopping center on the Big Island of Hawaii, the property boasts more than 60 dining, retail, entertainment, and service options. Brookfield Properties, the long-term owner of Prince Kuhio Plaza, has consistently invested in maintenance and upgrades of the property, maintained a vibrant array of retailers and service providers and provided important community events and services.

Located along the Mamalahoa Highway in Hilo, the center serves the residents of East Hawaii and is home to many destination retailers including the Big Island's only TJ Maxx, Tractor Supply Store, Hot Topic, American Eagle, Kay Jewelers, Spencer Gifts, Old Navy and Maui Tacos.

Visitors can catch new releases at the only cinema in East Hawaii, enjoy dining options such as Starbucks, KFC, Zippy's, IHOP and Genki Sushi, and shop at retailers including Macy's, Bath & Body Works, Petco, Hawaiian Island Creations and many more.

Additionally, Prince Kuhio Plaza offers a variety of daily needs and service offerings for the Hilo community including US Renal Care (opening 2022), Longs Drugs, HFS Credit Union, First Hawaiian Bank, Kuhio Dental Group, Maika'i Veterinary Clinic, US Armed Forces and the Social Security Administration.

Visitors also can experience seasonal events such as craft fairs, signature community events, entertainment by local artists and musicians, COVID testing/vaccine pop-ups as well as visit the Big Island Hall of Fame, located within the center.

Economic Impact of Prince Kuhio Plaza

Economic Impact

Prince Kuhio Plaza has a significant economic impact on the island of Hawaii:

Annual Property Taxes Paid (2020): \$757,899

- Highest property tax payer on the east side of the Island
- One of the highest property tax payers on entire Island

Annual General Excise Tax Paid (2020): \$5,058,494

- Estimated to be surpassed only by Costco and Walmart

Employment (2019, pre-COVID): 1500 employees

- Including 600 full time and 900 part time
- The largest source of employment on the Big Island- ahead of Four Seasons (1,300), Maua Kea Beach Hotel (1,100), Hilton Waikoloa Village (920) and KTA Super Stores (850)

Estimated Annual Wages Paid (2020): \$34,786,500

- For 1500 employees, based on average local retail wages

Annual Payroll Taxes Paid (2020): \$10,400,000

Contribution to DHHL Income (2020): \$614,147

- Representing over 10% of the General Lease income received on the Big Island

Direct Benefit to DHHL Beneficiaries

In addition to the economic and community impact of Prince Kuhio Plaza, the long-term ground lease provides direct benefits to the DHHL beneficiaries:

Annual payments of \$100K

- Part of our annual lease payments is allocated to...(need to clarify/verify this)

Designated Space and Usage in the mall for beneficiaries:

- Merrie Monarch craft fair
- Preference for Hawaiian-owned businesses

Maka'ala Ingress/Egress Improvements:

- As part of our development plan, Brookfield will commit to work with the municipalities, and commit up to \$150K for improvements, to the Maka'ala street exits in order to improve traffic flow

Recently Completed Major Capital Investments

Prince Kuhio Plaza Improvement Projects

In 2016, Brookfield Properties completed a \$6M aesthetic interior renovation of the mall which included new tile floors, furniture in all common areas, column wraps, and lighting

Before



After



Prince Kuhio Plaza Improvement Projects

In 2016 we also demolished the "Hilo Hattie building" at a cost of \$5M to make way for new retailers such as Verizon Wireless and Genki Sush

Before



After



Prince Kuhio Plaza Improvement Projects

In 2018, another \$7M was expended to re-lease the former Sports Authority premises to TJ Maxx and Petco



Before



After



Prince Kuhio Plaza Improvement Projects

In 2020, another \$3.1M was spent on tenant improvements and landlord work to lease the former Safeway outparcel to Tractor Supply Company.

Before



After



Community Events

Prince Kuhio Plaza Events

Prince Kuhio Plaza is centrally located in the main shopping area in Hilo, making it an ideal location to host community events and entertainment. Additionally, being the only enclosed shopping center on the island further solidifies the property as the best event space due to Hilo's ever changing weather.

Prince Kuhio Plaza hosts more than 50 events per year, making it a gathering place for the community. The property takes great pride in knowing that it is the premier venue for hosting events and supporting the Hilo community.

Events range from large to small and include the following:

- Monthly performances by both Hilo and Pahoa Kapuna groups
- School performances
- The Armed Forces band that plays annually during Kamehameha week
- Performances by acclaimed local artists such as Ben Kaili, Bruddah Walter, and Komakakino
- Chinese New Year celebrations
- Walk for the Cure event for The Arthritis Foundation
- Merry Monarch and Mother's Day Craft Fairs

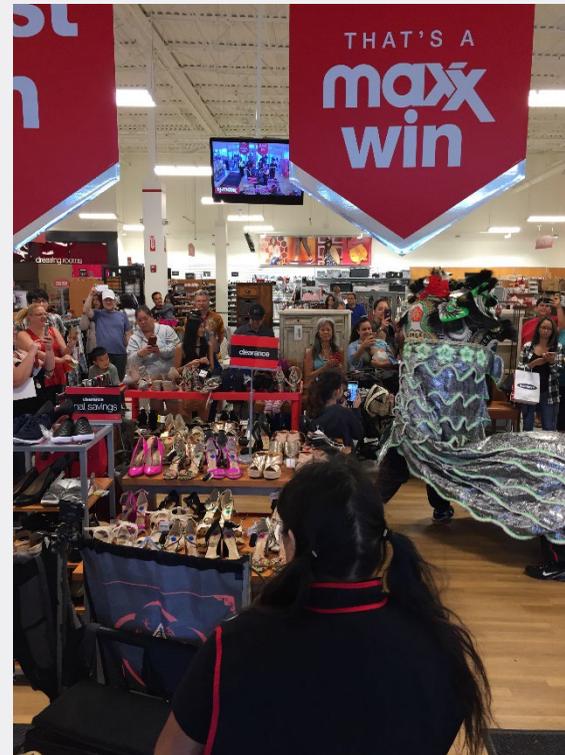
Prince Kuhio Plaza COVID-19

Prince Kuhio Plaza was used as a testing site many times throughout the pandemic, and ~1.5K doses of the COVID-19 vaccine were administered on site from May through July



Chinese New Year Celebration

Pre COVID-19, Prince Kuhio Plaza hosted an annual traditional lion dance to ward off evil spirits and bless the tenants with good fortune and blessings for the New Year. About 80% of mall tenants participated and attendance exceeded 1,500



Walk to Cure Arthritis

Due to its prime location in Hilo, Prince Kuhio Plaza hosts a variety of non-profit organization events, including the Arthritis Foundation's Walk for the Cure event



Walk to Cure Arthritis® National Sponsors



Merrie Monarch Craft Fair

One of the biggest annual events in Hilo is the Merrie Monarch Craft Fair. Prince Kuhio Plaza is a favorite host location because it is indoors, air conditioned and has become “the spot” for some of Hawaii’s most unique and iconic vendors including Manaola, Hawaii’s Finest, Missing Polynesia, and Nahe Waihine. With around 45 vendors and crafters from around the state, Merrie Monarch week draws thousands of customers to the mall each day



Mother's Day Craft Fair

This annual three day craft fair host several local vendors selling gift for mothers on their special day. One of the main vendors is Carmela Orchids who also vends during Valentine's Day week



UHH-Daniel K. Inouye College of Pharmacy Health Fair

This annual event draws large numbers of people to see booths run by the students in the College of Pharmacy, various vendors in the health field, as well as informational booths and even free health screenings



Kris Fuchigami's Ukulele Contest

This annual event is sponsored by Kris Fuchigami and several local stores to promote the ukulele and entertain the public



Christmas Events

There are many events for Christmas, and they go from the second week in November all the way to Christmas day. Events include: photos with Santa, pet nights for photos with your pets, COH-RSVP gift wrapping, Junior Achievement of Hawaii Island Trade Show, Laulima Giving Program hosted by KHON2, and a holiday craft fair



Big Island Sports Hall of Fame

The Big Island Sports Hall of Fame leases a wall in the mall's common area for their display. This popular attraction hosts their inductee ceremonies in the mall in front of the wall when new athletes are inducted into the Hall of Fame

