

HAWAIIAN HOMES COMMISSION

Minutes of April 17, 2023

Kūlana Ōiwi Halau, 600 Maunaloa Highway, Kalama‘ula, Moloka‘i, and
Interactive Conferencing Technology (ICT) Zoom

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 AM.

PRESENT Kali Watson, Chairman
Randy K. Awo, Maui Commissioner
Zachary Z. Helm, Moloka‘i Commissioner
Michael L. Kaleikini, East Hawai‘i Commissioner
Russell K. Ka‘upu, O‘ahu Commissioner
Pauline N. Namu‘o, O‘ahu Commissioner (ICT)
Dennis L. Neves, Kauai Commissioner (ICT)
Patricia A. Teruya, O‘ahu Commissioner

EXCUSED Makai Freitas, West Hawai‘i Commissioner

COUNSEL Alyssa Kau, Deputy Attorney General

STAFF Katie L. Ducatt, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Richard Hoke, Executive Assistant to the Chairman
Andrew Choy, Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact, and Awards Division Administrator
Lehua Kinilau-Cano, NAHASDA Manager
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Watson called the meeting to order at 9:48 a.m. Six (6) members were at the meeting location, and two (2) via Zoom, establishing a quorum.

Chair Watson announced that the Commission would recess at noon for lunch and convene in an executive session for approximately 30 minutes. The DHHL community meeting will be held here at the Kūlana Ōiwi Halau starting at 6:30 p.m.

Homestead Services Division Administrator Juan Garcia asked the Commission to amend the agenda. He explained that while the Item D-6 submittal included six(6) additional requests, the names were inexplicably left off the agenda exhibit. The agenda exhibit list should include George Kekahuna, Lease 5409; Inez K. Ho, Lease 5409; Kenneth Tavares, Lease 7543; Irene Vinge, Lease 5436; and Britt Kauanoë, Lease 11823.

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Awo, to amend the April 16 & 17, 2023 Hawaiian Homes Commission Meeting Agenda Item D-6 exhibit list to include the following names: George Kekahuna, Lease 5409; Inez K. Ho, Lease 5409; Kenneth Tavares, Lease 7543; Irene Vinge, Lease 5436; and Britt Kauanoe, Lease 11823.

Motion carried unanimously

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Helm, to approve the amended agenda. Motion carried unanimously.

APPROVAL OF MINUTES

MARCH 20 & 21, 2023, REGULAR MEETING MINUTES

MARCH 28 & 29, 2023, PUBLIC HEARING MINUTES

MARCH 29, 2023, SPECIAL MEETING MINUTES

Commissioner Teruya noted that the Public Hearing Minutes for both days should be changed to reflect the convening by Chair Watson rather than former Interim Chairman Ikaika Anderson.

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Helm, to approve the March 20 & 21, 2023 Minutes; the March 28 & 29, 2023 Public Hearing Minutes; and March 29, 2023, Special Meeting Minutes, as amended. Motion carried unanimously.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

PT-1 Irene Ka‘ahanui – J Agenda

I. Ka‘ahanui asked if Ahapua`a O Moloka`i is a homestead association and if they were a legitimate organization regarding grants. The Department needs to check.

PT-2 Lehua Kauka, Brent Nakihei, and Stacy Crivello – Flooding in Kalama‘ula, Commercial Water Chair, and Kalaniana‘ole Hall – Items E-3 and G-3

B. Nakihei is Vice-President of the Kalama‘ula Homestead Association. Flooding from March 2023 storm prompted his request to replace a culvert, build berms, scrape silt, and remove the old bridge on the makai side of Maunaloa Highway to prevent future flooding.

Commissioner Helm asked if he met with the County or the State Highways. In the past, the County’s Public Works did the job when asked. B. Nakihei stated he met with Juan Garcia and Richard Speer, who had a plan and were looking for funds. He stated the instant solution was to have Myron go with his backhoe and clear a pathway, but a long-term solution is needed. Acting Land Development Division Administrator Stewart Matsunaga stated that the County and State’s policies have not changed and are prepared to assist but need coordination.

Lehua Kauka is the President of the Kalama‘ula Homesteaders Association, who manages the Kapuaiwa. They have been paying a commercial water connection fee of \$491.26 every billing

and asked how the fee can be waived or lessened. They had to raise the rental fees for the park from \$50 to \$75 to cover the cost of the water fee.

Commissioner Helm asked how much the fee was. She stated \$491.26, which does not include the water bill of about \$1200. Commissioner Teruya asked if the fees were paid to DHHL.

Association Treasurer Lawrence Lasua stated the fee is for the 2-inch line connection and the water consumption. DHHL charges these, and that is about \$1000. He stated the ask is for the Commission to waive the 2-inch commercial charge. Commissioner Teruya asked how big the parcel was, and the staff told her 5 acres.

Board member Stacy Crivello was grateful for the Department's consideration to re-look and repair their Kalaniana'ole Hall. S. Matsunaga stated the Governor released the funds in late February, and the amount set aside for Kalaniana'ole Hall is \$500,000. Staff is scrambling to get the procurement out because the funds lapse on June 30, 2023. They are sending an engineer to determine what can be done with the funds.

PT-3 Bridget Mowat – Flooding of Homes, Ocean Rising, and Project Update

B. Mowat, President of the Kapa'akea Hawaiian Homestead Association, spoke about the severe flooding to Kapa'akea. The County and State come in to clear the road, not the mud on the properties. The stream in the middle of Kapa'akea into people's homes is in the loop. The County is willing to help but needs access to the property. They discussed retention basins so the mud goes one way, and the water to a spill-way. She asked if the Department could help and assist. S. Matsunaga stated that for a retention basin to be constructed, LDD would have to go through the engineering designs and look at the drainage and topography, as Kapa'akea is close to sea level.

They are in a flood zone and cannot get federal funding from NAHASDA. The kupuna needs help with ramps and repairs to their homes. Their Association is not a 501(c)3 but works toward the designation.

Leilani Wallace stated that the Moloka'i office needs a Director. When she calls the office and Kapa'akea is in need, there is no one there; when someone is there, they cannot help. People have to call Honolulu to get an answer.

Chair Watson stated he did not realize the Department was missing 40% of its workforce all across the different divisions. The Department is recruiting, and he encouraged anyone looking for a job to please look at the Department's website, DHHL.hawaii.org.

PT-4 Ron Davis – Moloka'i Homestead Livestock Association

R. Davis asked Commissioners to renew their Right-of-Entry Permit. He is also a Kapa'akea lessee and stated a pile of dirt 6 ft high and 15 ft wide came from his front yard, and mud remains in his garage, patio, office, and shop. He also is concerned about the safety of the kupuna and stands in support of all the testifiers.

PT-5 Cora Schnackenberg – Item C-3, C-1 and G-4

C. Schnackenberg is a board member of the Ahonui Homestead Association, and the Director for the Association of Hawaiian Homelands, and both entities represent the wait listers.

For Item C-3, the kupuna supports the item relating to enforcement. She also asked if the Department would be interested in training cadets as an opportunity to bring the youth into something proactive. Regarding Item G-4 for ‘Ualapu‘e, she thanked G-70 and the DHHL staff for their hard work and for answering the community’s concerns.

PT-6 Herbert Hoe – Item G-4

H. Hoe testified in support of the work toward homesteads in ‘Ualapu‘e and hopes to get a homestead soon.

PT-7 William Kekauoha – Item G-4

W. Kekauoha testified in support of Item G-4, ‘Ualapu‘e homestead. He asked that the new leader of DHHL make the best decisions to protect the Hawaiian people across the State.

PT-8 Dickenson Stone – Item G-4

D. Stone is the President of the Ahonui Homestead Association and supports Item G-4. He would like to see the ‘Ualapu‘e project go through.

PT-9 Halona Kaopuiki – Item G-1

H. Kaopuiki testified that he was born in the old hospital in Ho`olehua. In 1963 they did away with the hospital due to all the amendments the Department of Interior threw on the homesteads. They did not have to pay hospital bills because of the Queen, but there were 145 amendments. He wants to make amendments to amend the amendments. He stated the people of each island should nominate their own Commissioner. Also, Moloka`i Airport has an 8” pipe and not paying its water bill. His mana`o is the airport should pay the water bill of all the lessees not paying their water bills.

PT-11 Iwalani Kadowaki – Item G-4

I. Kadowaki is Vice-President of Ahonui and testified in support of Items C-3 and G-4, the Ualapue homestead development. Her concern is that when all the mo`opuna leave home, she will be alone, and she is concerned about her safety.

PT-12 Raymond Naki – Item G-4

R. Naki testified about Mana‘e, which is the East. They have a Kupuna Council that started three years ago and having a difficult time now meeting in Kilohana Center. Kupuna in Mana‘e need housing.

PT-13 Yolanda Tanielu – Item G-4

Y. Tanielu testified that her homestead is in Ho`olehua, given to her by her mom. She is thankful that she has a homestead. The ‘Ualapu‘e land is for whoever wants to live there, and the property there would be her Ag. Our people are being priced out of paradise. She asked that the Department make a committee focusing on the waitlist. There have been people that have been on the list for a long time. There must be land on Moloka`i to get the people into their homes.

PT-13 Bo Kahui – Item C-3 and E-4 (Zoom)

B. Kahui testified that he is in support of Item C-3. He stated he would like to participate in finding a solution. Regarding Item E-4, relating to Act 279. The La`i `Opua Homestead Regional Plan made water resource development its No. 1 priority since 2009 and was revised in 2020, making water resources its No. 1 priority. He requested the Commission consider an informational briefing for the Holualoa Water Project at next month's Hawai'i Island meeting. They want to include dialogue for the purchase of a 129-acre coffee farm. He stated there is water there, and it is important that the Department purchase the 129 acres. According to the current owner, whoever buys the property would receive \$10,000 per month from the current coffee farmer until the sublease ends. La`i `Opua CDC would then seek a right of entry permit to help the Department build a community development economic project.

PT-14 Wayde Lee

W. Lee testified he built his own home for less than \$40,000, but the County says his home is worth \$180,000. The problem is he must pay taxes for that. The request is that the Department go to the Legislature and ask that all the homestead homes be assessed less by the County. The assessment is the same as those who live on private land, but he cannot sell like someone on private land, so the assessment for Hawaiian home should be less than everybody else because he can only sell to somebody with 50% Hawaiian. The market is smaller, but he gets assessed just as much as a private owner. He does not think it fair as he does not own the land but leasing the land from Hawaiian Homes.

PT-16 Kamaka Kiaha

K. Kiaha testified that he and his dad are lessees of the Nā`iwa Pala`au subdivision. He stated they have a Naiwa Agricultural Subdivision Association. They supported Item E-2 and asked the Commission to continue moving forward with the infrastructure plans for the Nā`iwa subdivision.

PT-17 Robin Kealiinohomoku – Items C-1 and E-1

R. Keliinohomoku testified according to the June 30, 2022, waitlist, she is 3,898 on the Maui residential waitlist and 4,759 on the Valley Isle agricultural waitlist. She advocates for Items C-1 and E-1. She called for a Permitted Interaction Group (PIG), which includes wait list beneficiaries, to resolve vacant homestead lots and the proliferation of vacated homes that lie deteriorating. At the same time, tens of thousands of active applications remain on the DHHL books. She thanked the Commission for considering her request for a PIG to mitigate the issue of vacated homestead homes and unawarded homestead lots.

PT-18 Jojo Tanimoto – Items C-3 and G-5

J. Tanimoto testified concerning the water resource issue and climate change. She stated that Kawaihae has a strong wind problem because the watershed is gone, and the ocean is collecting the erosion flowing down from their steep subdivision. A river overflows into people's yards and floods them out. The ask is to get water to Kawaihae.

PT-19 Princess Maka`ahoa

P. Makaahoa stated she is an heiress to the ancestral lands of 4.5 million acres and stated DHHL Trust holds 200,000 acres, less than 1% of the allodial title. Who is the settler of the Trust?

Where did the \$600 million allocated to the wait listers come from? Is priority given to those who are 75% Hawaiian because what is seen is 25% lessees are being attended to. Chair Watson stated that this is an opportunity to testify on the agenda item, and you are not authorized to ask questions to the Commissioners.

MOTION

Moved by Commissioner Teruya, seconded by OHelm, 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

12:30 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.

1. Discussion regarding the General Leasing Policy Pursuant to Section 204(a)(2) of the HHCA

EXECUTIVE SESSION OUT

2:45 PM

ITEMS FOR DECISION MAKING

CONSENT AGENDA

HOMESTEAD SERVICES DIVISION

- ITEM D-2 Approval of Consent to Mortgage (see exhibit)**
- ITEM D-3 Ratification of Loan Approvals (see exhibit)**
- ITEM D-4 Approval of Homestead Application Transfers/Cancellations (see exhibit)**
- ITEM D-5 Approval to Certify Applications of Qualified Applicants for the Month of March 2023 (see exhibit)**
- ITEM D-6 Approval of Assignment of Leasehold Interest (see exhibit)**
- ITEM D-7 Approval of Amendment of Leasehold Interest (see exhibit)**
- ITEM D-8 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems or Certain Lessees (see exhibit)**
- ITEM D-9 Rescission of Homestead Lease Award and Reinstatement of Application, Undivided Interest – SHARI L. SILVA HAO**
- ITEM D-10 Commission Designation of Successor – VALMORES D. KALAOLA, Residential Lease No. 12462, Lot No. UNDV143, Kapolei, Oahu**

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following: Motion to approve the Consent Agenda items listed for the Commission's consideration.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Teruya, to approve the Consent Agenda as stated in the submittal.

DISCUSSION

Commissioner Teruya asked regarding Item D-5 if an applicant can hold an ag and residential lots in O`ahu. J. Garcia stated that a beneficiary could only hold one lease because of the shortage of land on O`ahu.

ACTION

Moved by Commissioner Neves, seconded by Commissioner Teruya, to approve the Consent Agenda as stated in the submittal.						
Commissioner	1	2		A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Freitas						X
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya		X	X			
Chairman Watson			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Eight (8) Yes votes.						

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-1 Approval of Lease Awards Kakaina Residential Subdivision – Vacant Lot – Waimanalo, O`ahu; La`i `Opua Village 3 Pre-Owned Residential Home – Kailua-Kona, Hawai`i; Waianae Pre-Owned Home – Residential Lot – Waianae, O`ahu; Kaumana Subdivision – Residential Vacant Lots – Hilo, Hawai`i (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Contact and Awards Division Administrator Paula Aila presented the following: Motion that the Hawaiian Homes Commission approve the 99- year Lease Awards Kakaina Residential Subdivision – Vacant Lot – Waimanalo, O`ahu; La`i `Opua Village 3 Pre-Owned Residential Home – Kailua-Kona, Hawai`i; Waianae Pre-Owned Home – Residential Lot – Waianae, O`ahu; Kaumana Subdivision – Residential Vacant Lots – Hilo, Hawai`i (see exhibit)

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Ka`upu, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Freitas						X
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya	X		X			
Chairman Watson			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Eight (8) Yes votes.						

ITEM C-2 Approval to Amend the 2023 Hawaiian Homes Commission Meeting Schedule – June 2023

RECOMMENDED MOTION/ACTION

Chair Watson presented the following:

Motion that the Hawaiian Homes Commission amend the 2023 Hawaiian Homes Commission Meeting Schedule for June 2023 from June 19 & 20 to June 26 & 27.

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Neves, to amend the 2023 Hawaiian Homes Commission Meeting Schedule for June 2023 from June 19 & 20 to June 26 & 27.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Freitas						X
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves		X	X			
Commissioner Teruya	X		X			
Chairman Watson			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Eight (8) Yes votes.						

LAND MANAGEMENT DIVISION

ITEM F-1 Annual Renewal of Right of Entry Permit(s), Moloka`i island (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve the Annual Renewal of Right of Entry Permit(s), Moloka`i Island.

Exhibit A2, Right of Entry 499 for Monsanto Hawai`i, should have been removed because they were canceled on April 30, 2022. Please cross that off the list.

Chair Watson stated ROE 499 had been removed, and the motion is to approve the remaining on the list.

MOTION

Moved by Commissioner Helm, seconded by Commissioner Kaleikini, to approve the motion as stated with the removal of Right of Entry 499 for Monsanto Hawai`i.

DISCUSSION

Commissioner Kaleikini asked what ROE 500 is used for. K. Albinio stated it is specifically used for livestock.

Public testimony – Sybil Lopez inquired about the Right of Entry Permits for the empty parcels in Kalama`ula. K. Albinio stated the Churches referred to are Licenses and not ROE Permits, which are different dispositions. Are ROE permits or not?

ACTION

Moved by Commissioner Helm, 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 Freitas						X
Commissioner Helm	X		X			
Commissioner Kaleikini		X	X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya			X			
Chairman Watson			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Eight (8 Yes votes).						

PLANNING OFFICE

ITEM G-1 Accept the Beneficiary Consultation Report for the Hana Laulima Lahui O Ka`u Land Use Request to utilize a 10.4-acre portion of DHHL lands for Non-Homesteading Purposes in Waiohinu Ka`u, Hawai`i Island TMK 3-9-5-005:003 (por.)

RECOMMENDED MOTION/ACTION

Planning Program Manager Andrew Choy and Planner Lillianne Makaila presented the following:

Motion that the Hawaiian Homes Commission Accept the Beneficiary Consultation Report for the Hana Laulima Lahui O Ka`u Land Use Request to utilize a 10.4-acre portion of DHHL lands for Non-Homesteading Purposes in Waiohinu Ka`u, Hawai`i Island TMK 3-9-5-005:003 (por.)

The Beneficiary Consultation was held on March 10, 2023. Fourteen participants joined virtually, and three self-identified as beneficiaries. All comments were positive for the land use request from Hana Laulima Lahui O Ka`u. There were questions about other DHHL lands in Ka`u and the request that DHHL move forward with leasing and awarding agricultural and pastoral lots beyond these land use requests. There was a 30-day comment period, and no additional comments were sent to the Department or Hana Laulima Lahui O Ka`u. The next step is for the Commission's approval. Should it move forward, Hana Laulima Lahui O Ka`u will submit a Request for Entry Permit with Land Management Division for due diligence and feasibility studies.

MOTION

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

DISCUSSION

Commissioner Helm asked if there were any opposition. L. Makaila stated there were no opposing comments.

Commissioner Awo noted that the Beneficiary Consultation has only three self-identified beneficiaries, which concerned him. He asked if the Department is depriving the people of creating residential housing as part of the Department's mission to reduce the waitlist. A. Choy stated the land was recently received from DLNR via executive order, and the Department does not hold the fee title, so it is unclear if it holds the authority to issue a 99-year lease. It is not sure how much water the community center will need. The Department is working on a storage tank and a spigot for existing pastoral lessees. Commissioner Awo asked about the process and how long we are looking to get a 99-year lease. A. Choy stated he would have to ask Counsel whether another state agency transferred lands via executive order, if the Department was authorized to issue a 99-year lease.

Chair Watson stated the Department is working with DLNR and HHFDC to identify lands suitable for homesteading. This is a little different.

ACTION

Moved by Commissioner Teruya, 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 Freitas						X
Commissioner Helm			X			
Commissioner Kaleikini		X	X			
Commissioner Ka`upu			X			
Commissioner Namu`o			X			
Commissioner Neves			X			
Commissioner Teruya	X		X			
Chairman Watson			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously. Eight (8) Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-3 For Information Only – Appointment of Permitted Interaction Group Pursuant to HRS Section 92-2.5 and HAR section 10-2-16(b)(1), to Study and Recommend Strategies Related to Safety and Enforcement of Lease Terms and Conditions on the Hawaiian Home Lands

RECOMMENDED MOTION/ACTION

None. For Information Only. Administrative Rules Officer Hokulei Lindsey presented the following:

The group will be effective on April 19, 2023, specifically to look at how the Department and Commission can improve safety and the techniques or processes used to respond to issues in the homelands. By request, the committee members are Commissioners Patty Teruya, Dennis Neves, and Commissioner Awo, serving as the Chairman.

DISCUSSION

Commissioner Teruya said she would step down and have Commissioner Zachary Helm sit on the FIG. Commissioner Awo stated they are good with that and to add Commissioner Makai Freitas to the committee as a member as he indicated an interest in participating.

Chair Watson stated that this is an important area and appreciated the Commissioners investigating this issue.

Public testimony – Blossom Feiteira stated she has long supported the establishment of a Compliance and Enforcement Division within the Department of Hawaiian Home Lands. She is

disappointed by the lack of support from the Legislature and asked that the PIG once again review the draft Legislation submitted at the last session to see if it needs to be beefed up more.

Public testimony – Cora Schnackenberg stated she supports what the Department is doing.

HOMESTEAD SERVICES DIVISION

ITEM D-1 HSD Status Reports

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

Homestead Services Division Administrator Juan Garcia stated there were no updates to the reports. HSD proposed a presentation to the Commission next month on the application numbers. It will include information about applicants with more than one application.

LAND DEVELOPMENT DIVISION

ITEM E-1 For Information Only – Progress Report on Ho`olehua Scattered Lots Project and Draft Environmental Assessment; Ho`olehua, Moloka`i, Hawai`i, TMK Nos. (2)5-2-005 :03; (2) 5-2-026:003; :014, :016, :017, and :003

RECOMMENDED MOTION/ACTION

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

S. Matsumoto introduced Emily Hirai to Munekeo Hiraga, Planning Consultant. She presented a slide for the Ho`olehua Scattered Lots Site Improvements.

- To create at least 12 new lots
- Potential infrastructure improvements to roadways and electrical and potable and irrigation water
- The budget for the design is \$900,000, EA is \$600,000, and the construction is \$3 million.
- May 2024 – complete environmental documentation; mid-May complete design
- Early 2025 – advertise bids for construction; mid-2025, begin construction
- Early 2026 – Construction completed

DISCUSSION

Commissioner Helm asked about the access road. S. Matsunaga stated the 1-acre and the two 3-acre lots would have direct access to Pu`ukapele Avenue. The 7.2-acre flag lots will have access through Pu`ukapele Avenue. It is still being assessed if it is on the east side or the west side. There is water fronting Pu`ukapele Avenue. E. Hirai stated part of the improvements is to build the water connections. Assessments will be made for hazardous materials for the existing structures. (technical difficulties)

Commissioner Helm stated that a beneficiary testified about vacant lots and vacant homes on lots. He thinks that it is important to get both lots to the people on the waiting list.

Chair Watson stated there recently was a resolution passed in the House. The thing to do is identify the abandoned lots and board them up, and if there is a contested case required, do it. The Department needs to submit a response 20 days before the Legislature. He asked for a list of the

abandoned homes and vacant lots. The Department has to tear them down at a minimum and re-award them.

Chair Watson stated he would like to reach out to the beneficiaries and Associations as he goes to each island. He would like to get them involved as small business guys must be interested in building replacement homes and doing the repairs. He wants to expand that to ADUs and use the NAHASDA money, not Act 279. There are all kinds of ways to do an ADU.

Commissioner Teruya stated she had taken pictures of abandoned homes in Nanakuli. S. Matsunaga stated the Department is demolishing seven homes in Keaukaha and one Anahola. Chair Watson stated the Department could not let the homes sit and deteriorate to the point they cannot be re-awarded. The Department must be proactive and immediately re-award it when it is returned, and that is where the Department has been negligent.

Commissioner Awo stated there has been an ask for a very long time from a Kahikinui community advocate for 50 lots currently vacant, and Kēōkea has 40 plus vacant lots. A testifier recommended a PIG to take a deeper dive, which he thinks is appropriate. The Department can also identify what the obstacles are to providing a remedy. Chair Watson expressed his appreciation that the Commissioners are willing to step up.

DAG Kau cautioned the Commissioners that because the topic is about the Moloka`i scattered lots, the Commission needs to keep the conversation to the scattered lots since that is the agendized item.

Note: Slide presentation attached.

ITEM E-2 For Information Only – Draft Environmental Assessment and Anticipated Finding of No Significance, Na`iwa Agriculture Subdivision, Ho`olehua-Pala`au

RECOMMENDED MOTION/ACTION

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

S. Matsunaga introduced Kelly Staples of Orin Powell, who presented the PowerPoint slides on the Na`iwa Agricultural Subdivision. She walked the Commission through the slides on the Draft Environmental Assessment, which is in progress, the criteria for the FONSI to satisfy Chapter 343 and the Project Schedule.

DISCUSSION

Commissioner Helm asked about the non-potable water and if the Moloka`i Irrigation System (MIS) was not in the area. S. Matsunaga stated MIS has a line going partially up Pala`au Avenue and is discussing with the Department of Agriculture (DOA) on connect from that point. The cost is included as part of the project. Commissioner Helm asked if it was part of Act 279 funding. S. Matsunaga stated the 16 new agricultural leases could be Act 279, but the other 50-lots are awarded and would not be eligible.

Commissioner Ka`upu stated that slide-6 showed three options, residential, ag, or a combination on the lots. Is it for all the lots, or is it unique to this ag subdivision? S. Matsunaga stated under the agricultural leases. You need to cultivate 2/3 before you can build a residence. Commissioner Ka`upu asked if that would not apply to this subdivision. S. Matsunaga stated the Department

would have to look at the 1986 leases and what they provided. The qualification was to farm subsistence. J. Garcia stated you must do Ag, and it is an option to build a dwelling.

Note: Slide presentation attached.

ITEM E-3 For Information Only – Moloka`i Project Updates

RECOMMENDED MOTION/ACTION

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

S. Matsunaga stated that the Ho`olehua Water System's proposed objectives are to improve water delivery reliability and functionality; address water pressure issues; address fire protection deficiencies; improve water system safety and security and reduce energy costs. The focus is getting the water lines and improvements in place.

Kalaniana`ole Hall, the Governor has released the funds, and \$500,000 is for improvements including but not limited to termite fumigation and ground treatment, foundation work as needed, new floor sheathing and tiles, and roof repair and sealing if needed.

Kehaulani Quartero stated the Ho`olehua Veteran's Center is for common use by the Moloka`i Veterans and Moloka`i Homestead use. This is being funded through Legislative appropriation, and it has been encumbered.

Act 88, invented by Act 248, provides \$1 million to the Moloka`i Homestead Farmers Alliance for the Lanikeha renovations, including sewers and restrooms.

Act 125 SLH requires upgrade conversion of sewer cesspool by 2050 unless exempted. There are 119 septic tanks and 403 cesspools, as identified by Hawai`i Engineering Group.

DISCUSSION

Public testimony – Yama Kaholoaa stated he has a little experience with septic tanks and elaborated on it. He asked what the Commission's vision is for each respective island today. He stated no need to answer now. Act 153, regarding the cesspool. It is a burden to the beneficiaries to convert to septic because it can run thousands of dollars. He stated he read that grant monies would be given to a few. What about the other rest? He has lived in Ho`olehua for 40 years and never had to pump his cesspool once. All he must do is dig another hole, which will last another 40 years or more. It costs \$400 to pump the septic. He thinks the Department and Commissioners need to investigate this, find a solution, and speak up for the beneficiaries.

He asked the Commissioners, what is the difference between land tax and property tax. Hawaiians do not pay land tax; property tax is when you have a dwelling. For the property tax, one must have a permit to build an infrastructure on DHHL land, the County assesses, and the people pay to the State. Also, when on Moloka`i, take care of Moloka`i and not the other islands first.

Public testimony – Malia Greaney. Stated the Ho`olehua Water System is directly affecting her home. She gave a background on the issues for those not familiar. She believes that the main concern regarding her issues is transparency and policy and procedures on how it has progressed. She supports the project as she realizes the importance of water. Her concern is the roads near her property.

Chair Watson stated that she would be treated fairly, and the Department would do the right thing.

Public testimony – Sybil Lopez. She is Vice-Chair for the SCHHA and its Moloka`i Mokuuni representative. She gave handouts to the Commission’s Secretary, Leah, for Item E-3, the Lanikeha Center survey, and Kilia Purdy’s email. She provided Chair Watson with her priority list and Moloka`i’s six priority concerns. She supports the drainage study. She is hoping the Department creates an emergency response program. (technical difficulties).

Public testimony – Cora Schnackenberg asked if the designation of scattered lots was Ag or a combination of Ag and residential. S. Matsunaga stated it is an Ag designation. She asked regarding awarding the lots the Department did not get rid of the 1970 list of names. They still use the area designation when awarding, which she stated is inconsistent.

Note: Slide presentation attached.

ITEM E-4 For Information Only – Act 279, Sessions Laws of Hawai`i Encumbrance Status Report

Chair Watson deferred Item E-4 to tomorrow’s meeting.

WORKSHOPS

PLANNING OFFICE

ITEM G-4 For Information Only – Draft ‘Ualapu’e Kuleana Homestead Settlement Plan for ‘Ualapu’e, Moloka`i TMK (2) 5-6-002:001, 024, 025: 026: 027: 036, (2) 5-6-006:017 (por.),:040

RECOMMENDED MOTION/ACTION

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

A. Choy introduced Kawika McKeague of Group 70 Consultant, who presented the Draft ‘Ualapu’e Kuleana Homestead Settlement.

- 184 acres, priority project #1 in the 2019 Moloka`i Regional Plan
- In the planning process, then metes and bounds/road construction; on to lot offering and lease award; and then settlement
- Existing flooding and run-off due to its steep topography
- Utility responsibility of the lessee
- Moloka`i first is a strong community preference
- Preference for selection for Ōhana from Moloka`i, additional waiting time unacceptable

DISCUSSION

Public testimony – Judy Caparida. Asked Commissioners to put the people on the land, not the house on the land. Raise them with love and they become good men and women and come to help. Hawaiians come first no matter what, 2/3 of the water is for the Hawaiians. She is for ‘Ualapu’e.

Public testimony – Lori Buchanan is a resident of Moloka`i and a beneficiary. She listened to the ‘Ualapu’e presentation and noticed it had morphed over time. Initially, it was listed as 200

homes and is now down to 30 homes. She thinks the spending will be more on the subsistence type of lot than the 66 lots in Nā'iwa. She knows that most of the issues deal with water. Her contention was that the land was unsuitable for homesteading because of the soil, slopes, and 100 cultural sites. In the future, she asked that Group 70 and the Department keep in mind that may be a land swap regarding 'Ualapu'e for more suitable land.

Regarding the Veteran's Center, there has not been any other land allocation for parks in Ho'olehua. No other land was suitable for a park, and there was no discussion about the lands lost to Lanikeha and the Veteran's Center for a park in Ho'olehua.

Note: Slide presentation attached.

Items E-4, G-2, G-3, and G-5 were deferred to tomorrow's meeting.

ANNOUNCEMENTS AND RECESS

Moloka'i Community Meeting – Kūlana 'Ōiwi Halau 6:30 p.m.

RECESS

5:20 PM

HAWAIIAN HOMES COMMISSION

Minutes of April 18, 2023

Kūlana ʻŌiwi Halau, 600 Maunaloa Highway, Kalamaʻula, Molokaʻi, and
Interactive Conferencing Technology (ICT) Zoom

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

Kali Watson, Chairman
Randy K. Awo, Maui Commissioner
Makai Freitas, West Hawaiʻi Commissioner (ICT)
Zachary Z. Helm, Molokaʻi Commissioner
Michael L. Kaleikini, East Hawaiʻi Commissioner
Russell K. Kaʻupu, Oʻahu Commissioner
Pauline N. Namuʻo, Oʻahu Commissioner (ICT)
Dennis L. Neves, Kauai Commissioner (ICT)
Patricia A. Teruya, Oʻahu Commissioner

COUNSEL

Alyssa Kau, Deputy Attorney General

STAFF

Katie L. Ducatt, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Richard Hoke, Executive Assistant to the Chairman
Andrew Choy, Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact, and Awards Division Administrator
Lehua Kinilau-Cano, NAHASDA Manager
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Watson called the meeting to order at 9:45 AM. Six (6) members were present at the meeting location, and three (3) via Zoom, establishing a quorum.

A few carryover items from the Monday agenda will be taken first, followed by Public Testimony on Agendized Items and the J Agenda. The Commission will recess at noon for 30 minutes.

ITEMS FOR INFORMATION/DISCUSSION

REGULAR AGENDA

LAND DEVELOPMENT DIVISION

ITEM E-4 For Information Only – Act 279, Session Laws of Hawaiʻi Encumbrance Status Report

RECOMMENDED MOTION/ACTION

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

The information is an Implementation Progress Report as of March 31, 2023. Exhibit A is a spreadsheet broken-down by the project:

- Pu‘unani Homestead Subdivision - \$17 million; the contractor/developer has been given the notice to proceed, and the ground-breaking is in May
- Pu‘unani Homestead Subdivision offsite water tank - \$5.5 million; construction plans are being prepared and bidding out in 2023; providing 161 lots
- Honokowai Subsistence Ag Phase 1 - \$1.47 million, 50 subsistence ag lots, the project is being designed.
- Kaupe‘a in Kapolei - \$8.25 million, 60 residential lots, request for proposals are out, LDD expects to open offers on April 28
- Hanapepe Residents Lots Phase 2 – 82 residential lots for \$17.8 million

About \$200 million in development projects on O‘ahu and Maui are in progress. To date, \$53.7 million is encumbered out of the \$172.75 million allotted and released by the Governor. The total potential encumbrance is about \$250 million. The Department will request an additional allotment from the Governor once the numbers are clarified.

Two negotiations are now with Kamehameha Schools and a private landowner for the La‘i‘ōpua Villages 1 & 2, North Kona Water Development.

DISCUSSION

Commissioner Teruya asked if Kaupe‘a Park is in the Plan. S. Matsunaga stated it is something the developer must propose. The RFP is looking for a minimum of 60 units. A park would depend on how they lay out the 60 lots. Mailboxes, traffic signals, common areas, and recreation areas are also implemented.

Commissioner Teruya asked about the 142 lots near the Ewa Villages and whether the Department is purchasing the property. He said it is going through the proposal right now. S. Matsunaga stated he would have to get back to her on the specific location.

Commissioner Awo asked for an explanation about the lapse date for those who may not understand it.

S. Matsunaga stated Act 279 included a lapsing date of June 30, 2025. The Department was informed that date might not be constitutionally allowed due to the year Act 279 was enacted in Session Law 2022, the second year of the fiscal biennium, in which the Department’s normal CIP lapses 2-years henceforth, thus lapsing on June 30, 2024. It is unclear whether Act 279 funds not encumbered lapse on June 30, 2024, or June 30, 2025, as the bill states. A Legislative proposal to clarify that date formally to June 30, 2025. That Bill may not be going forward in the Senate.

Chair Watson stated the Senate had taken the position to wait and see how the Department does the first couple of years, and then they may offer an extension. They could take it back if the Department does not spend it on time. It could be a means to maintain control.

The Commission has approved the Strategic Plan, which involves 20 projects. The Department is also looking at other means to encumber those funds. If there is a change from what the

Commission has approved, it will be presented and discussed, and the Commission can decide whether to approve the changes. He anticipates other projects coming before the Commission, including expanding existing projects. We are still in the first phase of the Strategic Plan, and if we want to do more units, we will ask the Commission. If the budget ceiling provided for a particular project is doable, we will stay within that budget and increase the numbers. To meet these deadlines, the Department and staff will have to be more aggressive than the RFP approach, and that is why the Department is bringing on staff and will use the RFQ, which identifies developers. We will consolidate some of the projects which involve 700 units rather than piece-meal them and do everything one time; infrastructure, the vertical construction, and phase it more efficiently and timely.

We will be able to encumber on time and revolve some of the funds, get replacement funds and infrastructure funding, take out loans, and buy the units so the Department can take back its construction money that was loaned to the developer in certain cases, and use it on additional projects. A few lands have also been submitted for consideration, and once vetted, the Department will bring it to the Commission. There might be a workshop to go over all the different projects. Regarding the timeliness of these projects and the deadline, the Senate wants to see how the Department does in the early part. He does not call it an extension but a correction on the start and end dates consistent with Act 279.

Commissioner Awo stated the Commission has the benefit of taking a deeper dive, but the beneficiaries do not necessarily understand what is on the table. There is a difference between encumbering and spending money. The Commission wants to assure its beneficiaries that it is probably on track to get support from the Senate for the correction mentioned.

Commissioner Teruya stated proposals A, B, C, D, and E are filled in with projects on the spreadsheet for this month; were these proposals from the Department? S. Matsunaga stated in November, the Department issued a land and project development RFP (request for proposal) and received seven proposals. The proposals were received publicly and reviewed by the Department, and the recommendations were put forward to the Chairman. Before the Department accepted these RFPs, correspondence did not go out to the developers yet, so the Department could not publicly disclose the development agreements. Since then, developers have been notified, and negotiations and development agreements have begun. That is why the names now appear on A, B, C, D, and E.

Planning Manager Andrew Choy stated the Plan provided a provision to allow the Department to explore land acquisitions.

Public testimony – Blossom Feiteira. Stated her question about the funding cycle has been resolved and the impact of effort on the \$600 million allocation.

Note: Slide presentation attached.

WORKSHOPS

ITEM G-5 For Information Only – Climate Change Workshop

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Manager Andrew Choy and Lead Planner for Climate Change Nancy McPherson presented the following:

N. McPherson introduced Amy Wirts, Coordinator at the University of Hawai'i Sea Grant College Program, who offered a slide presentation.

Moloka'i climate change vulnerabilities

- Sea Level Rise-related impacts; accelerated /episodic shoreline erosion; groundwater upwelling/re-emergent springs and wet-lands
- Heavy rain events/more frequent and worse flooding of low-lying areas
- Prolonged drought/wildfire/extreme heat
- Current DHHL climate change-related projects

Amy Wirts updated the Commission on Climate Change & Sea Level Rise (SLR), anticipated impacts to Hawai'i, and mitigation and adaptation measures.

- 2017 first report done – 250 pages
- 5-year Updated report – 32 pages
- Update the science, record all the progress that the State and County have made on the recommendations from the 2017 report, and identify the gaps and areas of focus in the next five years. The 2017 report made nine recommendations; within those were 49 recommended actions aimed at improving the resiliency and adaptation for sea level rise for the State.
- Recommended focus areas for 2023 – 2027
 - Preserve Native Hawaiian culture and communities with SLR
- New Recommendations
 - Conduct a full update of the SLR vulnerability and adaptation report in 2027
 - Continue implementing the 2017 recommendations with minor edits outlined in the 2022 report update.
- The Next Step is to host a staff-level workshop and support ongoing research.

DISCUSSION

N. McPherson asked if the government is moving well to coordinate and bring the resources to State, County, and communities without being territorial. A. Wirt stated part of the workshop's goal is to try to find places where states, counties, and community groups are already working towards the same goals but do not know it. It is to coordinate, bring them to the table, amplify each other, and work forward.

Commissioner Awo stated that data collection is a dire need the State is in today, and as pointed out by N. McPherson, it is laid upon the community, but it is a global problem. He is not hearing from the Department about Plan B, which is relocation, which has to be started now.

Public testimony – Walter Ritte stated the hardest hit area was Kapaakea, which came from the mountain, and mud covered the highway. The Kapaakea community convinced the Mayor to help stop the mud from coming down from the mountain. The Mayor sent his Public Works Director, who diverted the water into a basin to create a spillway so the mud would settle into the basin and the clean water would go into the ocean. What is missing is a commitment from DHHL to join the County for a solution. They are meeting, and the hope is DHHL will join them. The community will help slow down the water by building small dams. Commissioner Helm echoed Mr. Ritte's concern.

Chair Watson drove around Moloka'i with Commissioner Helm and noticed good soil. One of the ideas was for homesteaders to help themselves to the soil, take it to their lot, and use it. It is

spooky that in less than 75 years, the ocean has risen 3-4 feet. Relocation is one solution, and I plan where to relocate.

Note: Slide presentation attached.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

PT-1 Princess Maka`ahoa

Leases were not about the kingdom but about allotting lands to the people. Makaahoa testified anyone not on the lease is no longer a beneficiary, but the current beneficiaries are those waiting on the list. M. Hoa is a kingdom subject who applied for a homestead in 2000. Still waiting on the waiting list for 23 years.

PT-2 Pat Kahawaiola`a

P. Kahawaiola`a is the current President of the Keaukaha Community Association. A beneficiary received an award in 2006/2007 with water lines placed in the middle of the driveway. That is not pono. Who oversaw the work when it was being done when a contractor from Ewa Beach was building the home? He stated the driveway was there before the water meter. Who oversees that the occupants get proper help?

He stated 100 years ago, this was a pilot project, and 103 years later, we are beneficiaries of the Trust, whether on the waitlist or the land. It bothers him that the staff creates the RFPs and brings them to the Commission.

PT-3 DeGray Vanderbilt - Kalaupapa

D. Vanderbilt is a long-time resident of Moloka`i and recently moved to Maui with his partner of 33 years, Valerie Munson. He is a founding member of the Kalaupapa Ohana and works on the Kalaupapa Memorial as the Compliance and Legislative Coordinator. He speaks on behalf of himself on issues about Kalaupapa.

One of the issues is a transitional team. A cooperative agreement exists between the Department of Health (DOH) and the National Park Service (NPS). The DOH is in charge of administering at Kalaupapa, and then it will be transitioned over. NPS presumes it will be in charge of where things go from there, which he thinks is contrary to what topside beneficiaries and Moloka`i patients want. The committee was formed, and the name changed to the Kalaupapa Interagency Transition Committee. It comprised a few state and two federal agencies but no top side native Hawaiian organizations or native Hawaiian organizations at Kalaupapa, Ka Ohana O Kalaupapa. He is testifying with a heavy heart as his good friend Ivy Kahilihiwa passed away, leaving only eight people with the right to live at Kalaupapa. There should be topside committees on it. Community engagement has been eroded, and something needs to be done. He hopes the Kalaupapa working group formed by the Commission will be at the next meeting to learn about community engagement and the NPS role.

PT-4 Ainaaloha and Skippy Ioane

A. Ioane updated the Commission on the forward movement of the settlement plan and the kuleana homesteading of King's Landing. They have been meeting with the Planning Office every month and feel uplifted regarding their settlement plan and the kuleana homesteading

project. She also thanked the Land Management Division for helping remove non-MAHA people from King's Landing and for working with the County to secure the gate for King's Landing.

PT-5 Cora Schnackenberg

C. Schnackenberg is Moloka'i representative of the Association of Hawaiian Home Lands. In 2005 they were involved in the development of the Island Plan. One of the recommendations was that the homesteaders depended on subsistence living and were off the grid. The wait listers will be happy when they get their land.

PT-6 Iwalani Kadowaki

I. Kadowaki is thankful for living another day, and that waitlisters got \$600 million to get off the waitlist. She hopes the Commission will move faster for those who are kupuna and have been waiting. Something is very wrong if folks are on the waitlist for decades.

PT-7 Wayde Lee

W. Lee testified as a fourth-generation homesteader. He came before the Commission 10 years ago for land so they could plant their feedstock for biodiesel, which is kukui nut. They are now in Phase 2 of Kaleinaulu, Pacific Biodiesel, and its concept is to;

- Create a sustainable employment infrastructure through the cultivation of bio-compatible produce biodiesel manufacturing, distribution, and byproduct utilization
- Provide a renewable green alternative to imported diesel to the island of Moloka'i
- They gave the farmers 5-gallons of biodiesel to try to see what they thought
- A 20-ft container is ready for distribution as DHHL does not have industrial land to put the container on so the farmers can access it. They are trying to acquire land from Moloka'i Ranch.
- They have on and off-road fuel
- The indigenous plant is the kukui nut, but they will take the byproducts of peanut, sunflower, and soybeans
- Deliverables
 - Establish a cropping plan and select kukui and intercropping species
 - Execute agreements for land use and crop production
 - Install a first-phase post-harvest processing system (crushing mill)
 - Complete crop production studies that provide models for future bio-fuel crop production on Moloka'i
 - Produce biodiesel from crop trials for use on Moloka'i
- They are looking at the Pu'uopipika parcel, TMK5201-1

Note: Slide presentation attached.

PT-8 Lori Buchanan

L. Buchanan thanked Commissioners for granting an ROE for due diligence in the industrial area in Wai'anae. On April 25, 2023, they will update the Wai'anae Association on their location. The Moloka'i people will also benefit when they become established in Wai'anae as West O'ahu Funeral Services. Many people are choosing cremation over body burial. Her husband is the Coroner's Assistant, and they have been in this business for over 40 years.

Commissioner Teruya stated her concerns were hers alone and for people in the Wai`anae, Maili, and Nanakuli moku. The crematory is off the main road and next to the Wai`anae Comprehensive Medical Center. Commissioner Teruya asked if she would consider Kalaeloa.

PT-9 Walter Ritte

W. Ritte testified that water is critical to Moloka`i. The federal government gave money to build the Moloka`i Irrigation System (MIS) for homestead use. State politics took it away from the Department and gave it to DLNR because they would develop West Moloka`i, which did not happen. DLNR gave MIS to the Department of Agriculture has been using it as the only water system, and the funds would go into a general pot to help all the other guys. Every time there is a drought, the homesteaders suffer. He encouraged the Department to take back the system built for them. With all the outsiders coming in on Ranch land and using all that water, it will be difficult to stop them from using it because the Department does not own the system. The Department did not want to take it back years ago because the system was so old. Former Senator Clayton Hee put money in and started fixing the system.

He also spoke on Malama Park in Kaunakakai, which nobody wants to acquire. It is a central place where the community can unite and have their canoe races instead of going to Hale O Lono. He thinks there could be a lot of economic use with that parcel. It is a diamond in the rough.

Most important are the lands in Kalaupapa, which is the gateway to the North shore of Moloka`i. Moloka`i has 14,000 acres of one reef, which the United States Government studied as an American Treasure. Sadly, all the dirt from the mountains is going onto that reef.

PT-10 John McBryde

J. McBryde asked for a moment of silence for former DHHL Commissioner Wallace Ishibashi, who passed away in February. He went to Wally's mother's house and saw a hole in the roof with four buckets catching water coming through and another bucket next to her bed. How can the Department help her? He set up a go-fund-me program to raise money to fix her place. She qualified for NAHASDA but lost the money because they could not spend it. He estimated that it would take \$30,000 to fix the house. His contractor friend told him \$10,000 to fix the roof.

Commissioner Awo stated it would be remiss not to acknowledge former Commissioner Wally Ishibashi's contributions to the Department. Commissioner Teruya wants to make sure that there will be a follow-up.

Chair Watson stated there would be a follow-up. He also added that a turn-key unit is often out of reach for folks on retirement incomes. Beneficiaries with lower incomes can use the tax credit with the option to purchase and work with Habitat, and the Department provides the vacant lot so people can do self-help with sweat equity. A part of the \$600 million will be used to subsidize those who cannot qualify for the low-income housing tax credit (LIHTC) and the turn key. Kupuna is a different program, and we will address those needing help.

RECESS
RECONVENED

1:10 PM
1:50 PM

ITEMS FOR INFORMATION/DISCUSSION

REGULAR AGENDA

REQUEST TO ADDRESS THE COMMISSION

ITEM J-8 Faith Chase – Farmer’s Alliance

F. Chase is a full-time Kahikinui homesteader. There was an organization called the Living Indigenous Forest Ecosystems (LIFE), and out of this organization, there was an organization called Kahikinui Game and Land Management Ohana. Five years ago, KGLMO spent \$13,000 to lobby the Commission to end the aggressive and inhumane cattle eradication and succeeded in ending that operation. Last year a proposal was pushed through for ungulate eradication. The Kahikinui community is divided, and the Associations have no fluidity, continuity, or transparency. Her organization, Farmers Voice Hawai’i, is hosting a 2-day revisit of the Kahikinui community-based economic development makai management plan at UHMC.

ITEM J-9 Blossom Feiteira – Various Concerns

B. Feiteira stated beneficiaries are happy to see the number of proposed lots. There is a need for beneficiaries to be prepared for the lots when they come about. She submitted a proposal to the Commission for review.

ITEM J-11 Kekoa Enomoto – Maui/Lanai Moku-puni Council

K. Enomoto stated she had the opportunity with 250 other individuals to advocate for 2-minutes for Legislative Grants in Aid (GIA) for their respective non-profits. She witnessed Kali Watson’s confirmation as Chairman of the Department of Hawaiian Home Lands and met Deputy Katie Ducatt. She stated that Pa’upena seeks the Commission’s support for a water meter for the 127-acre Kēōkea/Waiohuli homeland track, to which Pa’upena has the right to enter.

ITEM J-12 Christine Kaehuaea – Keaukaha Right of Entry Request

C. Kaehuaea stated their objective is to request approval from DHHL to move forward on a land lease in Hilo near Target on Railroad Avenue for a temporary manufacturing site. Stargazers Industries is her company to build tiny houses. They aim to offer affordable housing with water, filtration, full kitchen, bath, solar power, approved toilet, and smart tv. She requested that 0.5 acres be opened to Stargazers Industries for a land lease in Hilo on Railroad Avenue for a 5-year term.

Note: Slide presentation attached.

ITEM J-15 Sharmaine and Robert Taua – Nanakuli Lease Issue

S. Taua expressed their first amendment rights and reported their concerns to DHHL regarding the vandalism and trespassing on their property. They were advised that this is a civil matter and that DHHL and the Commission will not take further action.

Commissioner Teruya asked if this matter had reached the AG’s office. DAG Kau stated that the request came to the AG’s office in November 2021. The Department recommended a denial of

their contested case hearing request after looking through the evidence the Taua's provided, which included the police reports. It concluded there was no evidence to sanction a contested case hearing. The Commission received the request in April 2022 and denied the request for a contested case hearing after hearing the same evidence. Commissioner Teruya stated it had become a civil matter.

Commissioner Awo stated he would like to revisit all Taua's reports.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING

The next HHC meeting – May 15 & 16, 2023, Monday & Tuesday, Kuhio Hale, Waimea, Hawai'i

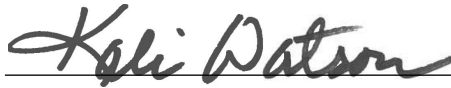
MOTION/ACTION

Moved by Commissioner Watson, seconded by Commissioner Teruya, to adjourn the meeting. Motion carried unanimously.

ADJOURNMENT

2:30 PM

Respectfully submitted:



Kali Watson, Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

Attachments:

- 1) Public Testimony – Palmer Naki
- 2) Public Testimony – Blossom Feiteira
- 3) Public Testimony – Nalani Aivao

From: [palmer naki](#)
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: [EXTERNAL] G4 Ualapue settlement plan
Date: Monday, April 17, 2023 6:53:01 PM

Mahalo for today's presentation. I oppose G4 Ualapue settlement plan for these reasons.

1. Erosion from development.
2. Desecration of sacred sites.
3. No infrastructure
4. Ruin the genuine beauty of Ualapue
5. Increase of traffic

From all the kupuna testimony today the consequences of the recent storms and all the flooding that brought mud all in there property make's me to believe that it's going to happen at Ualapue. I'm a beneficiary too and I'm not against our people have a house. UALAPUE IS NOT THE PLACE.

Aloha. Palmer naki
Sent from my iPhone

Proposal for Beneficiary Support Services
Act 279 Strategic Plan
Item 3

Act 279 passed by the Hawaii State Legislature in 2022 provides the Department of Hawaiian Homelands and the Hawaiian Homes Commission with an unprecedented opportunity to reduce the waitlist by as much as 10%.

Background:

Since the inception of the Hawaiian Homes Commission Act and the formation of the Department of Hawaiian Homelands (“DHHL”) in 1959, the State of Hawaii has had difficulty living up to the mandate of providing sufficient sums for the development of homestead lots for identified beneficiaries of the Trust.

As a result, beneficiaries had to turn to the courts to seek relief. In particular, 1994 lawsuit resulted in a settlement strategy that provided the department with 30 million dollars a year for 20 years. Over 3,000 lots were developed over the course of 20 years. Coincidentally, the waitlist also increased by 100% over the same timeline. In 2009, another lawsuit resulted in a requirement that provided sums of funds to at least address purpose #4 of the State Constitution Article 12 Sections 1-4; with an annual budget request of sufficient sums to address homestead development and the waitlist. In 2022, the legislature finally settled a 20 year lawsuit with an appropriation of 328 million dollars to compensate those that were on the list for at least 20 years. Of the 2500 plaintiffs, over 400 passed away while waiting for a decision.

In an attempt to address the inability of the department to develop lots and reduce the waitlist, the 2022 Hawaii State Legislature took advantage of a surplus of funds and enacted Act 279-An Act To Reduce the Hawaiian Home Lands Waitlist appropriating \$600 million dollars to reduce the waitlist.

Current Strategy

The Hawaiian Homes Commission (“HHC”) and the DHHL formulated a plan to deploy funds in keeping with the mandate to reduce the waitlist. It also requires that the funds be encumbered in three years.

The result of the work put forth by staff and the HHC resulting in a strategic plan providing 540 million dollars for lot development, rental housing and approximately 60 million dollars for beneficiary services that would prepare beneficiaries for an opportunity to address challenges that may prevent them from accepting a homestead award.

Since the passage of Act 279, the department has focused their efforts on developing a plan to deploy the funding in an efficient manner to achieve their goal.

Challenges

As we have seen in past offerings, while the department develops and awards lots, often times there are lots still left on the table due, in large part, to the inability of the beneficiary to qualify for the financing necessary to secure a lease.

For beneficiaries to be in position to accept an award; be it a turnkey or a vacant lot, there is a need to ensure that they are financially able to secure their award. For many, the lack of liquid assets, stable employment and money management skills are some of the barriers preventing them from achieving success.

Of a major concern and a primary barrier to success, is insufficient income. Beneficiaries who may have excellent credit, stable employment simply do not earn enough to qualify for a mortgage loan sufficient to purchase the improvement on the lot.

The department and the HHC, over the years, have developed different and innovative ways to try and address these barriers. The Kuleana Homesteading program provides for an award of raw land for those on the list that have the know-how to live a subsistence lifestyle. While this program is still struggling, it does provide an opportunity to get off the list.

The Kuhio Lease Award program (formally known as Undivided Interest Lease) can provide another opportunity for beneficiaries to not just get off the waitlist but can also provide their successors with an opportunity for the future.

Other opportunities that have moved beneficiaries forward are the Rent with Option to Purchase (RWOTP) projects. While the department and their developer partners are still working out the kinks, this program has been able to address the needs of beneficiaries who are financially deficient. Of concern is the fifteen year affordability restrictions before the lot is available to a lease award, the ability of the department to solicit beneficiaries to participate, and the need for guidance and programs that can work with these beneficiaries to prepare them for any lease opportunity that may be presented.

HUD certified housing counseling agencies in the State of Hawaii can and have been successful in helping our beneficiaries address the barriers currently before them and continue to do so. The challenge presented to these organizations however, is the inability to “find” the beneficiaries on the waitlist and help them prepare in time for them to participate in the awarding of homestead lots and the funding needed to assist beneficiaries in areas of downpayment and closing costs.

It has been a year since the Covid lockdown was lifted, and many of our beneficiaries are still in recovery mode. Their financial situation is still uncertain, given the impact of the lockdown.

With the Act 279 opportunity before us, it is even more important that we look at ways to assist our beneficiaries in moving from applicant to lessee. Success is possible if all parties involved work in sync. That includes the Commission, department, service providers and beneficiaries.

Proposed Solutions

All parties have a stake in the successful deployment of Act 279 funds and purpose. A plan that can incorporate solutions can provide a pathway for success.

The current strategy and plan lay out 20 homestead projects statewide. Listed by priority, the plan lays out projects and their estimated timeline that will lead to lots being ready for awards.

Understandably, the plan shows fluidity, taking into consideration that things may come up that could delay the completion of any given project moving forward, and so the ability of the department to establish a definitive timeline is not possible. Understanding the development process within a state agency and understanding the need to keep the timeline fluid is integral to the overall strategic plan and its deployment.

Programmatic opportunities:

The department has developed different opportunities that have and can continue to meet the overall goal of the Act. Programs such as Kuleana Homesteading, Kuhio Lease Awards, and RWOTP are a few programs that can be deployed in tandem with the existing projects. For Act 279 however, Kuleana Homesteading opportunities, while it can hit the mark, for purposes of Act 279, funding is concentrated in homestead development priorities found in the 2020 Beneficiary study.

Kuhio Lease Awards and RWOTP programs are more aligned with the current strategy.

Kuhio Lease Awards

Given the requirement that it be attached to a specific geographic location, Kuhio leases can be deployed in advance of the lot award, providing that the award is attached to an existing project contained in the strategic plan. Again, given the fluidity of the strategic plan, and further understanding that lot numbers are estimates only, the department can establish a percentage of Kuhio leases for each project, while also making lots available to those currently on the waitlist, providing that Kuhio leases are provided to those on the list the longest. This strategy preserves the integrity of the waitlist, as there will be no “jumping” of the waitlist.

This type of process allows for reduction of the waitlist and provides those on the waitlist the longest to have the opportunity to transfer their lease to a successor who would not otherwise be able to secure a lease due to the blood quantum requirements.

Rent With Option To Purchase (RWOTP)

The RWOTP was developed to assist families on the lower economic spectrum and is part of the Low-Income Housing Tax Credit (“LIHTC”) program. While HUD sets the guidelines for the program, the 15-year affordability period is governed by the Internal Revenue Code. Targeting the lower income individual, the program provides an affordable rental opportunity for 15 years. At the end of the 15-year period, the tenant is offered the opportunity to purchase the unit at a significant “discount”. The department completed one RWOTP program with great success in Kapolei and has a current project in La`i Opuu, Hawaii. They are in the process of launching their third project in La`i Opuu. Currently, the department is the only developer of RWOTP projects in Hawaii.

With its income restriction of 60% and below, and an affordability restriction period, the department and its partner developer experienced issues with and concerns about the program. Beneficiaries continue to sit on the waitlist as leases are not awarded for projects such as this until the 15-year timeframe has ended. Beneficiaries are tenants in this type of program, and therefore are subject to evictions like any other rental project. They gain no equity value during their time as a tenant, so whether they are forced to move, or volunteer to move, their status as a tenant remains the same. If a tenant leaves, a new tenant will have the opportunity to purchase when the time comes.

The department could well adopt this program without the restrictions by providing the funding necessary to advance projects of this kind. A shorter time frame with subsidies for the development means the department could forego the timeline requirements.

Using state and/or county affordable housing tax credits versus LIHTC provides some funding sources to offset development costs and allows for a higher income restriction (80% vs. 60%), opening the door to more beneficiaries on the list. The affordability restrictions that are connected to a transfer for sale can be made permanent by the department, but the opportunity to purchase is in a much shorter time frame.

One or a combination of these programs can assist in reducing the waitlist well within the time constraints of Act 279, without interfering with the existing development schedule. The concern that by combining programs such as the Kuhio Lease and RWOTP is giving beneficiaries two bites of the apple is not the problem. The problem is that the beneficiaries are not getting the apple. This proposal hopes to give them one.

Housing Counseling and Subsidies

As stated earlier, the barriers in front of our beneficiaries can be whittled down to two things: Financial status and Homeownership Preparedness.

The department can develop as many lots as possible, but the mission and purpose will not be met if beneficiaries are not financially prepared to accept a lot award. Whether they choose a vacant lot or a turnkey home, financial preparedness is crucial to their success.

The 2020 beneficiary study shows that a majority of our people on the waitlist fall in the 80% and below category, with little to no savings for down payment and closing costs. Poor credit, employment instability, and insufficient income also play a role in the beneficiary's ability to secure a homestead lease. For them to succeed, programs that can increase their understanding of the process to qualify for a mortgage loan will play an integral role in their success.

Currently, there are four federal loan programs available to beneficiaries, along with conventional financing. For those who choose a vacant lot, all programs are available, however, access to construction financing is extremely limited and comes with their own restrictions.

For the turnkey projects, Veteran's Affairs (VA), USDA Rural Development (RD) have no down payment requirements, and closing costs on average about 3-5% of the loan amount. Both programs require a loan guarantee from the department. Federal Housing Administration Section 247 (FHA 247) loans require 3.5% down payment, closing costs are approximately 5-7% of the loan amount. FHA is an insured program that requires a loan guarantee from the department. NAHASDA 184 is a loan program administered by both the department and lenders designated by HUD as 184 lenders, has no downpayment requirements and limited closing costs but also requires a loan guarantee from the department.

In addition, the NAHASDA program itself has a loan program administered by the department with zero down payment and interest rates governed by the department. This loan program is available for purchase and home repair.

Interest rates vary for each loan program, depending on the market, with RD being the most flexible. Based on an income qualification and loan amount, RD may subsidize the interest rate as low as 1% and extend the loan terms to as much as 38 years to increase the applicant's buying power.

For Interim construction financing, all loan programs are available, however, HUD restrictions provide for a cap equal to 50% of the value of the home.

Community Development Financial Institutions ("CDFI") also provide mortgage loans on Hawaiian Homelands; their down payment, closing costs and interest rates, however, are subject to the lenders policies for their respective loan program.

Restrictions are:

For VA, must be a veteran who has been honorably discharged and must be the lessee.

RD loans are income restricted with a maximum of 50% of the Area Median Income (AMI) for the county in which they will reside, and the project area must be eligible for RD funds.

Conventional and CDFI lenders require a Memorandum of Understanding (“MOU”) from the department to secure a loan guarantee.

All government loans require a mortgage insurance premium that is in place for the life of the loan. Monthly mortgage insurance premiums are added to the mortgage loan after qualification.

HUD certified counseling agencies have access to mortgage loan requirements and are able to develop a counseling plan geared towards loan qualification. Capacity building efforts identified in their plan for the client provides for longer term stability with skills training in budgeting and money management, maintenance of the home and foreclosure prevention.

These agencies are also able to seek out and deploy funds for down payment assistance such as an Individual Development Account (“IDA”). An IDA is a matched savings program that requires the client to commit to a secure deposit only savings account with a regular monthly deposit. For every dollar they save, that dollar is matched with at least 3 dollars. Funds are made available and deposited into an escrow account that will be released upon loan qualification. Should the client decide to stop participating, the client only receives their contribution. The rest is held and made available to the next eligible client.

Next Steps

Funds identified under Act 279 for beneficiary services can and should be deployed to community organizations experienced in housing counseling that would include service fees, and access to funds that can be used to assist with subsidies such as down payment, closing costs and interest rate reductions via a process developed by the organization and vetted by the department. In keeping with parity across the board, subsidies should be provided based on need, not on income.

In providing funds to our beneficiaries, it should be noted that the total of \$60,000,000 would be insufficient to both provide counseling and training and subsidies. In part, funds deployed should also be used in a way that would allow these organizations to generate more funding from outside sources to meet the need.

An allocation of \$30,000,000 from the Act 279 budget should be made available to HUD certified housing counseling agencies in Hawaii to assist in delivering services and a leveraging tool to secure additional funding as needed for subsidies.

Conclusion

As the department activates more projects identified in the strategic plan, it is more important that counseling services and subsidies are made available to beneficiaries on the waiting list. This, coupled with other lease type and housing opportunities will accelerate the reduction of the waitlist, remove the ambiguity of determining the number of qualified beneficiaries as compared to the number of available lots, and provide the department with the success needed for future legislative appropriations.

From: [Nalani Aivao](#)
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: [EXTERNAL] April 17, 2023 agenda line item G-4
Date: Monday, April 17, 2023 5:04:32 PM

Aloha Commissioners.

My name is Lenora Naki Aivao. I am born & raised on Molokai. I would like to express my stance in opposition to line item G-4 of today's agenda concerning Ualapue. One of the greatest concerns is safety. The flooding that was testified about today didn't address the area in question. Flooding of the roadways worsen the further east you go & at times, the roads become too dangerous to traverse & we sit for hours as State & County workers clear the roads enough so that we can make it through.

In case of an emergency, our kupuna needing medical assistance in a situation like this could mean a matter of life or death. The distance from our hospital is another reason this project should not be pursued. It would bring heavy burdens upon an already burdened community which lacks the proper infrastructure required for a project of this magnitude.

Power outages occur more times on the east than anywhere else on the island, putting our kupuna in very compromising positions that at their age, they shouldn't be faced with. Our kupuna are often left alone if & when possible & power outages & inoperable phone lines are a problem which in this case again, could mean the difference between life & death. I don't mean to sound so doom & gloom but we've got to face reality & be honest about this place as beautiful as it may be.

Thank you for your consideration.

Respectfully,

Lenora Aivao